



Covid-19 Pandemic Requires Federal, State and Municipal Action to Stop Involuntary Utility, Water, and Telecommunications Shut-offs

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Action Is Needed to Ensure Access to Essential Utility Services for All Persons, Regardless of Ability to Pay, During the Public Health Emergency

On March 11, 2020, the World Health Organization (WHO) declared coronavirus and the disease it causes, Covid-19, a pandemic.¹ More than 118,000 cases of infection in 114 countries have been identified, and more than 4,290 persons have died as a result of the virus as of that same date.² The WHO expects to see “the number of coronavirus cases, the number of deaths, and the number of affected countries climb even higher.”³ On March 13, 2020, the United States declared the Covid-19 outbreak to be a national state of emergency.

In light of the risks to public health, it is critical that states, municipalities, municipal cooperatives, public service commissions, and other regulatory bodies overseeing utilities act promptly to ensure that society’s most vulnerable persons remain connected to essential utility services, including electric, gas, and other heating fuels; water; and telecommunications networks. Prompt action is essential as winter prohibitions on electric and gas disconnections that exist in some states are set to expire within weeks.⁴ The National Consumer Law Center urges state public utility commissions across the country to adopt policies such as those recently initiated in Massachusetts, Pennsylvania, and other states; and the cities of Austin, Seattle⁵ and Detroit,⁶ to prohibit involuntary terminations of water, electricity, natural gas, and telecommunications service during the Covid-19 state of emergency.⁷

The reasons for issuing utility, water, and telecommunications shut-off moratoria are many. Maintaining public health requires that all households have uninterrupted access to electricity, heat, and hot water. Many low-income customers, and customers who were not previously identified as low-income, will likely face financial hardships as a result of health consequences, diminished income, or both.⁸ These financial hardships could lead to negative public health outcomes, since access to utility service will be necessary to slow the spread of the disease and to protect public health.

Households will need to maintain utility service to comply with directives to stay at home while sick, to work from home, to participate in online education, to consult with health care providers remotely, to monitor the condition of vulnerable family and friends, and to follow other public health recommendations. For instance, frequent hand washing is strongly recommended as a first-line defense to limit the spread of COVID-19, so access to running water is a public health necessity.⁹ Households in self-quarantine will experience isolation and loneliness. As schools close and offer only online educational programs, children will need internet access. These issues, plus increased reliance on telehealth and online education, demonstrate the vital importance of telecommunications and connectivity, and uninterrupted access to the electricity needed to power these communication devices.

Low-income customers, who already face difficulties affording essential utility services,¹⁰ will undoubtedly be impacted most by the disruption of the economy that is occurring as they are directed by their employer or public health officials to stay home due to illness, or have lost wages due to the economic downturn stemming from the Covid-19 virus. The ability to remain safely and comfortably in one's own home during this pandemic should not be determined by one's ability to afford essential utility services. Each state, municipality, telecommunications company, and electric cooperative has a role to play in ensuring that customers retain uninterrupted access to essential utility services. These parties should act quickly and prohibit the shut off of water, electricity, natural gas, and telecommunications service for all consumers during this extraordinary state of emergency. In addition, regulators, municipalities and other policy makers should require utilities to immediately reconnect consumers who had already been disconnected from essential utility services due to inability to pay.

[View a list](#) of states, municipalities and utility companies that are issuing a moratorium on utility shut-offs.

Utilities, Municipalities, Cooperatives and Telecom Providers Should Enact More Flexible Credit and Collection Procedures Immediately and after the Pandemic Has Eased

Once emergency pandemic directives across the country are lifted, consumers who have struggled to pay bills as a result of the economic downturn triggered by the virus may find themselves saddled with unaffordable utility arrearages. Revised and more flexible credit and collections procedures for essential utility services than those currently outlined in existing rules or tariffs are needed to ensure that homes remain connected to electric, gas, water and telecom services when the emergency status ends. These more flexible terms should include the elimination of late fees, credit reporting, deposit requirements, and down payments, and significantly longer deferred payment arrangements. Write-offs of unaffordable arrearages accumulated during the emergency period should be considered by utilities and regulators. In addition, advocates seeking to secure housing for homeless persons may be stymied by a utility requirement that a person's past utility arrearage be paid before new housing can be secured. Regulators and utilities should enact temporary policies eliminating this hurdle that puts the health and safety of individuals at risk. Regulators, municipalities, cooperative boards, and telecom providers should adopt these more flexible provisions to ensure continued access to essential utility services.

Regulators Should Prohibit Door-to-Door and In-Person Marketing of Competitive Energy Supply Offerings in Restructured States

Other regulatory action is needed to further protect consumers from unnecessary in-person contact in restructured states where energy supply can be purchased from alternative, non-utility energy suppliers. State regulators should follow the lead of the Pennsylvania Public Utility Commission, which banned electric and natural gas supplier door-to-door, public event and in-person sales, and marketing activities during the pendency of the state's emergency proclamation. The [Pennsylvania order](#) noted that such sales and marketing is "not a necessity" given the need to protect the health and safety of the public and those employed by suppliers.¹¹ Such a moratorium on in-person marketing and sales of competitive energy supply is further warranted to reduce the possibility of door-to-door scams, misinformation and fraudulent marketing practices tied to the Covid-19 emergency.

