



Massachusetts Residential Utility Customers Still Owe Nearly \$100M More in Arrears Than at the Start of the Pandemic

February 2022

While, overall, utility customers are in a somewhat improved position compared to the summer of 2021, over three quarters of a million Massachusetts residential customers (794,947) were still behind on their electric or gas bills at the end of December 2021, owing nearly \$674.7 million.

This issue brief updates two reports the National Consumer Law Center (NCLC) previously released in [February](#) and [November](#) 2021 analyzing arrearage data reported by Massachusetts electric and gas companies¹ to the Department of Public Utilities in docket 20-58.² While, overall, utility customers are in a somewhat improved position compared to the summer of 2021, over three quarters of a million Massachusetts residential customers (794,947) were still behind on their electric or gas bills at the end of December 2021, owing nearly \$674.7 million. The number of Massachusetts residential customers in arrears as well as the total amount owed moved in a positive, downward direction during the second half of 2021. However, residential customers still owed nearly \$100 million more in December 2021 than at the beginning of the pandemic in March 2020 (see [chart 1](#)). COVID-19 is still having a significant impact on hundreds of thousands of

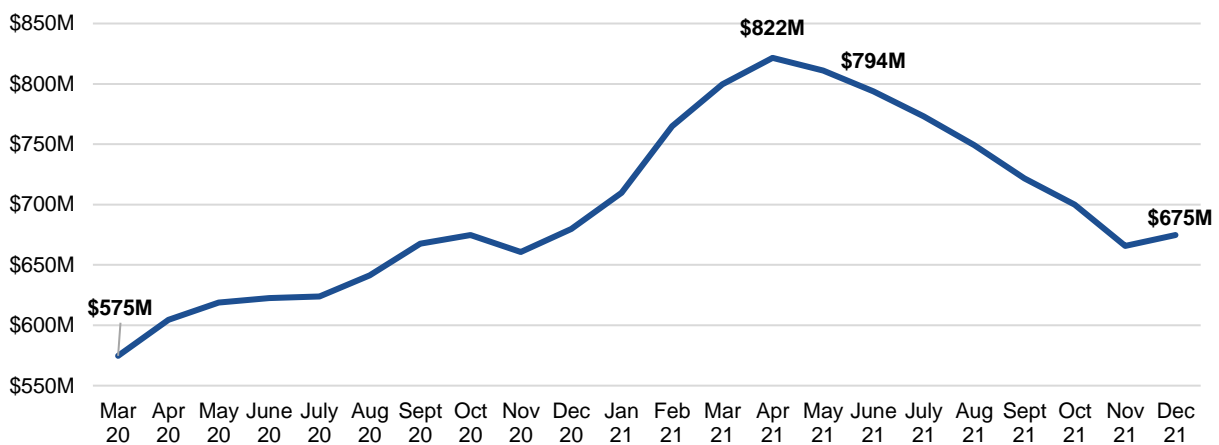
customers' ability to pay for utilities and other basic necessities. This hardship becomes even more apparent when looking at residential customers more than 90 days behind on their bills: 424,257 residential customers were more than 90 days behind on their bill, owing \$557.8 million, or 44% more (\$170.9 million) than in March 2020 (see [chart 2](#)).

When assessing the data provided in this brief update, it is important to keep in mind that unpaid bills, particularly those more than 90 days old, represent customers' inability to pay, rather than a lack of desire to make payments. Therefore, it is likely that there are many customers still on the standard residential rate³ who are indeed low-income, as evidenced by their large arrearages. While these customers may be unaware of it, many likely qualify for the discount rate and are entitled to other protections and assistance. Moreover, based on national survey data and credit and collection data available in other jurisdictions, household of color (even when adjusting for income) disproportionately experience energy insecurity – more frequent threats of termination or actual disconnection of utility service,⁴ higher energy burdens,⁵ and a greater likelihood that the household will have to forgo other basic necessities to pay an energy bill.⁶ While we do not have the zip code or census tract data necessary to assess this disparate impact in most states, including Massachusetts, the available data from a small number of states suggest that these disparities exist in most and must be addressed directly. When looking at the data provided here, it is reasonable to assume that households of color are carrying a disproportionate share of these unpaid bills and have been experiencing termination and threat of termination at a higher rate compared to white households of comparable income. It is imperative that we get access to credit and collection data that has been further disaggregated by zip code or census tract in order to identify any disparities and address them.⁷ Our previous reports include a more in-depth discussion of the likely racially disparate impact.

