



## Massachusetts Discount Rate Customers Falling Farther Behind on Utility Bills

March 2025

Massachusetts families continue to struggle to afford their utility bills. With the cost of heating up this year and colder outdoor temperatures, households will be burdened with higher heating bills this winter, placing more strain on families already unable to pay their bills. Despite the consistent growth in arrears, there is less fuel assistance available this year to help customers pay down past due balances and meet current energy needs. In this report, we summarize the results drawn from our compilation and analysis of data reported in the Massachusetts Department of Public Utilities Docket 20-58, which includes available credit and collection data for Massachusetts electric and gas customers from March 2019 through September 2024.

Residential gas and electric customers owe significantly more, both in total and on average, than prior to the COVID-19 pandemic. This is true for overall arrears as well as arrears more than 90 days late. As of September 2024, residential<sup>1</sup> gas and electric customers owed more than \$832 million in past due bills and \$997 on average, both about a 75% increase compared to September 2019. Of all the residential customers behind on their bills, 50% of them were more than 90 days behind in September 2024. We are particularly concerned about these customers because they are at high risk for termination outside of the winter moratorium, which protects the accounts of discount rate customers from termination. These customers owed over \$635 million (a 72% increase over September 2019), or just over \$1,500 per customer on average (a 60% increase over September 2019). ([See Appendix A for detailed charts](#)).

This brief disaggregates arrearage data by customer class, looking at the discount rate and standard rate customers separately. As in previous reports,<sup>2</sup> discount rate customers continue to fall further behind, and there appears to be little to no improvement since the pandemic ended. Standard rate customers, on the other hand, appear to have been more impacted by the pandemic initially, as families previously able to make payments lost jobs and wages. For these customers, their arrears increased steeply throughout 2020, but, since early 2021, their arrearage levels have stabilized and even trended down, though still remain significantly higher than pre-pandemic levels. This indicates that some of the families who experienced wage or job loss during the pandemic have regained income, and that some are able to begin to dig their way out of debt.

## Context: Rising energy prices, insufficient government assistance

It's not surprising that customers are falling further behind on their energy bills. Energy prices are increasing each year. According to a late-2024 forecast by the Massachusetts Department of Energy Resources (DOER), customers who heat with gas were projected to see their heating bills increase by over 20%.<sup>3</sup> Gas is the most common heating fuel in the state, and will see the largest increase by far. DOER forecast that heating oil prices would decline by 11%, but they are actually down only 1% compared to last year, as of late January 2025.<sup>4</sup> Additionally, this winter has been colder than recent years, which will increase heating bills if families keep their homes at a safe temperature.<sup>5</sup>

As costs rise, there is less assistance for those struggling to pay their heating bills than in recent years, and it will likely be insufficient to address energy insecurity for many. Under the Home Energy Assistance Program (HEAP), the maximum amount of assistance for those who heat with oil or propane was \$1,950 for FY 24 and \$1,450 for those who heat with electricity or gas. The maximum award in FY 25 for those who heat with oil or propane fell to \$1,500, a 23% cut; the maximum award for electricity or gas dropped to \$850, a 41% cut.<sup>6</sup>

According to the 2025 HEAP guidance, a household of three must make less than or equal to \$79,470, 60% of State Median Income (SMI), to qualify for any HEAP benefits in 2025.<sup>7</sup> In the 2024 program year, nearly two thirds of HEAP recipients had earnings below 175% of the federal poverty level (FPL), the equivalent of \$45,185 for a family of three. Yet according to the MIT Living Wage Calculator,<sup>8</sup> all of these income numbers are far below what is estimated to be a "living wage" in Massachusetts. A family of three with one adult and two children would need to make \$140,222 a year for their salary to be considered livable. Even for a family of three with two working adults and a single child, each adult would need to make about \$59,033 for their family income to be considered livable.<sup>9</sup>

