

Millions Are Facing April Energy Cutoffs

by Mary Jane Freeman

Due to hyperinflated energy prices and the rapid contraction of the U.S. economy, 7 to 10 million Americans are at risk of having their energy and/or utility services shut off between now and mid-May.

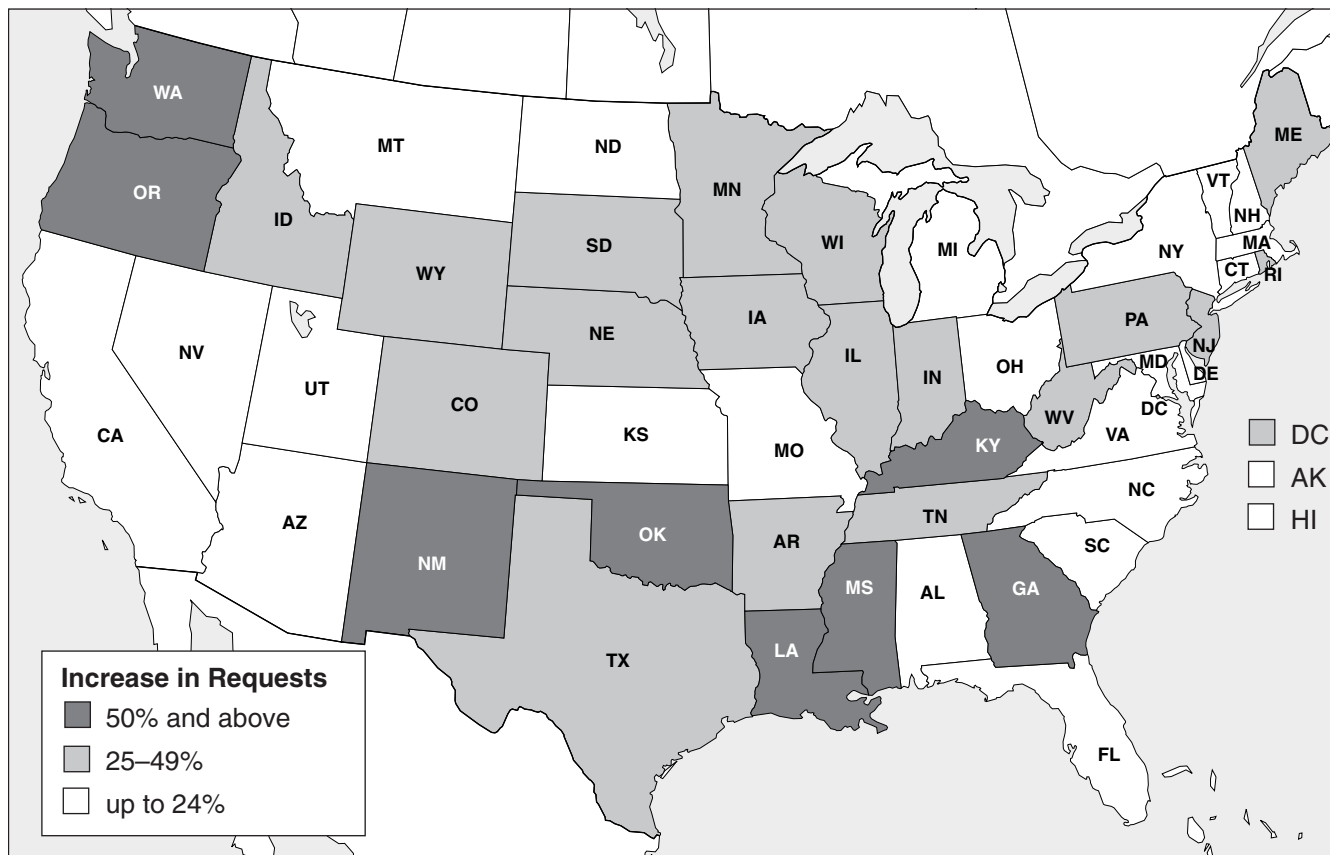
Winter moratoriums on shutoffs in most states have ended, and according to an April 5 report issued by the National Energy Assistance Directors Association (NEADA), 3.6 million families in 19 states and the District of Columbia are in arrears on their Winter energy bills and thus face probable termination of service. As of April the arrearage for these

low-income households totals more than \$870 million.

The Federal and state safety net for these Americans, the Low-Income Home Energy Assistance Program (LIHEAP), has been stretched to its limits, and the hope that President George W. Bush would be a compassionate conservative, and provide badly needed increased funding, were dashed in early April. Rather, the Bush budget proposes \$2.25 billion less than this current fiscal year's LIHEAP funding level, and is \$2.3 billion less than the U.S. Senate Budget Committee approved. The Fiscal Year 2002 fund is set at only \$1.4 billion.