During the winter, standard rate residential customers are of particular concern because they remain potentially eligible for termination of gas or electric service, while discount rate residential customers are protected under the winter moratorium. Of the nearly 800,000 residential customers unable to make payments on their past due balances, 591,555 (74%) were standard rate residential customers, owing \$417.3 million, or \$50.3 million more than March 2020 (see charts [3](#) & [4](#)). There were 281,337 standard rate residential customers more than 90 days behind on their electric or gas bill in December 2021 (see [chart 5](#)), who collectively owed \$335.5 million, \$117.8 million more than in March 2020 (a 54% increase) (see [chart 6](#)). These customers, on average, owed \$1,193 each (see [chart 8](#)).

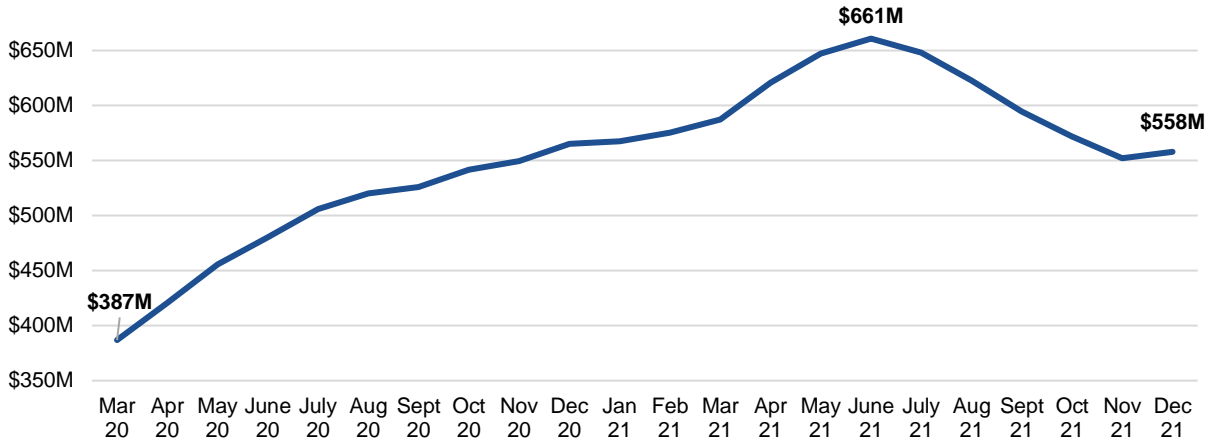
While discount rate residential customers are protected until at least March 15th from termination due to the winter moratorium (which may be extended to April 1, based on a joint request of NCLC, the Massachusetts Attorney General, the regulated gas and electric companies, and the network of fuel assistance agencies) bills are still being assessed for usage during the winter months. Customers still in arrears when the moratorium is lifted in the spring will be at great risk of losing essential service. Overall, there were 203,392 discount rate residential customers at least 30 days behind on their energy bill in December 2021 (see [chart 3](#)). These customers collectively owed \$257.4 million, about \$49.7 million more than in March 2020 (see [chart 4](#)). Of those discount rate customers in arrears, 70%, or 142,920, were more than 90 days behind. These customers owed \$222.3 million, about \$53.1 million more than in March 2020 (see [chart 7](#)), or about \$1,555 per person (see [chart 8](#)).

