

Arrearage Program

Eligibility Requirements

The arrearage program will offer support to three separate groups of recipients.

Group 1 will contain all those customers currently enrolled or on the waitlist for the Customer Assistance Discount Program.

Group 2 will contain those customers, who are not enrolled or on the waitlist for the Customer Assistance Discount Program and who are at sixty percent of the Median Family Income (\$47,460 for a family of 4). The customer base for this group includes low to fixed income populations who need greater financial support and are working with an agency with a support service structure.

Group 3 will include all other customers who are not currently enrolled or on the waitlist for the Customer Assistance Discount Program and customer's exceeding 60% of the MFI (Median Family Income). These customers must be referred to the arrearage program by a local agency that does not have a support service structure. This group of customers is likely employed/bringing in an income, and we would be able to provide additional support by contributing to their payment arrangement installment. In addition, regular residential customers' balances are likely not as high as customers in group 1.

Benefits

All customers will immediately receive incentives towards their debt where a payment match or credit will apply to the customer's account after the first month of the program: this is to ensure that customers' debt/balances begin to decrease as soon as possible and maintains customer engagement.

Customers from group 1, customers enrolled or waitlisted on the Discount Program, will be able to access Austin Energy resources to leverage other current programs to provide more comprehensive help.

The 60% MFI group (Group 2) will be able to tap into agency resources, such as case management.

Customers from group 3 will be able to access Austin Energy resources as they are being referred by an agency that does not have a support service structure.

How to apply and Auto v. Self Enrollment

Customers currently enrolled or waitlisted in the Discount program will automatically be enrolled into the arrearage program. This population of customers owns a greater portion of the current debt which requires immediate attention: auto-enrollment will streamline the process.

Customers within the 60 percent MFI group will apply through a partnering agency with support service structures to provide case management services.

Customers within the regular residential group will apply through an agency without support service structures: their selected agency will depend on their needs.

Length of Program

The arrearage amounts and lengths of time were determined based on statistical data which were defined in the following chart:

Arrearage Dollar Value	Length of Program
\$1,750 - \$3,000	12 months
\$3,001 - \$6,000	24 months
\$6,001+	36 months

The arrearage amount ranges were selected to begin at \$1,750. With an arrearage amount at \$1,750, a customer has the opportunity to obtain financial utility assistance to decrease their debt, but with limited funds dispersed throughout the community, a customer may still have an outstanding utility balance that requires further review and support.

The arrearage dollar value ranges were selected based on the number of accounts containing the corresponding arrearage value as well as how much the arrearage values accounted for the utility's debt.

Furthermore, the corresponding length of time was selected based on data showing successful completions of payment arrangements for certain arrearage amounts for a specific length of time. Austin Energy was then able to calculate that they would be contributing funds for at least 50 percent of each customer's arrearage amount.

Down payment Requirement

No customer from either group will be required to pay a down payment to participate in the arrearage program. Customers will be encouraged to get agency pledges to lower their balance prior to enrolling in the arrearage program.

Match v. Graduated Payments and Payment Amount Percentage

Customers in the Discount program and those at 60 percent MFI will be provided with graduated payments (e.g. 20/80, 30/70, then 40/60) with Austin Energy always paying the greater of the two percentage amounts: this customer base includes low to fixed income populations who need greater financial support.

Regular residential customers will have an evenly split (i.e. 50/50) payment contribution for Austin Energy: this group of customers are likely employed/bringing in an income, and we would be providing

additional support by contributing 50% of their payment arrangement installment. In addition, regular residential customers' balances are likely not as high as customers on a fixed income or in the Discount Program.

Removal from Program

Removal from the program due to one insufficient funded, missed, short or late payment was too strict. Providing the customer with 3 opportunities to have an insufficiently funded, missed, short or late payment would potentially create a situation where the customer amasses an insurmountable amount of debt, possibly more than when they first entered the program. A two strikes rule allows the customer to make and correct an error, but also an opportunity to prevent this error from occurring again.

Administration

Customers in the Discount program will be managed by Austin Energy; customers at 60% MFI will be supported through their respective agency providing support services; and regular residential customers will work with their agency that does not provide support services.