

Deliverable Fuels: Vendor Policies that are Keeping Some LIHEAP-Eligible Families from Safely Heating their Homes

Vendor Policies	Why the policy doesn't work for low income families
<p><u>Won't serve someone who is not creditworthy.</u> Vendors refuse to take new customer prior to passing a credit check and also refuse to serve existing customers if they cannot be deemed credit worthy. (Some claim the credit application also spells out safety issues that insurance companies require. These vendors would also prefer to avoid the possibility of a moral obligation of providing more fuel to the family when the LIHEAP purchase runs out.)</p>	<ul style="list-style-type: none"> - Low income households often have poor credit or no credit. - Family is not seeking credit, but has enough cash to pay for a minimum delivery or more.
<p><u>Won't take "cash" customers.</u> Vendors prefer to make deliveries on their regular delivery route and to invoice customers for deliveries based on the timing of that route.</p>	<ul style="list-style-type: none"> - Many customers have fluctuating incomes, and are not consistently able to come up with \$600-1000+ on the vendor's schedule. - Having no control over when deliveries are made puts low income households at risk for being labeled "past due" for a delivery they did not request and for which they may not be ready to pay. Many vendors stop serving households who are past due until the account is paid in full.
<p><u>Prefer not to serve low income persons because those households are believed to be "unsafe" for the vendor.</u> Vendors report that their industry has found that serving low income/poor credit households is "more unsafe" due to incidences of tanks that have run dry before the household can purchase a minimum delivery or the vendor can make one (requiring additional safety checks) and/or a potential that the customer will get behind on bills in the future. Vendors are concerned about being "the last vendor of record" if they refuse to serve in the future and tragedy strikes (i.e., household runs out of fuel and rigs an unsafe connection or the family freezes to death). "Best not to get involved" with very low income households, say industry representatives.</p>	<ul style="list-style-type: none"> - Pressure checks and other reasonable costs associated with safety or emergency delivery are allowable expenses to be paid by the LIHEAP benefit. - When a vendor "willing to serve" cannot be found, desperate families have been known to overload electric space heaters, heat with cooking stoves, override propane regulators with barbecue grill tanks, or use a variety of other potentially hazardous ways to stay alive. - Negative generalizations about low income households have led to industry-acknowledged "redlining" of certain addresses from getting heating fuel.
<p><u>Right to refuse service to anyone/"Let the free market solve the problem."</u> As independent business persons and corporations, vendors feel they should be able to deny service to anyone they choose in order to protect their profitability. Or they may believe the contract with the state does not specifically prohibit them from discriminating against households because of the credit and safety risks <i>they may pose in the future</i> after the LIHEAP benefit is exhausted due to their low incomes. Some vendors believe that if they refuse a customer who is behind on bills or <i>who may in the future</i> have trouble paying bills, <i>some other vendor</i> will step in to assist that customer. Some deliverable fuels vendors believe the state should make direct cash payment to LIHEAP eligible households and "let them figure it out themselves."</p>	<ul style="list-style-type: none"> - Infants, children, and the elderly in a household are at severe risk in a home with no heat—whether or not their parent or head of household is a "deadbeat." - Free market principles do not apply well in a situation where the industry reports there are customers who "no one in their right mind" wants to serve. - If the vendor refusing to serve owns the tank on the property, no other vendor may fill it. Some vendors have been slow to remove their tanks after refusal. - Vendors have already threatened to abandon or not sign contracts with community action agencies due to program requirements. - Not every part of the state has enough vendors to allow legitimate market competition.