**Chart 1: Total Dollar Value of Arrears Owed by Residential Customers (Standard and Discount Rate Combined)
March 2020–December 2021**



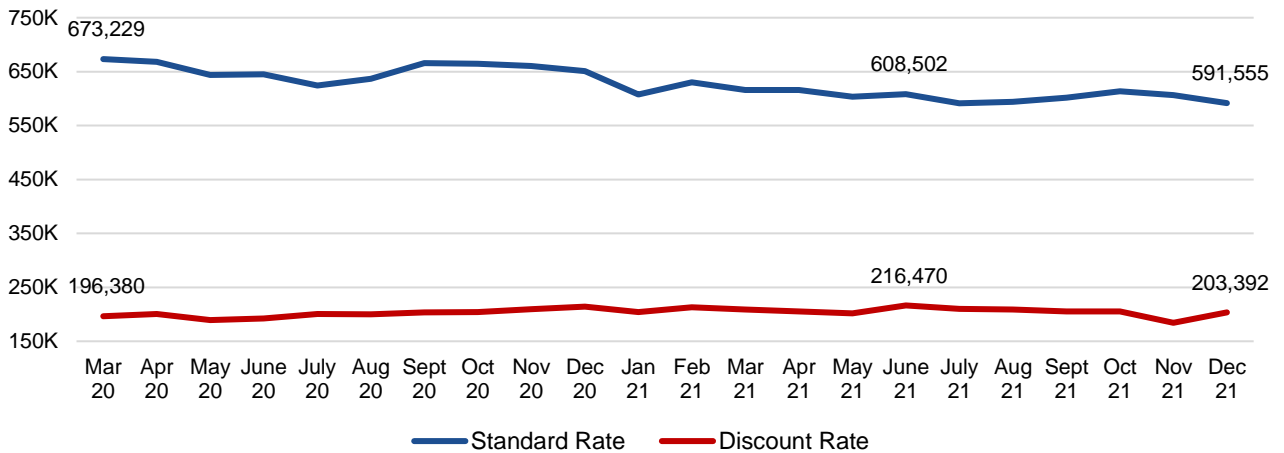
Source: National Consumer Law Center analysis of MA utilities data filed for December 2021, in DPU 20-58. Dollar value of arrears numbers are rounded.

**Chart 2: Dollar Amount of Arrears Owed by Residential Customers (Standard Rate and Discount Rate Combined) More than 90 Days Behind on Their Bills
March 2020-December 2021**



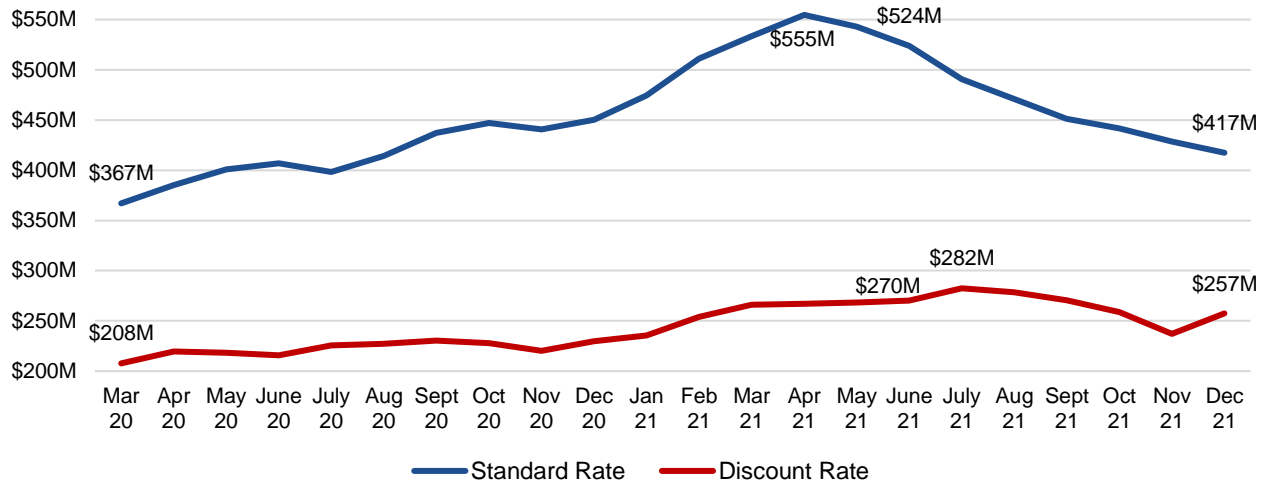
Source: National Consumer Law Center analysis of Massachusetts utilities data filed in DPU 20-58.

