



Utilities and Moratoria for Low-income Customers

NEUAC Conference

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3 BASIC “MORATORIA” CATEGORIES

- Weather/temperature related (40 states)
- Illness/medical related (40+ states)
- Age related – elderly/infant (10+ states)



USEFUL RESOURCES RE: MORATORIA

NCLC (www.nclc.org/publications):

“Guide to The Rights of Utility Consumers”

“Access to Utility Service”

LIHEAP Clearinghouse:

<http://liheap.ncat.org/Disconnect/SeasonalDisconnect.htm>



Scope of the High-Heat Problem

“Historically, from 1979-2003, excessive heat exposure caused 8,015 deaths in the United States. During this period, more people in this country died from extreme heat than from hurricanes, lightning, tornadoes, floods, and earthquakes combined. In 2001, 300 deaths were caused by excessive heat exposure.” - CDC

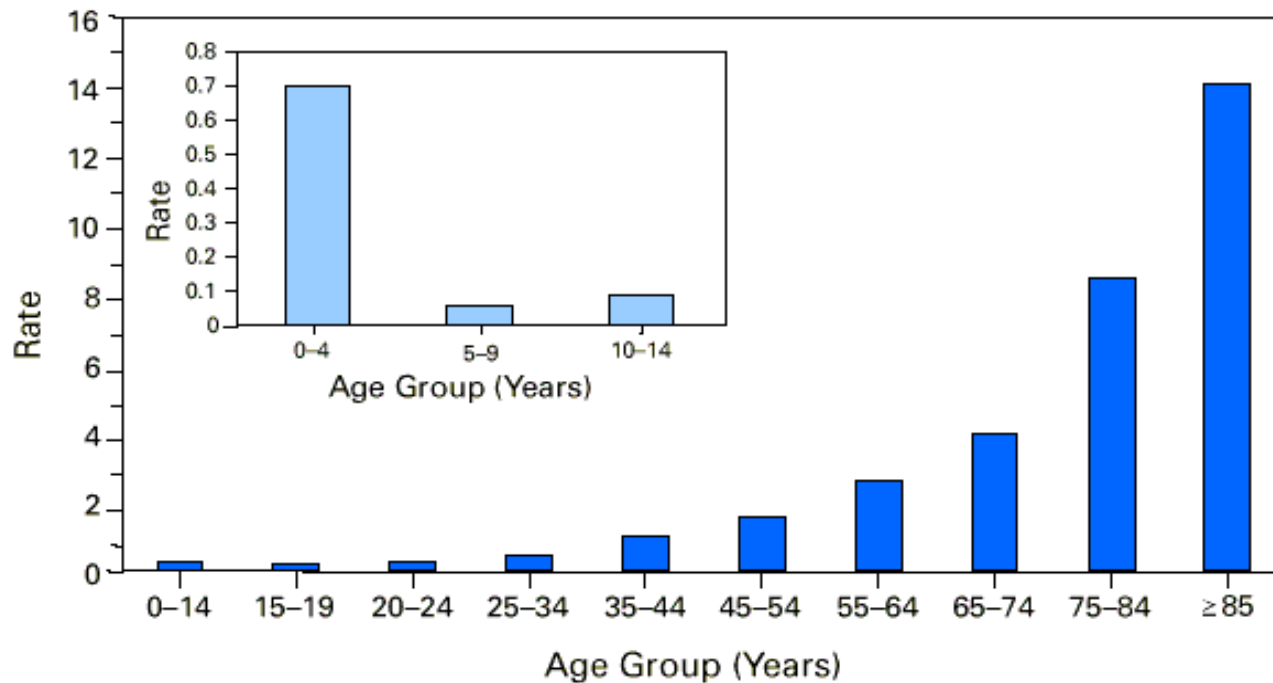


“Phoenix Heat” - 2005





FIGURE 1. Average annual rate* of heat-related deaths†, by age group — United States, 1979–1996



*Per 1 million population.

†Underlying cause of death attributed to excess heat exposure classified according to the *International Classification of Diseases, Ninth Revision*, as code E900.0, "due to weather conditions."

