COVID-19 Crisis: Advocates Call for U.S. Governors to Take Immediate Action to Ensure Residents are Protected from Utility Shut Offs

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Boston – Advocates at the National Consumer Law Center (NCLC) called on governors across the nation to take immediate action pursuant to their authority granted under each state's emergency management act to ensure utility customers remain connected to essential electric, gas, water, sewer, and telecommunications networks, both during and after the coronavirus emergency. State executive action is needed for several reasons.

First, the federal stimulus bill passed by the U.S. Senate includes ***no*** prohibition on critical utility service shut offs. While more than 20 state public utility commissions have acted to halt utility shut offs, other states have relied on voluntary commitments from utilities that are unenforceable and subject to change. Essential electric, gas, water, sewer, phone and broadband internet services are needed to comply with directives to stay at home while sick, engage in frequent hand-washing, work from home, participate in online education, consult with health care providers remotely, monitor the condition of vulnerable family and friends, and follow other public health recommendations.

Second, thousands of customers across the country served by unregulated municipal utilities and electric cooperatives remain unprotected from utility shut offs.

Third, no state has issued specific guidance on the many needed changes to utility credit and collections practices to protect utility customers whose incomes have been devastated by the economic shutdown, and who face an uncertain financial cliff when emergency orders are lifted.

"Governors across the country must invoke their authority under their state's emergency management statute to protect utility ratepayers *now,*" **said National Consumer Law Center attorney Karen Lusson. "**Customers of *both* regulated and unregulated utilities deserve legal protection from utility shut offs due to inability to pay. Without specific guidance from governors, millions of customers remain vulnerable to disconnections. Likewise, absent specific direction from governors, utility customers in every state will be subject to a patchwork of credit and collections practices that fail to take into account a customer's finances and the impact of the COVID-19 emergency. And that's in addition to the households across the United States that remain without utility service because of an inability to afford monthly utility bills *before* the coronavirus pandemic."

NCLC advocates recommend that states take the following actions to ensure that consumers stay connected to essential utility networks:

- **Issue an emergency declaration through gubernatorial action banning all regulated and unregulated utility service shut offs,** including electric, gas, water/sewer, and telecommunications services, due to inability to pay;

- **Order all regulated and unregulated utilities to reconnect customers who were previously disconnected due to inability to pay**;
- **Ban all in-person marketing and sales of alternative energy supply and distributed energy products** during the emergency declaration;
- **Encourage low-income households to apply for the federal Lifeline phone and broadband program** for free or discounted voice and data service; and
- **Adjust state Low Income Home Energy Assistance Program (LIHEAP) application deadlines,** enrollment access, and eligibility certification processes.

Governors also must act now to address the financial cliff that is coming once emergency orders are lifted. Action is needed to ensure that utility arrearages incurred during the crisis do not trigger disconnections by requiring all utility service providers, both regulated and unregulated, to adopt more flexible credit and collections practices than currently required by state regulations and unregulated utility policies. NCLC advocates recommend protections should:

- **Eliminate any customer deposit requirements**;
- **Eliminate down payment requirements on deferred payment arrangements** (DPAs);
- **Allow flexible, reasonable DPAs** that are based on the customer's ability to pay;
- **Eliminate any requirement that disconnected customers pay the full arrearage** in order to reconnect, thereby permitting reconnection upon issuance of an affordable DPA;
- **Eliminate minimum balance requirements for prepaid** utility service customers;
- **Require utilities to write off debt for consumers who certify that they are eligible for LIHEAP but are unable to receive LIHEAP due to insufficient LIHEAP funds**; and
- **Prohibit utilities from imposing late fees and engaging in negative credit reporting**,

NCLC Related Resources

- Coronavirus Crisis: How States Can Help Consumers Maintain Essential Utility Services, March 2020
- COVID-19 Pandemic Requires Federal, State, and Municipal Action to Stop Involuntary Utility, Water, and Telecommunications Shut-offs, March 2020