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AARP New York Energy Survey

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Published March 2002



AARP New York Energy Survey

**Data Tabulation by Opinion Dynamics Corporation
Report Prepared by Susan L. Silberman, Ph.D.**

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Washington, D.C., 20049
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AARP is the nation's leading organization for people age 50 and older. It serves their needs and interests through information and education, advocacy, and community services, which are provided by a network of local chapters and experienced volunteers throughout the country. The organization also offers members a wide range of special benefits and services, including *Modern Maturity* and *My Generation* magazines and the monthly *Bulletin*. Active in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP celebrates the attitude that age is just a number and life is what you make it.

Acknowledgements

AARP staff from State Member Research, Knowledge Management, State Affairs, and the New York State Office contributed to the design of this study. Special thanks go to Susan Weinstock, Bill Ferris, Fred Greisbach, Gretchen Straw, Darlene Matthews, Cheryl Barnes, Joanne Binette, Jennifer Sauer, Kate Bridges, Rachelle Cummins, and Erica Dinger. Susan L. Silberman, Knowledge Management, was the project manager. For more information, contact Susan L. Silberman at (202) 434-6339.

AARP New York Energy Survey

Background

In 1996, New York began to deregulate the energy industry with the goal of introducing competition and lowering energy prices for both businesses and individual ratepayers. Prior to 1996, residential consumers purchased utility services from their local utility at terms, conditions, and prices established by the New York Public Service Commission. Six years later, it is unclear whether deregulation and restructuring have had their desired result.

New York is the only state in the nation to develop and implement electric utility restructuring without passage of a bill in the state legislature. Instead, the Public Service Commission examined each electric utility in the state and developed individual restructuring plans. As part of their deliberations on electric restructuring, the Public Service Commission determined that the consumer protections contained in the New York state law¹, under the Home Energy Fair Practices Act, should not apply to the new providers entering the marketplace in competition with the public utilities.

The AARP New York Energy Survey examines opinions and experiences on two aspects of energy deregulation: consumer protections and costs. In addition, the survey explores marketing issues and changing energy providers.

This telephone survey was conducted between January 7 and 22, 2002 with a random sample of 800 New York residents age 50 and older.

Highlights

- More than eight in ten New Yorkers age 50 and older believe it is important for citizens to have the same consumer protection “rights” when they contract with a private energy company for their gas and/or electric services as they had with their public utility.
- More than eight in ten residents surveyed support pending legislation to provide New York state citizens with the same consumer protections regardless of whether they are contracting with a private energy company or their public utility for services.
- More than eight in ten respondents support the Public Service Commission approving a proposal that requires all companies abide by the Home Energy Fair Practices Act. The rights covered under the Act include offering deferred payment plans before terminating service

¹ See Article 2 of the Public Service Law.

and the right to dispute charges and other service complaints for up to six years.

- Almost seven in ten of those surveyed would be more likely to vote for a candidate running for state office who supports legislation to provide citizens with the same consumer protections regardless of whether they are contracting with a private energy company or their public utility for services.
- Over half of New Yorkers age 50 and older have had their energy bills increase over the past three years.
- More than four in ten of those surveyed find it difficult to pay their energy bills.

