UTILITY AFFORDABILITY RISK · 2026

The Wrong Measurement

Why the utility industry is misreading affordability risk, and what it costs on the balance sheet.

Affordability risk has been treated as a rate-level problem. Measured against who utilities actually serve, the risk map across 788 electric and gas utilities looks nearly the inverse of what rate levels alone suggest.

ANNUAL RECOVERABLE LOSSES

$1.1B–$3.7B

HIGHEST-RISK UTILITIES CHARGE AVG OR BELOW-AVG RATES

62%

Bad debt, excess inbound calls, and misdirected campaigns across 546 utilities are recoverable once the measurement changes.

EXECUTIVE BRIEF

Contents

The default assumption in most rate cases is that affordability is a **rate-level** question: keep rates low and a utility is defensible. That framing is intuitive, yet wrong for a significant share of U.S. utilities. The difference is not what a utility charges. **It is who its customers are.**

01 **The environment utilities are walking into** 03
The rate environment, rate-case trends & voices from the field

02 **Pressure is driven by poverty, not rate levels** 05
The finding most utility strategies miss

03 **How the PressurePoint score works** 06
One metric, six peer cohorts, four tiers

04 **The cost of the misreading** 07
$1.1B–$3.7B a year, across three levers

05 **For gas utilities, the problem runs deeper** 08
Fuel dependency changes the exposure entirely

06 **The utilities closing the gap** 09
A shared data practice, and your next step

01

THE BACKDROP

The environment utilities are walking into

Prices are climbing while households run out of room to absorb them. Every figure below is straining rate cases before affordability is even measured properly.

~40%
rise in residential electricity prices since 2021

7%
rise in 2025 alone, 2× overall inflation

$189
average monthly bill, highest JD Power has recorded

$31B
requested in rate increases in 2025, 2× 2024

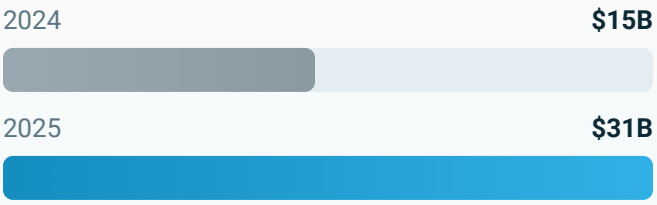
1 in 6
U.S. households behind on energy bills

$23B
in total unpaid balances

3.5M
forced disconnections in 2024, up from 3.0M

+31%
arrearage growth, Dec 2023 – Jun 2025

RATE INCREASE REQUESTS, YOY



Rate cases are taking longer to close, and commissions are demanding **more detailed affordability evidence** before approving requests. Most utilities enter this environment filing with an incomplete picture of their own exposure.

01

THE BACKDROP · CONTINUED

Rate case trends

SOURCE · BLASTPOINT PRESSUREPOINT BENCHMARK OF 600+ U.S. UTILITIES (APR 2026)

RATE CASE TRENDS · FROM THE PRESSUREPOINT BENCHMARK

01 **Steep five-year trajectories.** 80+ utilities have raised rates more than 30% over five years, together serving 43M+ customers. The steepest are all in California: Liberty Utilities (+93%), Moreno Valley (+88%), and Southern California Edison (+86%).

02 **Rate cases are getting harder for exposed utilities.** Affordability pressure directly shapes outcomes: higher-ranked utilities face longer approvals, tougher scrutiny, and less tolerance for increases.

03 **The cost drivers keep stacking.** Grid modernization, clean-energy mandates, wildfire mitigation, and infrastructure replacement all land on customers who are already financially stretched.

04 **Exposure is broad, and often hidden.** 25M+ residential customers, nearly one in four in the benchmark, sit with Most Exposed utilities; 62% of those charge rates at or below the U.S. average.

> "It's not necessarily only the low-income people who are struggling to pay their bills … it's a terrible game they have to play each month: which bill am I going to not pay?

Bill LeBlanc

Tierra Resource Consultants · formerly PG&E and EPRI

> "It's going to be super important for us to get the data to convince your leadership … We need to know where people sit that need help.

Elizabeth Paulson

Customer Assistance Supervisor, Chesapeake Utilities

Trends: BlastPoint PressurePoint benchmark of 600+ U.S. utilities (blastpoint.com, Apr 2026). Quotes: BlastPoint × Tierra Resource Consultants webinar, "**Affordability Starts with Better Data**".

THE CORE FINDING

02

Pressure is driven by poverty, not rate levels

62%

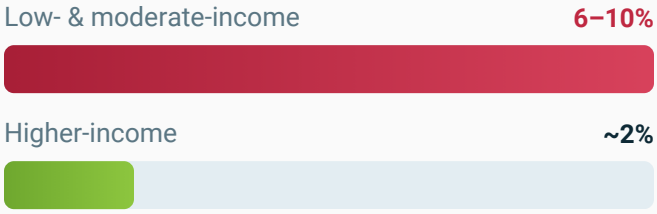
of the **Most Exposed** utilities charge **at or below** the national average residential rate.