**Chart 3: Total Number of Standard Rate and Discount Rate Residential Customers in Arrears
March 2020-December 2021**



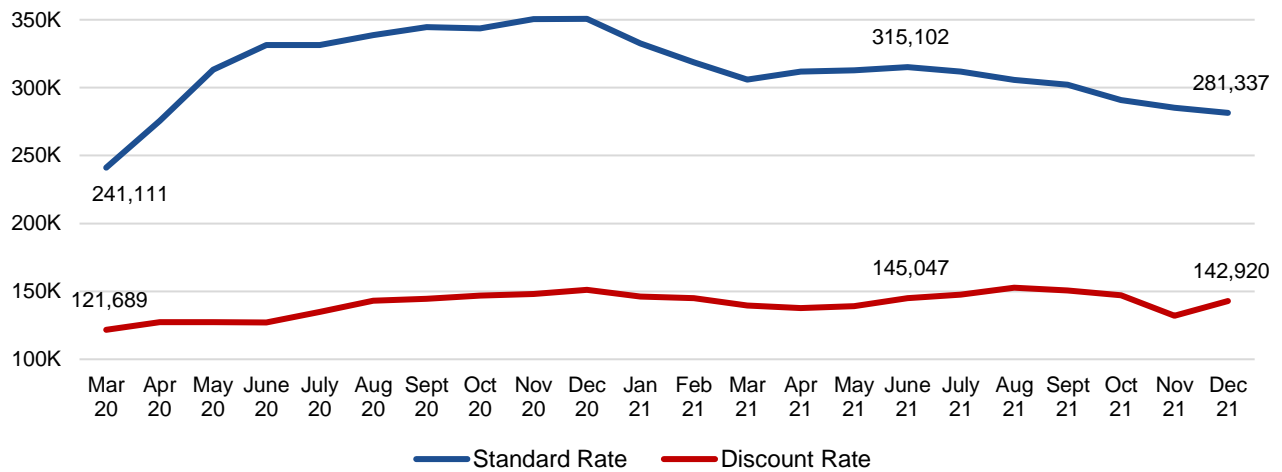
Source: National Consumer Law Center analysis of Massachusetts utilities data filed in DPU 20-58.

**Chart 4: Total Dollar Value of Arrears Owed by Discount and Standard Rate Customers
March 2020–December 2021**



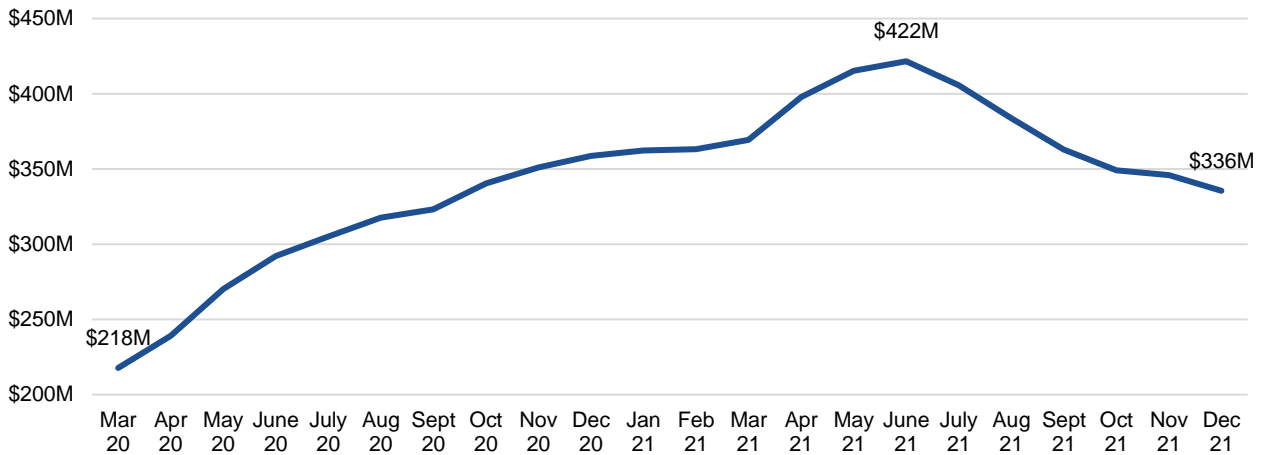
Source: National Consumer Law Center analysis of Massachusetts utilities data filed in DPU 20-58.