Report Organization

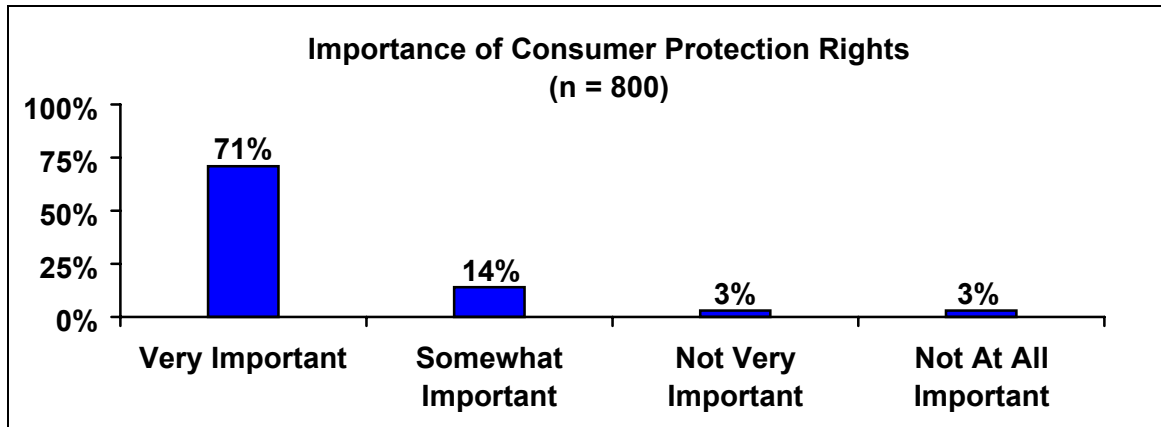
The findings section presents the survey data. The results are reported as percentages². A demographic profile of the respondents is included on page 7. An annotated questionnaire, Appendix A, discloses all survey responses.

² Percentages may not sum to 100% due to rounding. Also some graphs do not include respondents who refused to answer or said “Don’t Know.” Similarly, graphs do not include categories with less than 1% response.

Findings

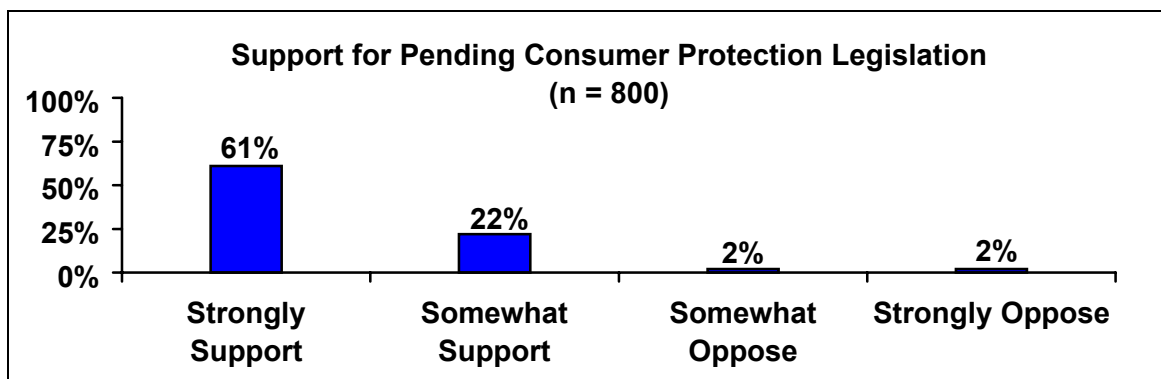
New Yorkers 50+ Believe it is Important to Have the Same Consumer Rights Whether Contracting with a Private Energy Company or Public Utility

More than eight in ten New Yorkers age 50 and older (85%) think having the same consumer protection “rights” when contracting with a private energy company or a public utility for gas and/or electric service is important. Less than one in ten New Yorkers (9%) are “not sure” about the importance of consumer rights.