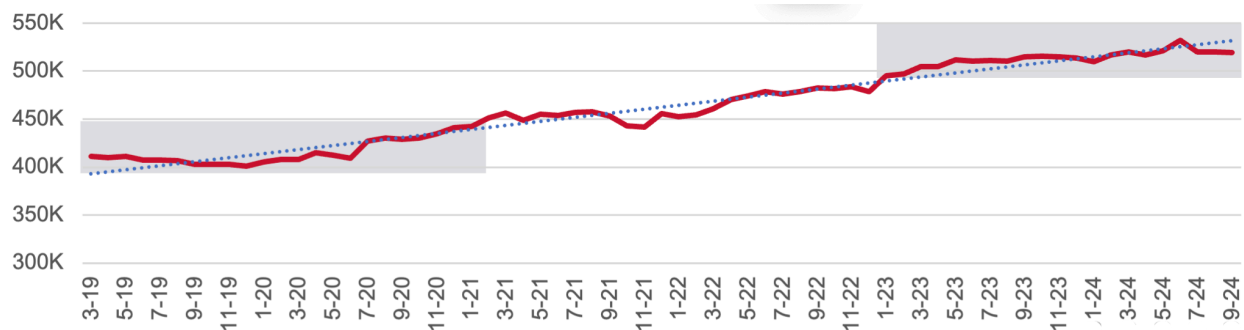
A study conducted by Forbes Advisor found that Massachusetts has the second highest cost of living in the nation, second only to Hawaii.<sup>10</sup> Housing costs in Massachusetts are so burdensome that there is often not enough money to cover energy bills. For example, a three-person household must make less than \$79,470 a year to qualify for HEAP, or about \$6,623 a month or less. According to Apartments.com the average rent in Massachusetts for a two-bedroom apartment is \$2,843,<sup>11</sup> which would account for 43% of their monthly income. For the 62% of HEAP households who have income below 175% of the FPL, rent of \$2,843 would consume 75% or more of their income.

Households face dire consequences when they are unable to pay their energy bills. Losing essential utility service makes it hard to cook meals or for children to complete their homework. Those with durable medical equipment such as ventilators or oxygen concentrators face serious health risks.<sup>12</sup> Public and subsidized housing tenants face eviction if they lose their utility service. Even if service is not disconnected, many other households experience energy insecurity. For instance, many households forgo paying for other basic necessities such as food and medicine to pay utility bills, or they keep their homes at unsafe temperatures to lower their bills.<sup>13</sup>

## Overdue Utility Bills among Low-income and Other Households

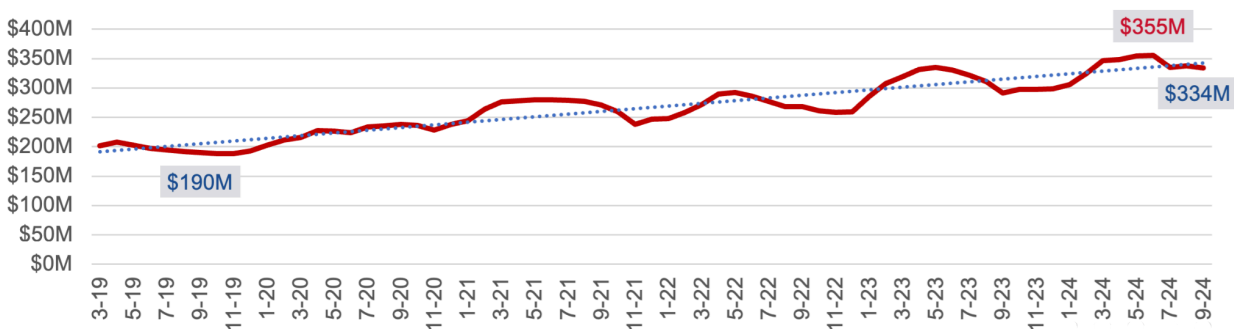
The total number of discount rate customers has been steadily increasing throughout the reporting period ([Chart 1](#)). Throughout 2019 and much of 2020 there were consistently between 400,000 and 450,000 gas and electric accounts enrolled in the discount rate.<sup>14</sup> However, this number has steadily increased so that in 2023 and 2024 there are between 500,000 and 550,000 gas and electric accounts enrolled in the discount rate.