Shutoff notices have been sent in at least these areas: the District of Columbia, Colorado, parts of Illinois, Kentucky, Louisiana, Minnesota, Missouri, New Hampshire, New Jersey, New Mexico, Oregon, Pennsylvania, South Dakota, Virginia, and West Virginia. South Carolina Electric & Gas Co. has already disconnected service of 15,826 Charleston-area customers. Who's receiving these cutoff notices? Primarily the elderly, disabled, or single mothers with children at home. In both New Orleans, and Harrisburg, Pennsylvania, citizens

FIGURE 1
Percent Increase in Requests for Household Energy Assistance, 2000–01



Source: National Energy Assistance Directors Association.

have organized rallies and town hall meetings in protest.

The failure to provide a safety net, particularly in the depression-like conditions that growing numbers of citizens now face, will cause sickness and death.

At Risk Across the Nation

What are the choices people have when faced with unaffordable heating bills? The NEADA reports that the state of Iowa conducted a survey of its LIHEAP recipient families a year ago. "Over 20% reported going without needed medical care or prescription drugs in order to pay their heating bills and 12% reported going without food." The conclusion: "The Iowa report documents an affordability crisis existed prior to this year's rising fuel costs." Iowa state law requires utility companies to negotiate "reasonable" payment schedules over 12 months with people facing cutoffs. If the company rejects the payment plan offered, the household can appeal to the Iowa Utilities Board. As of mid-April the state reports that 180,000 families are in arrears for more than \$34.5 million, which is more than double last year's amount, according to NEADA. Many, but not all states have some provision whereby customers can attempt to negotiate payment plans before services are cut. But even so, in the case of these low- or fixed-income households, attempting to "negotiate" paying a doubled or quadrupled energy bill, is worse than dealing with a loan shark.

The cutoff picture is not complete, however; here is what is known at present. From a compilation of NEADA data and various states' news reports, and taking just those 12 states with 50,000 or more households known to be in arrears, at the very least 3.8 million households face the potential of having

their energy and/or utility service cut in the weeks ahead (**Table 1**). As most households have at least two people living in them, thus a minimum of 7.6 million individuals could lose service if payment schedules are not accepted by utility companies and the energy bandits. Missouri cutoffs began as of mid-March and could affect 13,000 households. As of April, shutoffs are or will be imposed in these 12 states: Connecticut (12,994 at risk), District of Columbia (14,694), Georgia (200,000), Illinois (38,000), Indiana (50,000), Louisiana (76,000), Minnesota (100,000), New Jersey (276,715), Pennsylvania (250,000), South Carolina (37,000), Virginia (20,000), and West Virginia (55,000). The May cutoff states are Iowa (180,000) and Kansas (27,000).

The combination of the energy pirates' looting, a very cold early Winter, and accelerating layoffs between December 2000 and February 2001 has also increased the number of people seeking financial assistance from the LIHEAP programs. The year-on-year increase of households applying for funds is up 1.2 million, going from 3.8 to 4.96 million. The national average of increased requests over last year is 30%. Twenty states reported increases above that, and of these 20, eight of them report increases of 50% or higher (see **Figure 1**). The NEADA report reveals that many states' LIHEAP administrators have had to divert allocated funds out of weatherization, furnace repair/replacement, and cooling assistance reserves just to meet the exploding demand.

Citizens Fight Energy Cutoffs Throughout U.S.

by Brian Lantz

In the face of an April 17 deadline, when at least 25,000 New Orleans households reportedly face the cutoff of their utilities, citizen activists are challenging the rigged national energy crisis. The situation is exemplary of growing protests as the energy crisis worsens throughout the United States.

The necessity of re-regulation of energy production and distribution, and the principle of the General Welfare, are increasingly at the heart of debate over required action. The New Orleans situation, where more than 5% of the citizens are targeted for cutoff, is not otherwise exceptional. The National Energy Assistance Directors Association, in a press release issued on April 5, warns that millions of American low-income families face energy cutoffs. Cutoff notices have already gone out in nearly every part of the United States. South Carolina Electric and Gas Co. has already disconnected the service of 15,826 Charleston-area customers, according to the Powermarketers.com website.

TABLE 1

Households Facing Energy Cutoffs in April

State	Households at Risk
Michigan	1,300,000
California	1,290,256
New Jersey	276,715
Pennsylvania	250,000
Georgia	200,000
Iowa	180,000
Minnesota	100,000
Kentucky	94,010
Louisiana	76,000
West Virginia	55,000
Indiana	50,000
Kansas	50,000
Total	3,821,981

Sources: National Energy Assistance Directors Association data as of April 5, 2001; Powermarketers.com; and *EIR*.