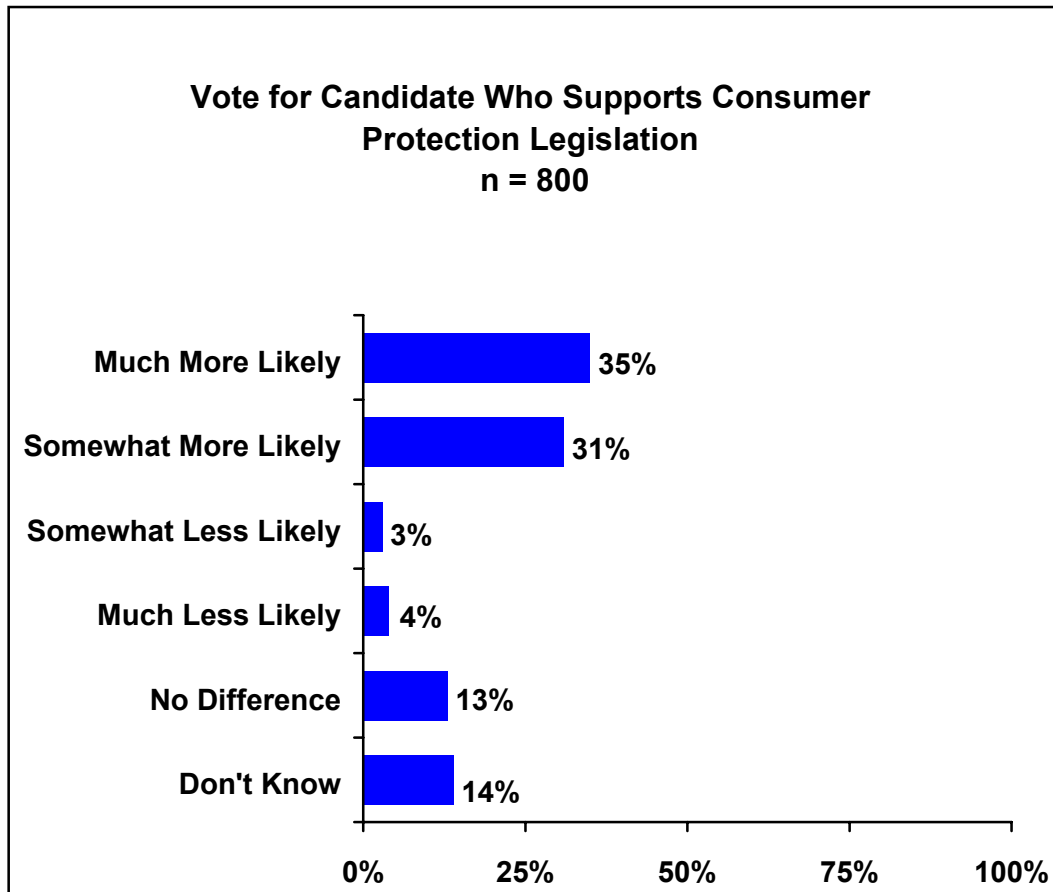
Respondents Support Pending Consumer Protection Legislation

One way to ensure consumer rights is to pass a law extending protections to citizens. New Yorkers 50 and older were asked their level of support for pending consumer protection legislation. More than eight in ten New York citizens (83%) support pending legislation to provide residents with the same consumer protections regardless of whether they are contracting with a private energy company or a public utility for services. Less than one in eight New Yorkers (13%) are “not sure” about supporting pending consumer protection legislation.



New Yorkers 50+ Would Vote for Candidates Who Support Consumer Protections for Citizens Who Contract with Private Companies or Public Utilities