**Chart 1: Total Number of *Discount Rate* Gas and Electric Customers by Month**  
(March 2019 - September 2024)

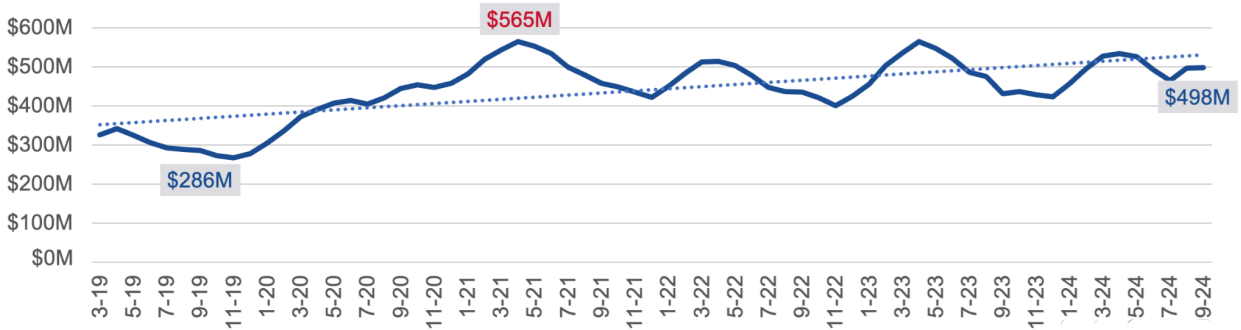


The total dollar amount of arrears held by these customers has increased throughout this time period as well, with discount rate customers owing more each year. By September 2024, discount rate customers owed nearly \$334 million in total, a 76% increase compared to September 2019 ([Chart 2](#)). For standard rate customers, the COVID-19 pandemic had more of an initial impact, which caused a ballooning of arrears throughout 2020, and has stabilized since then ([Chart 3](#)). However, standard rate customers still owe significantly more in total compared to before the pandemic - by September 2024, standard rate customers owed just over \$498 million in total, a 74% increase from September 2019.

**Chart 2: Total Dollar Value of Arrears Held by *Discount Rate* Gas and Electric Customers by Month**  
(March 2019 - September 2024)

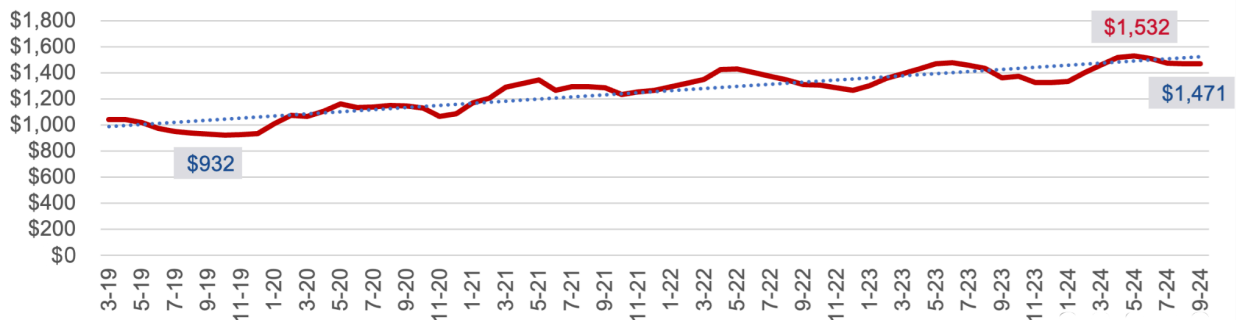


**Chart 3: Total Dollar Value of Arrears Held by Standard Rate Gas and Electric Customers by Month (March 2019 - September 2024)**

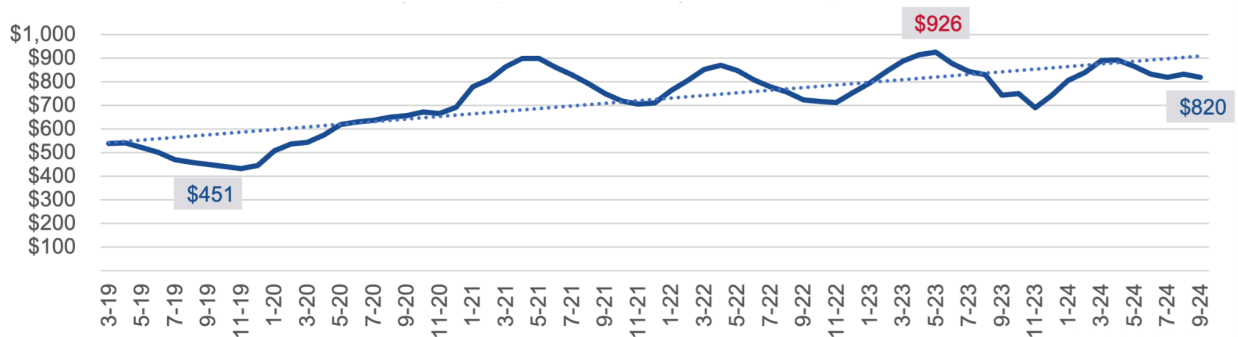


Discount rate customers have consistently owed far more on average than standard rate customers ([Charts 4](#) and [5](#)). In September 2024, the average amount owed per discount rate customer was \$1,471, while standard rate customers only owed \$820 on average. That being said, for both customer classes, the average amount owed has increased significantly compared to 2019, 58% for discount rate customers and 82% for standard rate customers.

