



Crisis Following the Lifting of a Winter Moratorium

Utility Moratoriums: Crisis situations that may follow

Many states have what is often called a "winter moratorium" to prevent gas and electric companies from shutting off heating fuel because of a household's inability to pay. In many cases the winter moratorium also restricts energy vendors from shutting off a service needed to run a household's residential heating system. The moratorium is generally established for a dedicated period of time usually during the winter months.

Each year, low-income utility customers around the country face crisis situations when a utility moratorium is lifted and they have an outstanding debt to that energy vendor. The vendor will either offer the customer a repayment plan that they must agree to in order to avoid a shutoff, or they issue a shutoff notice. In general, the Public Utility Commission (PUC) or Public Service Commission (PSC) that covers the customer's area works with energy vendors to ensure the no shut-off rule during a winter moratorium. During those months, clients can still be eligible for assistance, which allows them to continue to make payments on their bill.

The issue arises when customers recognize that their utilities will not be disconnected during winter moratoriums; therefore, they may choose to forego paying their energy bills during those months. Following the lifting of a winter moratorium, those customers may be left with a large utility debt and are often issued shutoff notices by their energy vendor.

For example, Montana's [Energy Utility Service Rules brochure](#) provides valuable education to energy cus-

tomers that may help them avoid large debts and remain in good standing with the energy vendor.

Often, a low-income customer will rely totally on energy assistance programs to pay his or her winter utility bill, only to discover in April that a large balance owing the utility has built up, and the company is demanding payment. The customer who makes the effort to pay something toward his or her utility bill during the winter, on top of what the energy assistance program pays, will not only have a smaller balance due in the spring, but will be in better standing with the company when it comes time to make a deferred payment agreement.

Some grantees consider the issuance of a shutoff notice to be a 'crisis situation.' If the household also has an identified "vulnerable member," living in the household, the situation may be considered a "life-threatening crisis situation" and in some cases that household would be given priority assistance over other households with non-vulnerable members.

The eligibility of vulnerable members varies among grantees, but the majority of grantees give priority assistance to households with vulnerable members. Some states, like Montana, do not consider a shutoff notice a crisis situation.

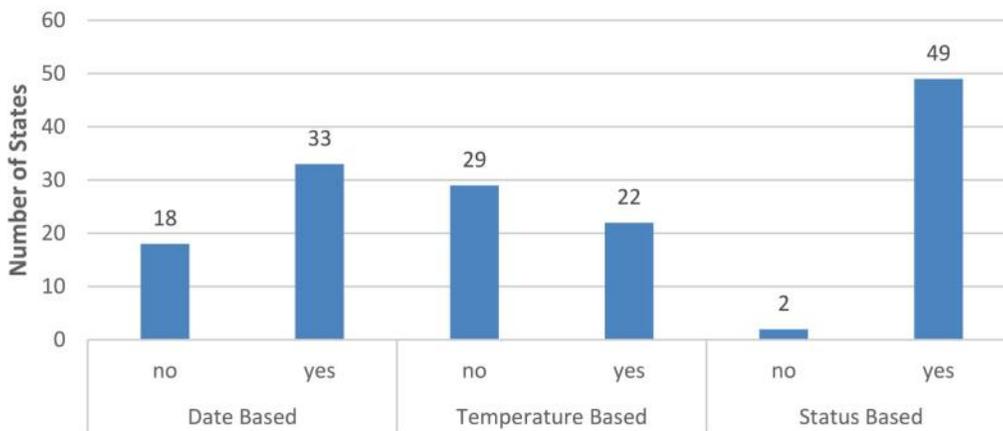
The annual LIHEAP plans can be viewed on the LIHEAP Clearinghouse website [here](#) to provide more information on each state's crisis policies and procedures.

Disconnection Policies

Disconnect policies vary from state to state and consist of various date-based protections, temperature-based protections, and household member status (elderly and disabled, or medical emergency). A table is provided to

show comparisons of states with different policies.

State Disconnection Policies



Source: LIHEAP Clearinghouse 2017

In general, municipal utilities and rural electric cooperatives are not regulated and the policies do not apply to them. Check with your Public Utility Commission (PUC) or Public Service Commission (PSC) to see if the state policy applies to your utility and read the customer FAQs or bill of rights for more information. These websites are listed on the disconnection policies page on the LIHEAP Clearinghouse [website](#).

Examples

States can have either a date-based protection period or a temperature-based protection period. Some state policies rely on both. The following shows an example of temperature-based disconnection details from Arkansas’s disconnection policy. It also shows that a customer will avoid disconnection if they agree to a deferred or extended payment agreement with their vendor:

Gas and electric service cannot be disconnected if forecast predicts a temperature of 32 or lower during the next 24 hours. No disconnect for elderly or disabled when temperature is >95, or medical emergency. No disconnect if customer agrees to deferred or extended payment agreement.

Other states, such as Texas, have a temperature-based

protection but no date-based protection. The temperature protection for Texas is below 32 degrees Fahrenheit or during a heat advisory for all residential customers. [The Public Utility Commission of Texas](#) states that disconnection of service may not be authorized if, “you have established with the REP that you or another resident on the premises has a critical medical condition and will become seriously ill or more seriously ill if there is a disconnection of

service.”—so there are also specific protections in place for households with identified vulnerable members.

Other factors that may be considered in some states are full-time active military service during a time of declared war or national emergency (Michigan) or customers who can prove “extreme financial difficulty,” (Mississippi).

In some states, like Utah, the [Home Energy Assistance Target](#) (HEAT) Program requires applicants to meet specific criteria in order to receive a winter moratorium protection. Eligibility for Utah’s program includes having a “good faith,” effort to pay the utility bill consistently during the moratorium. So, under these circumstances, it is possible that a large debt following the moratorium will be prevented thus avoiding the possibility of a crisis situation emerging after the moratorium.

Protocols Following the Lifting of a Winter Moratorium

Depending on what the vendor decides to do with a client’s account following the lifting of the winter moratorium, the client may require LIHEAP assistance. The energy vendor will determine if it will offer the custom-

er a repayment plan, or if a disconnection notice will be served to them instead. If the customer cannot afford the required repayment option offered by the vendor or pay their bill in a lump sum as required by the provider, they may be issued a shutoff notice. In some states such occurrence may qualify as a crisis situation and the LIHEAP participant may qualify to receive crisis assistance benefits. Crisis situations are addressed within 48 hours and life-threatening crisis situations are addressed within 18 hours as required by the LIHEAP statute.

In some states, but not all, the household's LIHEAP benefit amount can be used to pay the debt to the energy vendor. This is not the same as debt forgiveness because the debt is *paid* through LIHEAP, *not* forgiven by the vendor.

Education for Effective Crisis Prevention

Customers benefit from a better understanding of how winter moratoriums work and how they don't work. Community Action Agencies are key in enabling clients to avoid an end of winter moratorium shutoff through education, outreach, and building awareness. Brochures, flyers, and other print materials are especially effective when they are placed in local agency offices where low-income customers have access to them. Additionally, LIHEAP intake workers can provide additional education during the application and intake process. When these additional education opportunities are provided, customers can be aware of the potential complications after the lifting of the winter moratorium and have the tools and information to avoid them.

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