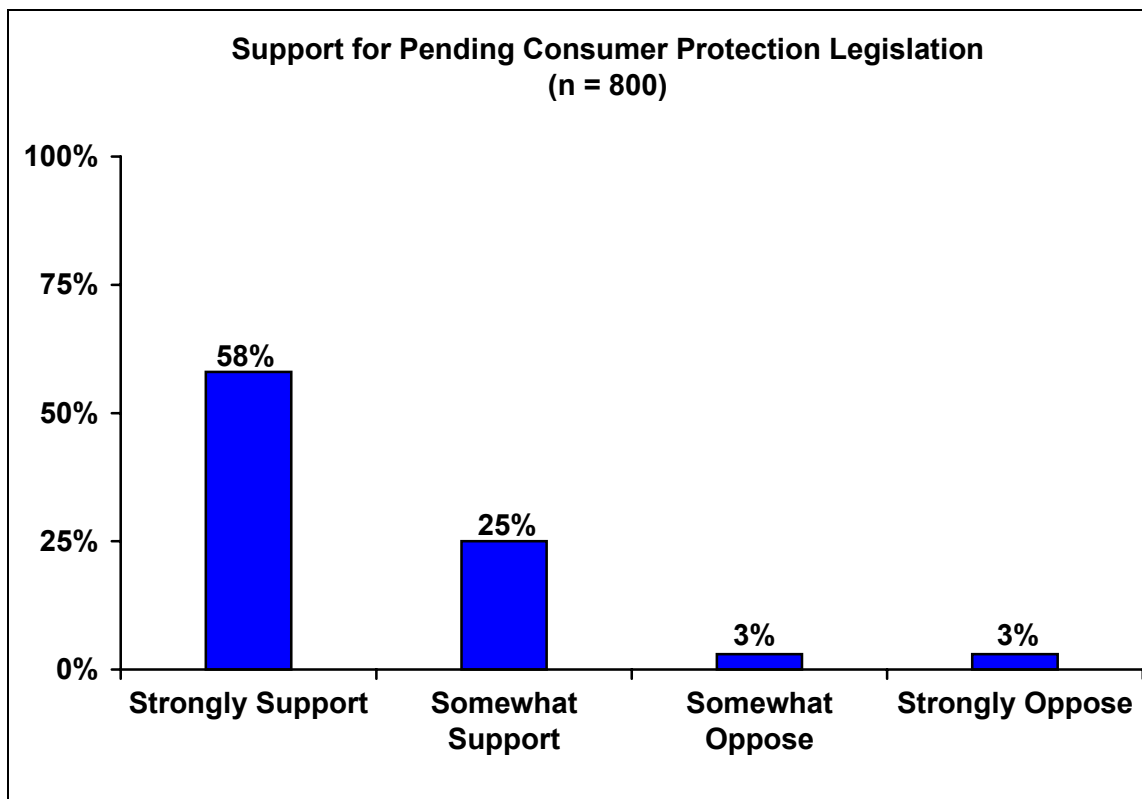
The level of importance New York respondents place on consumer protections for private and public energy users carries over to their voting behavior. Two-thirds of New Yorkers age 50 and older (66%) say they are *much more likely* or *somewhat more likely* to vote for a candidate who supports legislation to provide citizens with the same consumer protections regardless of whether they are contracting with a private energy company or a public utility for services.



New Yorkers 50+ Strongly Support the Home Energy Fair Practices Act

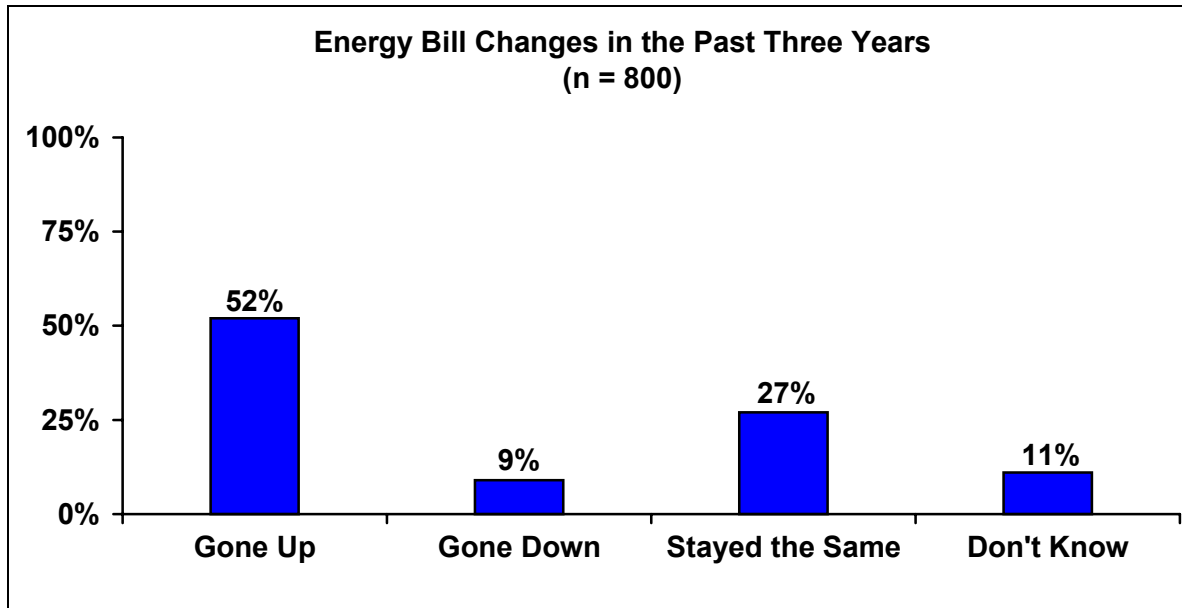
A second way to ensure consumer rights is through the regulatory process. Currently, the New York Public Service Commission is considering approving a proposal to extend consumer protections to citizens. The proposal would require all energy companies to abide by the Home Energy Fair Practices Act. The rights guaranteed under the Act include offering deferred payments plans before terminating service and the right to dispute charges and other service complaints for up to six years.