**Chart 4: Dollar Value of Average Arrears Held Per Discount Rate Gas and Electric Customer by Month (March 2019 - September 2024)**



**Chart 5: Dollar Value of Average Arrears Held Per Standard Rate Gas and Electric Customer by Month (March 2019 - September 2024)**

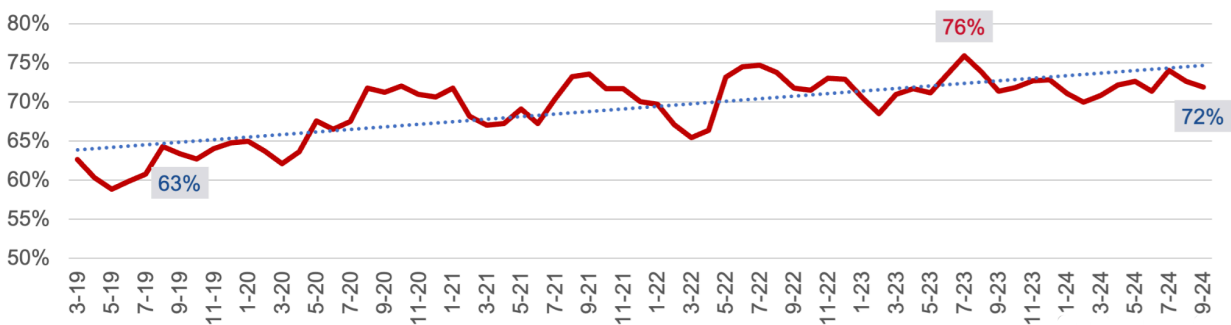


## Longer-term Utility Debt

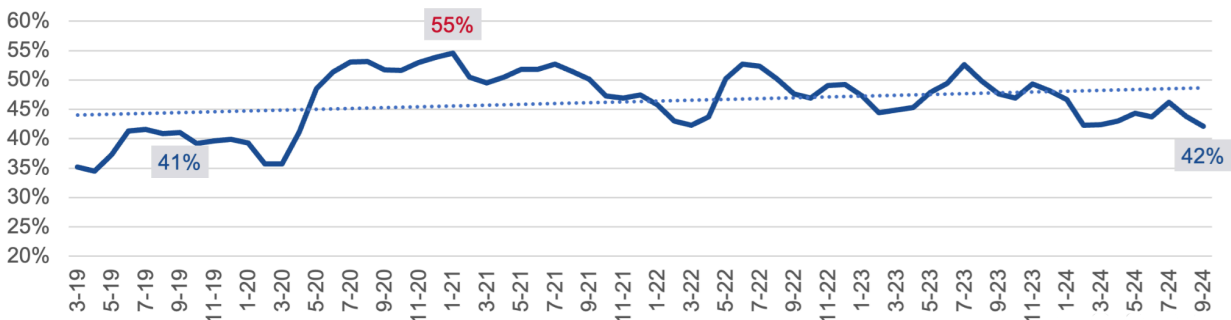
Customers more than 90 days late on their bills are at the highest risk for termination of their utility service. Generally, the trend follows what we have shown in previous reports – customers who are severely behind continue to fall farther behind. The main difference between standard rate and discount rate customers is that while the arrearages for discount rate customers have been worsening consistently, standard rate customers were impacted more severely by the pandemic.

In September 2019, 63% of discount rate customers in arrears were more than 90 days behind, but, by September 2024, the percent had increased to 72% ([Chart 6](#)). Standard rate customers follow a different pattern. In September 2019, 41% standard rate customer in arrears were more than 90 days behind. The impact of the pandemic caused this percentage to shoot up to 55% by January 2021. However, since then, the percentage has been trending down, dropping back to 42% by September 2024 ([Chart 7](#)).