State Agencies Overseeing Low Income Home Energy Assistance Program (LIHEAP) Applications Should Enact Flexible Application Provisions

Each year, the U.S. Congress authorizes the U.S. Department of Health and Human Services and the U.S. Department of Energy to provide essential Low Income Home Energy Assistance Program (LIHEAP) funding to assist low income households across the country that pay a high proportion of household income for home energy needs.¹² Congress established the formula for distributing funds to grantee states based primarily on each state's weather, fuel prices, and low income population.¹³ States can use funds for heating and/or cooling costs as well as up to 15% of their funding (or 25% with a waiver) for weatherization assistance.¹⁴ Each state files its own energy plan detailing the particular uses of the funds and time periods when funds are available. LIHEAP agencies should review their intake and application documentation processes to ensure that applications continue to be processed expeditiously, while minimizing the need for clients to travel to physical intake locations. In addition, as a part of any moratoria issued by any state public service commission, municipality, telecommunications company, and electric cooperative, state agencies overseeing LIHEAP fund distribution should revisit procedures, application deadlines, emergency reconnection assistance requirements and any other existing protocol that would be impacted by disconnection moratoria to ensure that seasonal and emergency funding exists for eligible applicants once those moratoria end. No person should forego essential LIHEAP assistance after any Covid-19 moratorium is lifted because a current state energy plan requirement was impacted or a deadline passed.

The LIHEAP program gives states flexibility in the administration of their LIHEAP grants. States can respond to natural disasters by modifying the crisis component of the LIHEAP plan (e.g., by redirecting more funds for crisis assistance measures). Time is of the essence and states should move quickly to make any necessary amendments to their LIHEAP plans and notify the federal administrator of the LIHEAP program of the changes.¹⁵

The LIHEAP authorizing statute also allows for Congress to appropriate emergency contingency¹⁶ LIHEAP funds that are in addition to the regular LIHEAP program.¹⁷ The LIHEAP emergency contingency fund is a dedicated source of funding that the President can request to be released to one or more states to address home energy needs arising from a natural disaster or other emergency. Given the Covid-19 pandemic, Congress should once again provide LIHEAP emergency contingency funding in addition to adequate funding for the regular LIHEAP program.

Low-Income Consumers Can Also Access Affordable Telecom Services Through the Federal Lifeline Program

During the Covid-19 crisis, access to voice, texting, and internet service is critical to connect consumers to emergency services, shelter, and medical care. The FCC on March 13, 2020 announced its [Keep Americans Connected Pledge program](#), which invites telecommunications providers to pledge to (1) not terminate service to any residential or small business customers over the next 60 days; (2) waive late fees; and (3) open its Wi-Fi hotspots to any American who needs them. While that action may help ensure continued access to telecommunications services, families with limited income who cannot afford their phone service may not have the discretionary income on hand to purchase essential voice and data service, and a handset. Households that have experienced a dramatic loss of income may, for the first time, qualify for

federal Lifeline telecommunications service. Participation in Lifeline can also help cushion the financial stress that low-income consumers are experiencing during the Covid-19 emergency.

The Lifeline program provides low-income households with a monthly \$9.25 subsidy for voice and/or broadband service to help low-income households, and helps low-income households afford both voice and broadband internet service. For details and information on how to apply, visit the [FCC's website](#).

Additional Resources

Visit [NCLC's Covid-19 & Consumer Protections](#) webpage for sample moratorium requests to state agencies, and some state moratorium declarations.

For more information, please contact National Consumer Law Center attorneys:

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ENDNOTES

¹ See WHO Director-General's opening remarks at the media briefing on COVID-19, March 11, 2020.

² <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19--11-march-2020>

³ *Id.*

⁴ See, e.g., 305 ILCS 20/18.

⁵ Daniel Beekman, *Seattle will keep customers' lights, water on during coronavirus emergency, defer taxes for small businesses* (March 10, 2020).

⁶ John Bowden, *Detroit officials halt water shutoffs over coronavirus outbreak concerns*, The Hill (March 9, 2020).

⁷ The Energy and Policy Institute has compiled a frequently updated list of states, municipalities and utilities that have implemented shutoff moratoria or related consumer protections, available at: <https://www.energyandpolicy.org/utilities-disconnect-coronavirus/>

⁸ See e.g., Mark Kreidler, *Coronavirus Is Hitting Low-Wage Earners Especially Hard: The coronavirus story involves governmental response times and political spin. But economic inequality issues also play a large part*, **Fast Company** (March 10, 2020); David Kroman, *Seattle workers lose jobs and worry about rent as coronavirus slows business*, Crosscut.

⁹ CDC, *Coronavirus Disease (COVID-2019) Steps to Prevent Illness*.

¹⁰ *One in Three U.S. Households Faces A Challenge in Meeting Energy Needs*, Energy Information Administration, September 19, 2018.

¹¹ See *Re: Supplier Door-to-Door and In-Person Marketing Moratorium Proclamation of Disaster Emergency – COVID-19*, Emergency Order, Pennsylvania Public Utility Commission Docket No. M-2020-3019254, March 16, 2020.

¹² See <https://www.acf.hhs.gov/ocs/resource/liheap-fact-sheet-0>

¹³ *Id.*

¹⁴ *Id.*

¹⁵ U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services, Division of Energy Assistance.

¹⁶ 42 U.S.C. § 8621(e)(authorizes up to \$600 million for LIHEAP emergency contingency funds).

¹⁷ 42 U.S.C. § 8621(b)(authorizes up to \$5.1 billion for LIHEAP regular program funds).