More than eight in ten New York residents (83%) support the Public Service Commission approving the proposal. About one in ten New Yorkers (11%) are “not sure” about supporting the Home Energy Fair Practices Act proposal.

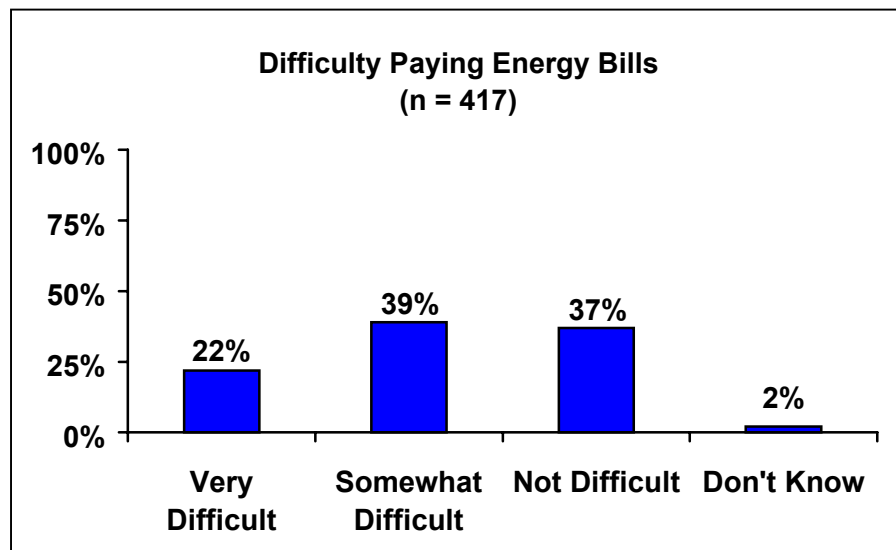


Energy Bills Have Increased, and New Yorkers Whose Bills Have Gone Up Report Difficulty Paying

In the past three years, New York residents report their energy bills have increased. More than half (52%) of those surveyed indicate their energy bills have gone up.



More than six in ten (61%) New York respondents who have had their energy bills increase have at least some difficulty paying their energy bills.



Some New York Residents Have Been Contacted by Groups Offering Lower Energy Rates and Some Have Changed Energy Providers

Almost one third (30%) of New Yorkers age 50 and older have been contacted in the last year by phone, mail, or in-person by a company or another organization offering lower electric and/or gas rates. In the past three years, 13 percent of New York consumers surveyed have changed their energy provider.

A Profile of New York Respondents

New Yorkers 50 and older are politically active. In the past ten years, 83 percent of New York respondents have voted in nearly all (67%) or most (16%) of the state elections held in the last ten years.

Eight hundred New York residents participated in the study. The majority of the respondents are Caucasian (79%), non-Hispanic (90%), married (53%), and have at least some college education (62%). More women than men (55% vs. 45%) took part in the survey. The respondents are almost evenly divided between those who are still active in the work force and those who are retired (41% vs. 49%). Forty-two percent of respondents have incomes above \$35,000. Interestingly, fifty-eight percent of those surveyed are members of AARP.

Respondents varied in the way they heat their homes. More than half of those surveyed rely on gas (55%), while another quarter (27%) use oil heat. A small portion of respondents report using “other” (8%) types of heating sources – these are probably wood and propane.