**Chart 6: Percent of *Discount Rate* Gas and Electric Customers in Arrears More than 90+ Days Late by Month (March 2019 - September 2024)**



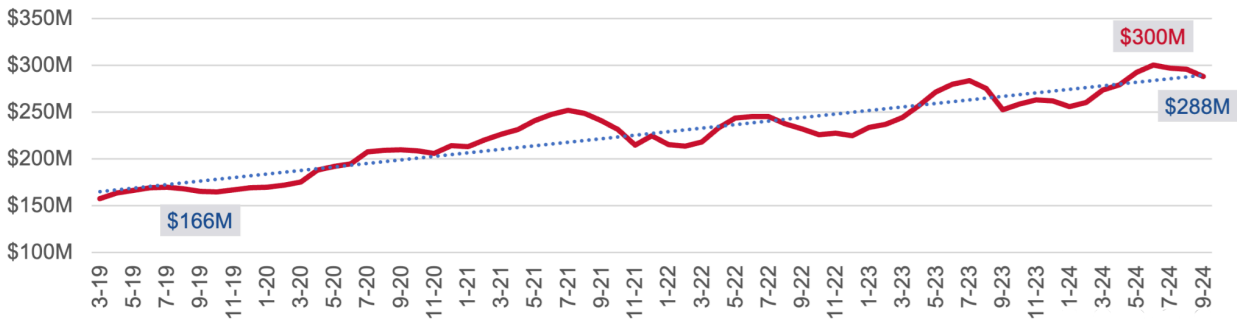
**Chart 7: Percent of *Standard Rate* Gas and Electric Customers in Arrears More than 90+ Days Late by Month (March 2019 - September 2024)**



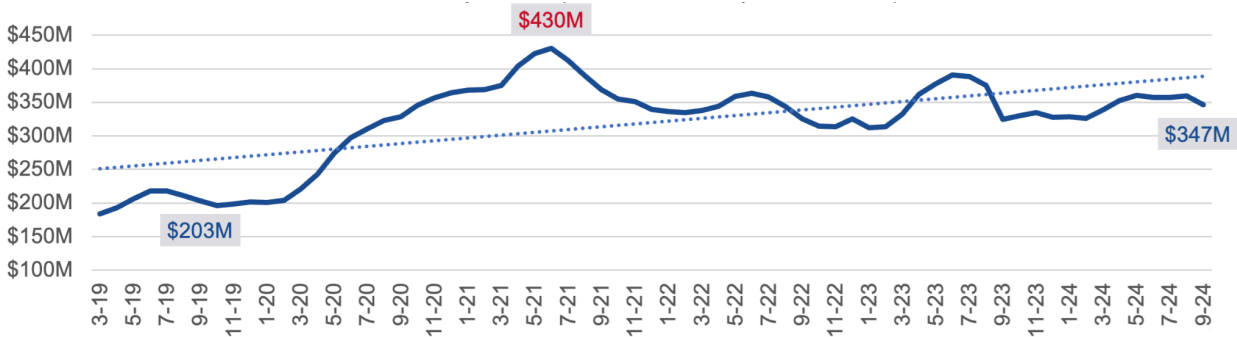
There is a strong upward trend in the total dollar amount owed by discount rate customers more than 90 days late. In September 2024, these payment-troubled customers owed about \$288 million – higher than the maximum of any previous year and just under the 2024 peak ([Chart 8](#)). This is a 74% increase from what was owed in September 2019. For standard rate customers, the total amount owed was around \$203 million in September 2019 ([Chart 9](#)). This number grew to a peak of \$430 million in May 2021, and since then has been trending down. However,

standard rate customers still owed nearly \$347 million in September 2024, a 71% increase from September 2019.

**Chart 8: Dollar Value of Arrears 90+ Days Late Held by Discount Rate Gas and Electric Customers by Month (March 2019 - September 2024)**

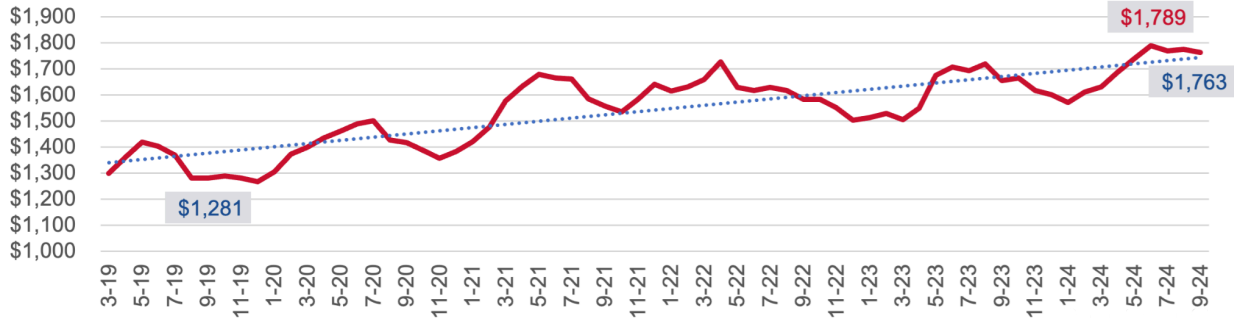


**Chart 9: Dollar Value of Arrears 90+ Days Late Held by Standard Rate Gas and Electric Customers by Month (March 2019 - September 2024)**