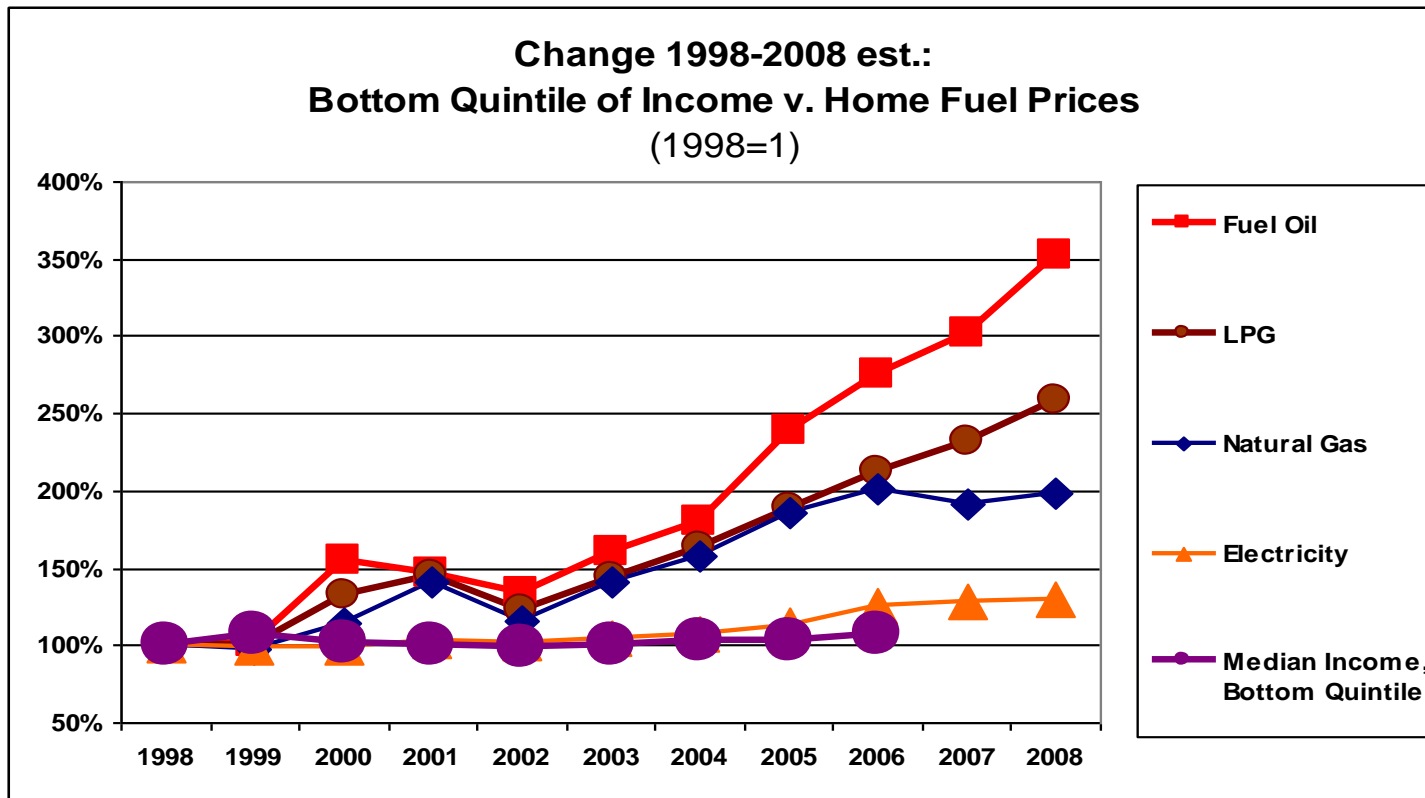


Scope of the Termination Problem

In the 2 dozen or so states that reported termination data to NARUC, over 3 million residential customers (4% of the 80 million gas/el./combination util. customers) were terminated from service in 2005.