**Chart 5: Number of Standard Rate and Discount Rate Residential Customers More than 90 Days in Arrears on Their Bills
March 2020–December 2021**



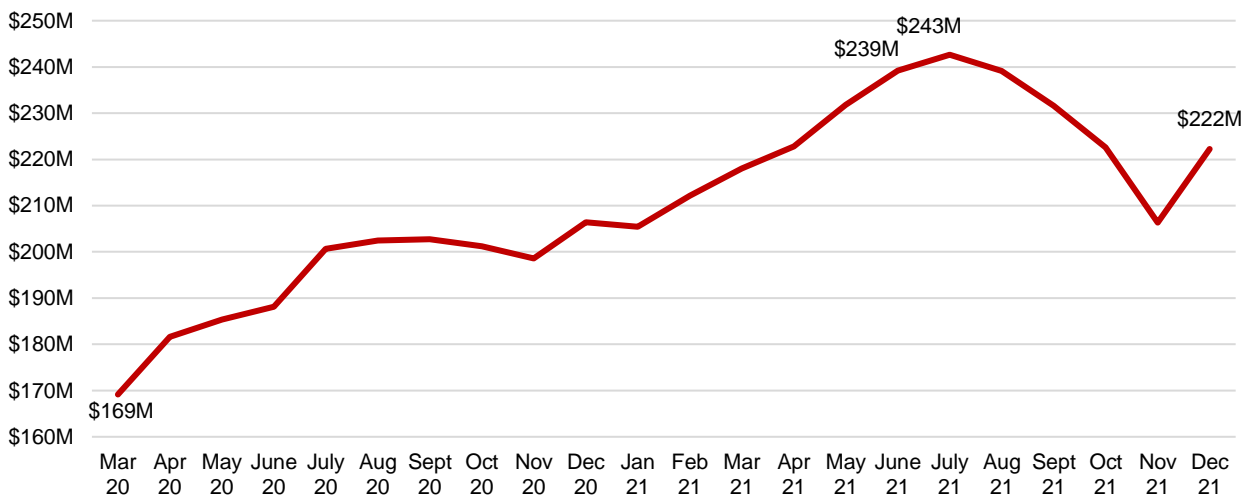
Source: National Consumer Law Center analysis of Massachusetts utilities data filed in DPU 20-58.