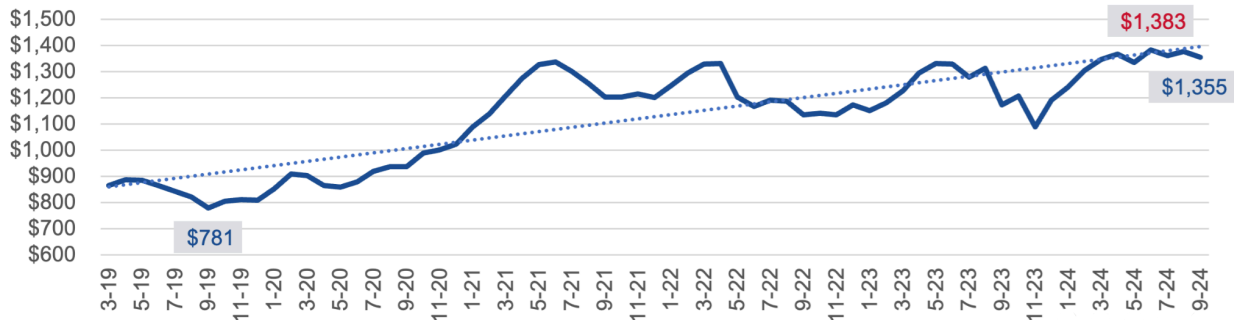


By September 2024, discount rate customers more than 90 days behind owed \$1,763 on average, while they had only owed \$1,281 in September 2019 on average ([Chart 10](#)). Standard rate customers more than 90 days behind consistently owe less on average than discount rate customers. But, unlike previous trends, in 2024 standard rate customers owed more on average than at any other time during the reporting period. In September 2024, standard rate customers more than 90 days behind owed \$1,355 on average, higher than the peak of any previous year and a 73% increase compared to September 2019 ([Chart 11](#)).

**Chart 10: Dollar Value of Average Arrears Per *Discount Rate* Gas and Electric Customer 90+ Days Late by Month (March 2019 - September 2024)**



**Chart 11: Dollar Value of Average Arrears Per *Standard Rate* Gas and Electric Customer 90+ Days Late by Month (March 2019 - September 2024)**



## Conclusion

Energy affordability, and the rising prices of gas and electric service, are currently in the spotlight in Massachusetts.<sup>15</sup> As this report describes, these affordability challenges have been present and growing for many years. We support ongoing efforts in Massachusetts to make utility bills more affordable and to protect vulnerable consumers from disconnection. For instance, the Department of Public Utilities is currently examining discount rates, disconnection protections, and related issues in D.P.U. 24-15.<sup>16</sup> The Massachusetts Division of Energy Resources has conducted its Interagency Rates Working Group to develop proposals for affordable heat pump electric rates.<sup>17</sup> Multiple efforts to reduce the expense of the gas system have sprung from D.P.U. 20-80, the Department's "Future of Gas" proceeding. We urge Massachusetts regulators, policymakers, utilities and stakeholders to continue to work together, as quickly as possible, to implement policies and programs that will reduce the high energy burdens now carried by low-income families.

For more information, contact National Consumer Law Center Research & Data Associate Anna Kowanko ([akowanko@nclc.org](mailto:akowanko@nclc.org)) and Senior Attorney Charlie Harak ([charak@nclc.org](mailto:charak@nclc.org)).