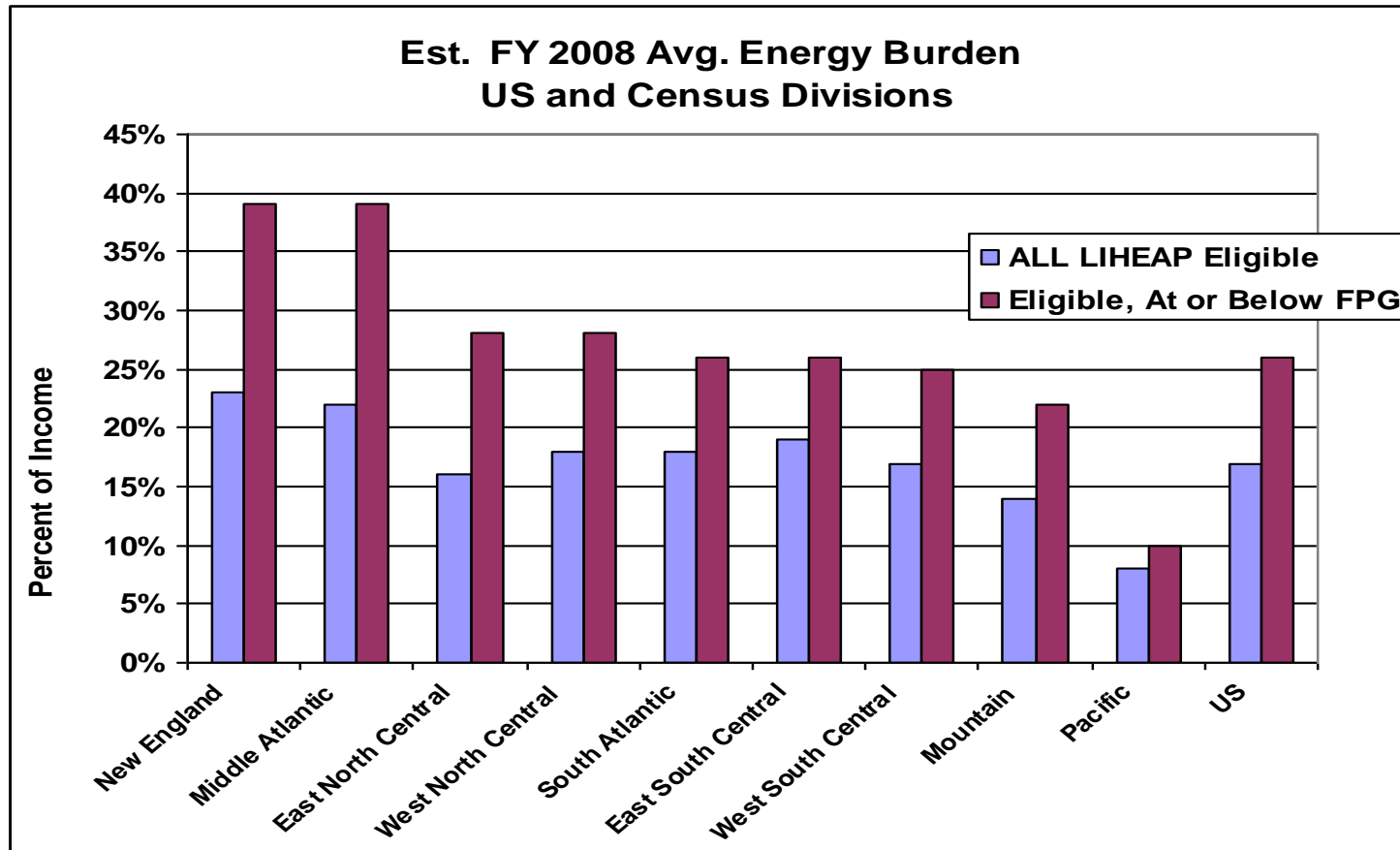
“Report by NARUC Consumer Affairs Subcommittee”

Energy Burdens (ORNL/EOS update)





Energy Burdens – EOS analysis





...and Pain at the Pump





Winter/seasonal rules: MA

- 220 CMR 25.03(2): “No company may shut off or refuse to restore utility service ... if ... between Nov. 15 & Mar. 15 ... the customer’s service provides heat” and the customer cannot pay the bills due to a financial hardship. (See also M.G.L. ch. 164, § 124F)



Other seasonal rules -1

- CT: 11/1 - 4/15 ban on L-I terminations
- IN: 12/1 – 3/15 ban, pub. ass't recipients
- KY: 11-1 – 3/31, postpones term. 30 days, customer <135% FPL & some pmt. made
- ME: 11/1 – 3/31, L-I protected
- MI: >65 & L-I protected 11/1 -3/31; L-I must pay 7% of est. ann. bill monthly.



Other seasonal rules -2

- MS: Cust. w/ “extreme fin. difficulty” can’t be term. 12/1 – 3/31 if cust. Pays 133% of levelized budget plan amt.
- NM: No shut-offs of LIHEAP-elig. HH’s 11/15 – 3/15 (2005 law, rev. 2007)
- NC: No term. 11/1 – 3/31 w/o express permission of PUC, if LIHEAP eligible.



Temperature-triggered rules

- AL: Gas and electric companies cannot terminate service if temperature forecast to be 32° or less.
- AR: No term's if <32°; no term's of elderly handicapped if >95°.
- MD: No term. on day where temp. <32 °.



Temperature rules - 2

- MO: Cold weather rule: no term. if $<32^{\circ}$
- Challenged by cos. in ct.; MoPSC's authority upheld, "revenue neutrality rejected, 210 S.W.3d 330.
- OK: No term's if temp. $<32^{\circ}$ (day) or 20° (nite), if heat-related or $>101^{\circ}$.



Rules Often Inter-Related

- E.g., temperature rules only apply to seniors, disabled, low-income, seriously ill.
- Min. payment rules may be imposed on top of moratorium or serious illness rules.
- Deposit rules may be different for, e.g., elderly, low-income.



Why Do We Protect Service?

- Utilities usually an absolute necessity
- Health/safety at risk if service terminated
- Monopoly service/no other providers
-but customers should always pay what they can