**Chart 6: Dollar Amount Owed by Standard Rate Customers More than 90 Days in Arrears
March 2020–December 2021**



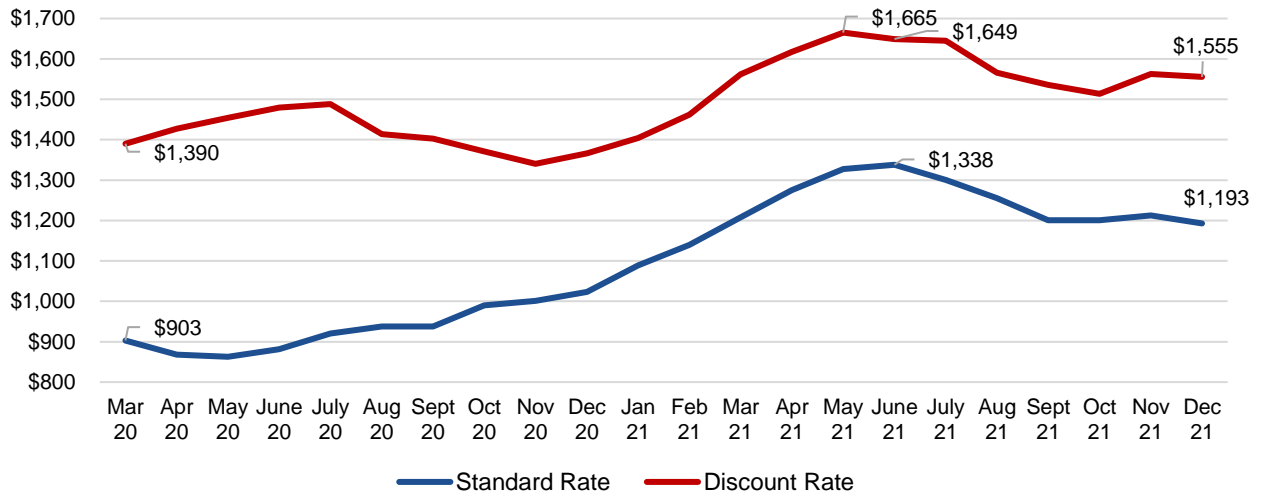
Source: National Consumer Law Center analysis of Massachusetts utilities data filed in DPU 20-58.

**Chart 7: Dollar Amount Owed by Discount Rate Customers More than 90 Days in Arrears
March 2020–December 2021**



Source: National Consumer Law Center analysis of Massachusetts utilities data filed in DPU 20-58.

**Chart 8: Average Amount Owed by Discount and Standard Rate Customers More than 90 Days in Arrears
March 2020–December 2021**



Source: National Consumer Law Center analysis of Massachusetts utilities data filed in DPU 20-58.

Endnotes

¹ These include three National Grid operating companies (Massachusetts Electric Company, Boston Gas, and Colonial Gas Company); four Eversource reporting entities (Western Massachusetts and Eastern Massachusetts Electric, Eversource Gas [formerly Columbia Gas], and Eastern Massachusetts Gas), Berkshire Gas, and Liberty Utilities. Calculations do not include data from Fitchburg Gas and Electric.

² DPU Docket 20-58, “Inquiry of the Department of Public Utilities into Establishing Policies and Practices for Electric and Gas Companies Regarding Customer Assistance and Ratemaking Measures in Connection to the State of Emergency Regarding the Novel Coronavirus (COVID-19)” (opened May 8, 2020).

³ “Standard rate residential customers” refers only to residential customers who have not been coded as low-income, and “discount rate residential customers” refers to only residential customers who have been coded as low-income. “Residential customers” refers to the aggregate of customers on the standard rate and those on the discount rate.

⁴ Environmental Resilience Institute (ERI), Indiana University, “[Survey of Household Energy Insecurity in Time of COVID Preliminary Results of Wave-2, and Wave-1 and Wave-2 Combined September 22, 2020](#)”; Steve Daniels, Crain’s Chicago Business, “[ComEd cuts off 1 in 25 households in Black South Side neighborhoods](#)” (November 17, 2020); Steve Daniels, Crain’s Chicago Business, “[One way to measure the depth of pandemic pain](#)” (October 23, 2021).

⁵ Auffhammer, Maximilian, Energy Institute Blog, UC Berkeley Energy Institute at Haas, “[Consuming Energy While Black](#)” (June 22, 2020).

⁶ Data pulled and cross tabulated by the National Consumer Law Center from the U.S Department of Energy/Energy Information Administration 2015 Residential Energy Consumption Survey Microdata (Sept. 2018).

⁷ John Howat, National Consumer Law Center, “[The Need for Utility Reporting of Key Credit and Collections Data Now and After Covid-19 Crisis](#)” (April 2020).