Nearly two-thirds of utilities facing maximum regulatory exposure are **not high-rate utilities.** Their risk is not a pricing problem; it is a customer-vulnerability problem.

MOST EXPOSED UTILITIES, BY RATE LEVEL



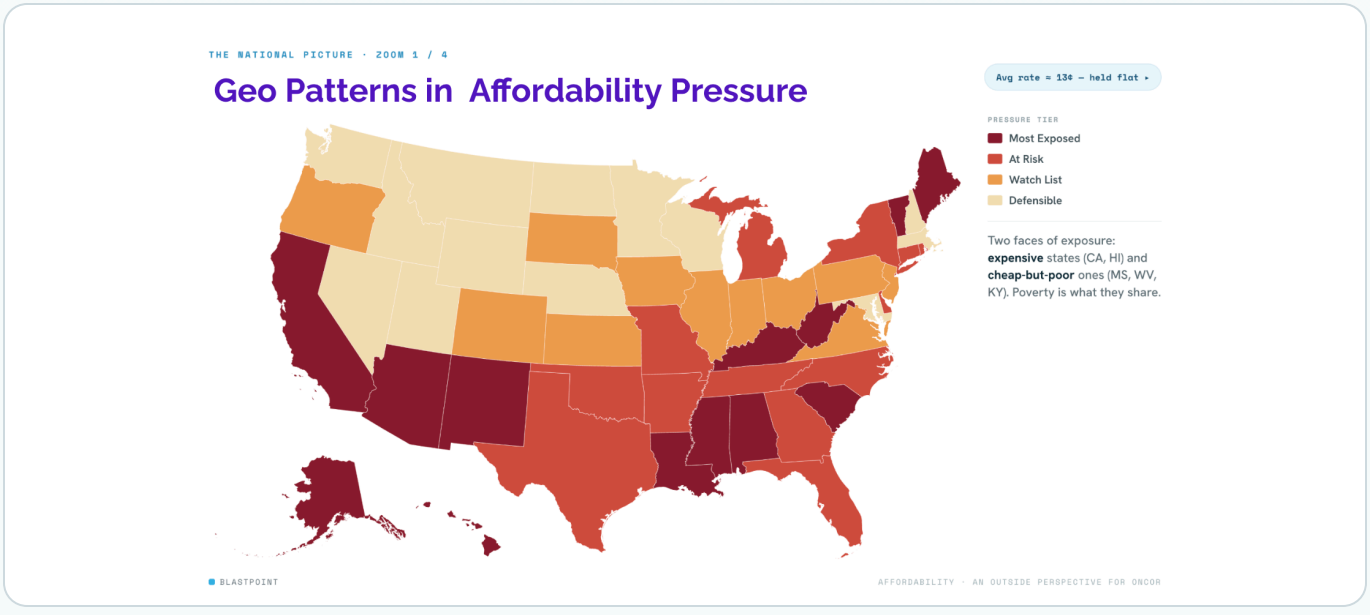
ENERGY BURDEN · SHARE OF HOUSEHOLD INCOME



Up to 5× the share paid by higher-income households. Any rate increase, even a modest one, lands on households with no buffer.

A utility suppressing rates to manage affordability optics is managing its *rate level*, not its affordability risk.

THE RISK MAP · GEO PATTERNS IN AFFORDABILITY PRESSURE



PRESSURE TIER — Most Exposed · At Risk · Watch List · Defensible

Two faces of exposure: expensive states and cheap-but-poor ones alike.

03

THE METHODOLOGY

How the PressurePoint score works

THE FORMULA

Residential rate (¢/kWh) × Fuel-weighted poverty rate (%)

The fuel-weighted poverty rate counts **only** households that both use that fuel for primary heating *and* live below the federal poverty line, not a general poverty statistic. A territory with 15% overall poverty may carry a fuel-weighted rate of 6% or 22%, depending on how lower-income households heat their homes.

Utilities are ranked within **six peer cohorts** by ownership type and customer scale, so the comparison is always against directly comparable peers. Within each cohort, that ranking produces four tiers:

TIER	COHORT POSITION	WHAT IT SIGNALS
Most Exposed	Top 20%	Highest regulatory scrutiny, highest arrearage risk
At Risk	60th–80th pct	Next filing faces questions the last one did not
Watch List	40th–60th pct	Rate trajectory is the key variable to monitor
Defensible	Bottom 40%	Stronger regulatory position, more capital flexibility

5-YR PressurePoint also tracks five-year effective rate change as a separate warning signal. A Watch List utility with a steep trajectory can be Most Exposed within two rate cycles, so model your cohort position **as it will appear after** the proposed increase, not as it appears today.

04

THE PRICE OF MISREADING

$1.1B–$3.7B leaking every year

BlastPoint calculated recoverable losses per utility across three levers, grounded in published DEFG-DLC benchmarks, then summed them across 546 utilities with EIA data.