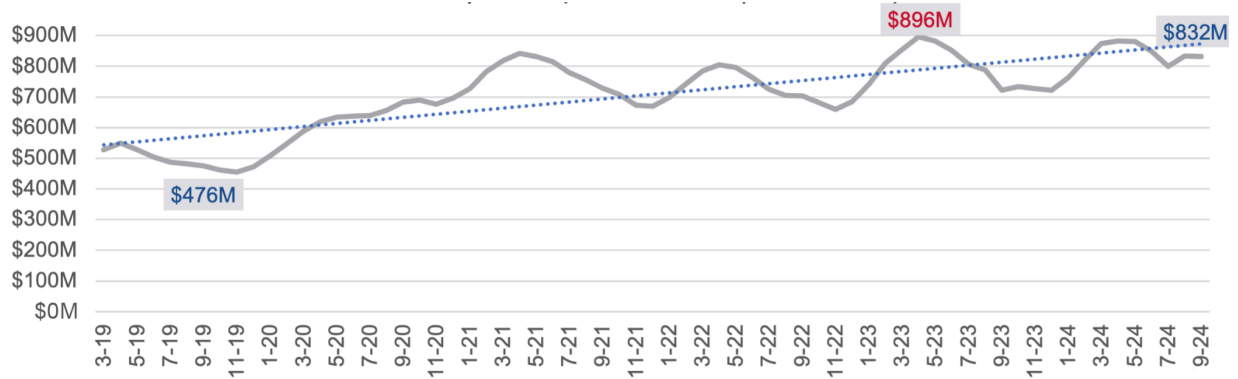
## Endnotes

1. "Residential" customers refers to the aggregate of gas and electric customers of regulated utility companies paying either the discount or standard residential rates. Municipal light plants are not included.
2. [February 2021](#); [November 2021](#); [February 2022](#); [November 2022](#); [April 2023](#); only this report includes data from small companies.
3. MA Department of Energy Resources, "[Massachusetts Household Heating Costs, Table 1: 2024/25 Estimated Space Heating Expenditures by Fuel.](#)"
4. MA Department of Energy Resources, "[Retail Heating Oil and Propane Prices – Dashboard.](#)"
5. Eric Fisher, CBS News, "[How much snow will Massachusetts get in February? See the forecast.](#)" (January 31, 2025). ("Boston just eked out a colder than average December and January is finishing 1 degree colder than average").
6. Executive Office of Housing and Livable Communities, "Fiscal Year 2025 Home Energy Assistance Program Income Eligibility and Benefit Levels" (Jan. 23, 2025)
7. Executive Office of Housing and Livable Communities, "[Cold Relief Brochure 2024-2025.](#)"
8. MIT, "[Living Wage Calculation for Massachusetts.](#)"
9. These numbers change based on location within the state as cost of living varies based on location. For example, the livable wage for a family of three in Boston jumps to \$149,573 for a single adult household with two children, and \$62,608 for a household with two working adults and one child.
10. Sury Chakraborty, Boston.com, "[Report: Mass. has the 2<sup>nd</sup> highest cost of living in the US.](#)" (July 16, 2024).
11. Apartments.com, "[Rental Market Trends in Massachusetts.](#)"
12. Carma Hassan, A New Jersey Woman on Oxygen Dies After the Power Company Shuts Off Her Electricity, CNN, July 10, 2018; Elizabeth Whitman, on a 107-Degree Day, APS Cut Power to Stephanie Pullman's Home. She Didn't Live, Phoenix New Times, June 13, 2019.
13. Data pulled and cross tabulated by the National Consumer Law Center from the U.S. Department of Energy/Energy Information Administration 2020 Residential Energy Consumption Survey Microdata (Dec. 2024). (40% of Massachusetts households that were living below poverty reported forgoing paying for necessities in order to pay home energy bills.)
14. Note that these numbers do not reflect unique customers. For example, a single household could be a National Grid customer for their gas use, and an Eversource customer for electric supply, or could have separate National Grid (or Eversource) accounts for electric and gas, and be counted as two discount rate accounts.
15. The Healey Administration [recently announced](#) proposed steps to make energy bills more affordable.
16. D.P.U. 24-15 "[Energy Burden Inquiry.](#)"
17. Mass.gov, "[Interagency Rates Working Group.](#)"