Conclusions

New Yorkers age 50 and over support consumer protections for users of energy services. They believe consumers are entitled to equal protections whether they use a private energy company or choose to continue service with a public utility. They support pending consumer protection legislation as well as a proposal before the Public Service Commission that requires all energy companies to abide by the Home Energy Fair Practices Act. New York respondents indicate their energy bills have gone up; more than half of those with increased energy bills also report difficulty in paying for the additional costs associated with high bills. Finally, New York residents surveyed would vote for candidates who support consumer protection legislation for citizens who contract with private companies or public utilities for energy services.

Methodology

AARP contracted with Opinion Dynamics Corporation, a national market research firm, to conduct a telephone survey of New York residents age 50 and older. From a random sample of 3,267 New York residents, 800 interviews were completed from January 7 – 22, 2002. The sample was weighted based on age, region and gender. The response rate is 25 percent with a cooperation rate of 90 percent³. The sampling error is ± 3.46 percent⁴. Responses to all survey questions are in the attached annotated questionnaire.

³ The response rate is Response Rate 3 and the cooperation rate is Cooperation Rate 3 from the following publication: The American Association for Public Opinion Research. 2000. Standard Definitions: Final Dispositions of Case Codes and Outcome Rates for Surveys. Ann Arbor, Michigan: AAPOR.

⁴ Sampling error means that in 95 out of 100 samples of the same size (800), the results obtained in the sample would fall in a range of ± 3.45 percentage points of what would have been obtained if every single AARP member in New York had been surveyed.

Appendix A
Annotated Questionnaire

2002 AARP New York Energy Service Companies Survey

(Unweighted n = 800 , Weighted n = 800 , Sampling Error = \pm 3.46 %)

Responses weighted by region, age and gender.

Percentages may not add to 100 percent due to rounding

Hello this is --- from Opinion Dynamics, a national opinion research firm. We are conducting an important research study among New York residents about energy issues in New York State.

(IF ASKED: This is NOT a sales call and you will not be asked to buy anything either now or later. All your answers will remain completely confidential.)

We would really like to include your opinions in our study. The survey should take only about 4 or 5 minutes to complete.

We are interested in how people of different age groups feel about energy issues. In which of the following categories is your age?

(INTERVIEWER: IF LESS THAN 50, ASK:

- 1 18 to 34**
- 2 35 to 49**
- 3 50 to 59**
- 4 60 to 74**
- 5 75 or older**
- 6 (REFUSED)**

"May I speak with a member of your household @age 50 years of age or older?"

Age Breakdown:

- a. 50-59 40%**
- b. 60-74 38%**
- c. 75+ 22%**

Main Questionnaire

In 1995, New York began to deregulate the energy industry to lower energy prices for both businesses and individual ratepayers. Deregulation allows consumers to choose an electric and/or gas generating company the same way they currently choose a long distance telephone company.

1) Within the last year, have you been contacted by phone, mail or in-person by a company or another organization offering you lower electric and/or gas rates?

30%	Yes
67%	No
3%	Not Sure (Do not read)
0%	Refuse (Do not read)

2) Within the past three years, have you changed energy providers?

13%	Yes
85%	No
1%	Not Sure (Do not read)
<.5%	Refuse (Do not read)

Currently New York State consumers who receive electric and gas service from public utility companies have guaranteed consumer rights. These rights include offering deferred payment plans before terminating service and the right to dispute charges and other service complaints for up to six years. Under the new energy policy, a person who switches from their current utility to a new company is not guaranteed the same consumer rights.

3) How important is it for citizens to have the same consumer protection “rights” when they contract with a private energy company for their gas and/or electric service as they previously had with their utility? Is it...?

71%	Very important
14%	Somewhat important
3%	Not very important
3%	Not at all important
9%	Not sure (Do not read)
<.5%	Refused (Do not read)

4) Would you support or oppose pending legislation to provide New York State citizens with the same consumer protections regardless of whether they are contracting with a private energy company or their utility for services? Do you...?

61%	Strongly support
22%	Somewhat support
2%	Somewhat oppose
2%	Strongly oppose
13%	Not sure (Do not read)
<.5%	Refused (Do not read)

5) If a candidate for state office in New York supported legislation to provide citizens with the same consumer protections regardless of whether they are contracting with a private energy company or their utility for services, would you be more likely to vote for that candidate?