LEVER 1

Call volume

LIHEAP-eligible customers × 2–3 calls/yr × 20–40% reduction × $11/call

LEVER 2

Bad debt

Annual revenue × 2–3% write-off rate × 10–25% recovery rate

LEVER 3

Campaign efficiency

$175,000 savings/campaign × 2–4 campaigns/year

Two findings in that distribution are worth pausing on. The first is **concentration**: the largest investor-owned utilities carry the bulk of the exposure, so a handful of remediation programs move most of the national number. The second is more counterintuitive: **a Defensible tier ranking does not mean the losses have stopped.** They simply accumulate quietly, without a rate case forcing anyone to surface them.

~50%

54 IOU Large utilities carry $509M–$1.8B, roughly half the total, despite being only 10% of the dataset.

Defensible ≠ safe

The Defensible tier collectively leaks **more** than the Most Exposed tier in absolute dollars. Being top of your cohort means the money leaks slower, not that it isn't leaking.

RECOVERABLE LOSSES · SELECTED UTILITIES

Three utilities illustrate the pattern. Note that Florida Power & Light is ranked *Defensible* in its cohort yet still carries a nine-figure recoverable range: proof that a strong regulatory position and a large leak coexist.

Consolidated Edison · New York	$19.3M–$68.2M
Southern California Edison · rates +86% / 5 yrs	$31.5M–$115M
Florida Power & Light · Defensible, 12% poverty	$38.5M–$139M

Want your utility's number? See your tier, peer rank, and the dollar range you're currently leaking.

Get Your Playbook →

GAS UTILITIES

05 For gas, the measurement problem runs deeper

THE FORMULA · GAS

Gas rate (¢/therm) **×** **Gas-heating poverty rate** (%)

Where lower-income households heat with propane or fuel oil, a gas utility's exposure is structurally **lower**. Where gas heating dominates among lower-income households, exposure is **acute, regardless of rate level.**

HIGHEST PRESSURE · NATIONALLY

Philadelphia Gas Works

Philadelphia County carries ~23% poverty, well above surrounding counties, and a large share of those households depend on gas heat. The pressure is **structural**: geography, fuel dependency, and vulnerability in the same territory.

HIGHEST · IOU MAJOR COHORT

Brooklyn Union / National Grid NY

Brooklyn's poverty rate is higher than most NYC boroughs and gas heating is predominant. The position reflects neither utility's rate decision; it reflects **who their customers are and how they heat.**

Neither utility's position is the product of a pricing decision. Both sit at the top of their peer groups because of **where they operate and how their customers heat**: variables a rate-level view cannot see. Two utilities can charge nearly identical gas rates and carry entirely different exposure, depending on whether their lower-income households heat with gas, propane, or fuel oil.

This is why a general service-territory poverty figure is misleading for gas. It averages together households the score needs to separate. The fuel-weighted rate isolates only the customers who are actually exposed to a given fuel's price, and for gas utilities, that distinction routinely moves a territory one or two tiers.

> A utility measuring affordability risk with general service-territory poverty data is not seeing its actual exposure.

WHAT WORKS

06

The utilities closing the gap share a data practice

SOURCE · BLASTPOINT PRESSUREPOINT BENCHMARK OF 600+ U.S. UTILITIES (APR 2026)

Not a program structure, but a practice. Three of them separate utilities reducing recoverable losses from those that are not.

01 **Identify eligible customers before they fall behind**
A large IOU gas utility enrolled 20% of 6,000 targeted households in weeks; terminations and call demand both fell.

+20%

02 **Predict hardship before arrears accumulate**
A Mid-Atlantic gas utility used household-level risk scoring to reach likely full-payers at the right time.

47%

03 **Document outreach in a form regulators can review**
Duquesne Light ran CAP campaigns on BlastPoint segmentation, driving engagement up to 670% above industry benchmarks: CAP page views +62%, LIHEAP +131%, open rates +9.2 pts.

670%

THE BOTTOM LINE

Get the measurement right and your next rate case looks different: auditable evidence, regulators who trust your numbers, customers who believe you're on their side.

SEE YOUR UTILITY'S EXACT EXPOSURE

See your tier, peer rank, and the dollar range you're currently leaking.
pressurepoint.blastpoint.com/playbook

New to PressurePoint? Start at **pressurepoint.blastpoint.com**

SCAN FOR YOUR PLAYBOOK

SOURCES · SELECTED

Center for American Progress (2026) · PowerLines Q4 Update (2026) · JD Power Utilities Outlook 2026 · S&P Global / RRA (2026) · NEADA Energy Hardship Project · Utility Dive (2026) · Energy & Policy Institute (2026) · Renewable Energy World (2026) · PressurePoint by BlastPoint methodology. Scores cover 602 electric and 186 gas utilities using EIA Form 861/176 and U.S. Census ACS microdata; ROI computed across 546 utilities using DEFG-DLC benchmarks. Full methodology: pressurepoint.blastpoint.com/methodology