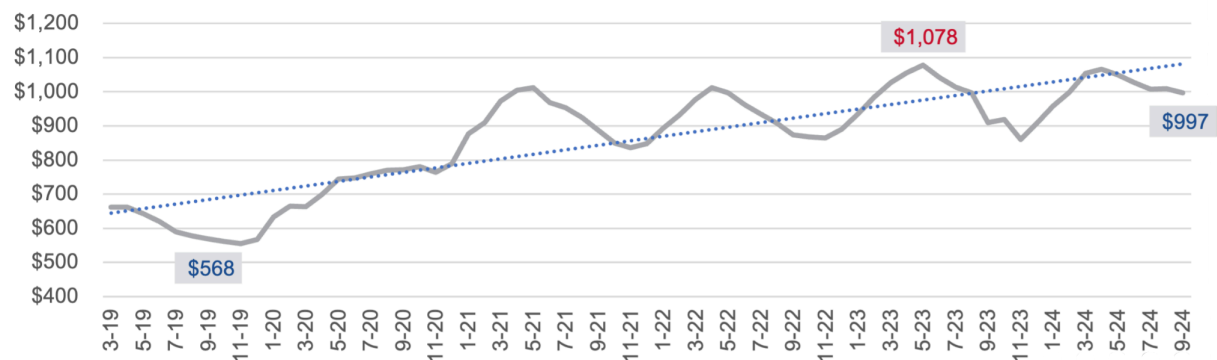


## Appendix A: Aggregated Residential Gas and Electric Arrearage Charts

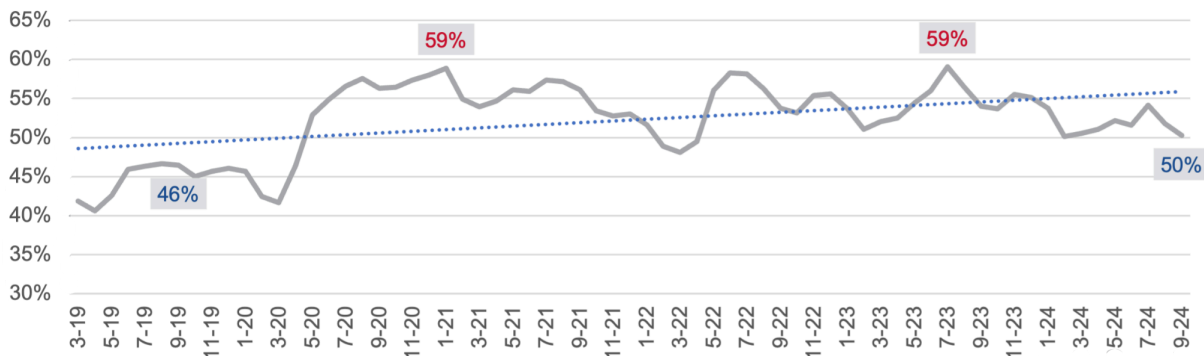
**Appendix Chart 1: Total Dollar Value of Arrears Held by Residential Gas and Electric Customers by Month (March 2019 - September 2024)**



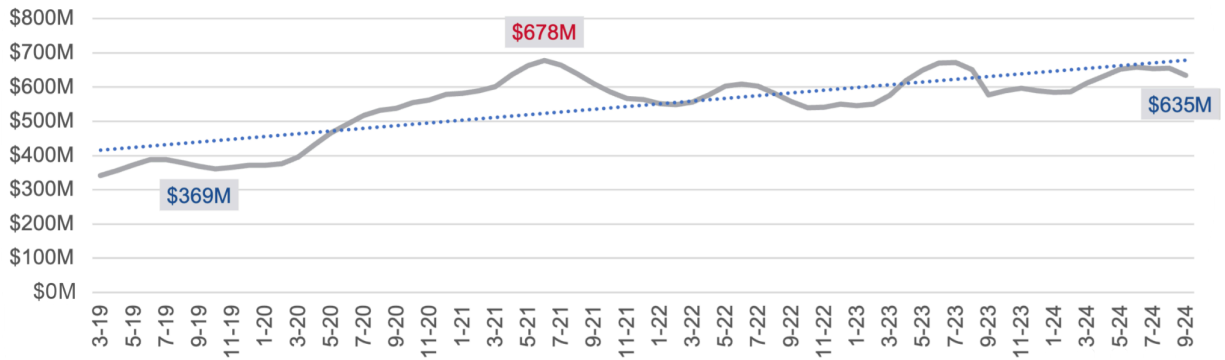
**Appendix Chart 2: Dollar Value of Average Arrears Held Per Residential Gas and Electric Customer by Month (March 2019 - September 2024)**



**Appendix Chart 3: Percent of Residential Gas and Electric Customers in Arrears More than 90+ Days Late by Month (March 2019 - September 2024)**



**Appendix Chart 4: Dollar Value of Arrears 90+ Days Late Held by Residential Gas and Electric Customers by Month (March 2019 - September 2024)**



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