35%	Much more likely
31%	Somewhat more likely
3%	Somewhat less likely
4%	Much less likely
13%	Would make no difference
14%	Don't know (Do not read)
1%	Refused (Do not read)

6) There is currently a proposal before the New York Public Service Commission that requires ALL companies to abide by the Home Energy Fair Practices Act. The rights guaranteed under the Act include offering deferred payment plans before terminating service and the right to dispute charges and other service complaints for up to six years.

Would you support or oppose the Public Service Commission approving the proposal?

58%	Strongly support
25%	Somewhat support
3%	Somewhat oppose
3%	Strongly oppose
11%	Not sure (Do not read)
1%	Refused (Do not read)

New York State deregulated the energy industry with the goal of lowering energy bills for both businesses and individual residential ratepayers.

7) In the past three years, have your energy bills gone up, gone down, or stayed the same?

52%	Gone up
9%	Gone down (skip to Q7)
27%	Stayed the same (skip to Q8)
11%	Don't know (Do not read)
<.5%	Refused (Do not read)

8) Do you find it very difficult, somewhat difficult or not difficult to pay your energy bills?

22%	Very difficult
39%	Somewhat difficult
37%	Not difficult
2%	Don't know (Do not read)
1%	Refused (Do not read)

9) Do you find it very difficult, somewhat difficult or not difficult to understand your energy bills?

14%	Very difficult
26%	Somewhat difficult
53%	Not difficult
7%	Don't know (Do not read)
<.5%	Refused (Do not read)

I just need some statistical information for demographic use and we will be done. Let me assure you the information is completely confidential.

902) What is the highest level of education you have completed?

6%	Less than high school graduate
29%	High school graduate
23%	Some college or technical school
39%	College graduate or more
3%	Refuse (Do not read)

903) What is your current marital status? Are you currently...?

53%	Married
8%	Never been married
14%	Divorced/separated
2%	Not married, living together
18%	Widowed
5%	Not sure/refuse (Do not read)

904) Now, for statistical purposes only, please stop me when I get to the category that includes your household's income before taxes in 2000.

9%	Less than \$15,000
12%	\$15,000 but less than \$25,000
10%	\$25,000 but less than \$35,000
12%	\$35,000 but less than \$50,000
14%	\$50,000 but less than \$75,000
16%	\$75,000 or more
27%	Refuse (Do not read)

905) Gender (**Do not ask, simply record from voice.**)

45%	Male	55%	Female
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906) Are you currently...?

(Read List. Record One RESPONSE)

32%	Employed full time
9%	Employed part-time
49%	Retired, not working
3%	Homemaker
2%	Unemployed and looking for work
3%	Something else
<.5%	Don't know (Do not read)
2%	Refused (Do not read)

907) Which of the following best describes your voting behavior in state elections, that is elections for New York Governor and State Legislators? Would you say you have voted in Nearly all, Most, Some or A few of the elections for New York Governor and State Legislators, held in the past ten years?

67%	Nearly all
16%	Most
5%	Some
7%	A few
1%	Don't know (Do not read)
3%	Refused (Do not read)
3%	Never voted (Do not read)

908) What is your race?

79%	White/Caucasian
10%	Black/African American
1%	Asian
1%	Native American or Alaskan Native
4%	Other
0%	Don't know (Do not read)
5%	Refused (Do not read)

909) Are you Hispanic, Spanish, or Latino?

5%	Yes
90%	No
<.5%	Don't know (Do not read)
4%	Refused (Do not read)

910) Are you or your spouse a member of AARP (**pronounce A-A-R-P**), formerly the American Association of Retired Persons?

58%	Yes
39%	No
<.5%	Don't know (Do not read)
3%	Refused (Do not read)

911) Do you heat your home with gas, oil, or electric?

55%	Gas
27%	Oil
8%	Electric
2%	Other
5%	Don't know (Do not read)
3%	Refused (Do not read)

Thank you for your time and responses to this survey.

AARP
Knowledge Management
For more information, contact Susan L. Silberman at (202) 434-6339.