Utilities Must Follow Rules Before Terminating Your Service. You have rights when companies threaten to terminate your utility service, particularly the larger utilities usually regulated by your state public utility or public service commission. Your rights vary a lot by state, so you should ask the consumer division of your state utility commission what rights you have.

If the utility does not follow the termination rules, you should be able to stop the termination or restore service, at least temporarily, and may even be able to sue for damages. Report it to your public utility commission, either the consumer division or the commission’s division dealing with the particular type of service involved, such as gas or electricity. The commission has a lot of clout with the utility.

If that does not work, you may have to go to an attorney or a local community action program or your state attorney general office. Some states have a utility consumer advocate or rate counsel who may be able to help.

Notice. Prior to termination of your utility service, you must be given notice that the service is subject to termination and notice of your rights to prevent termination. Usually written notice is required, but some states also require face-to-face notice.

Utility Can Terminate Service Only for Serious Delinquencies. States typically permit disconnection for non-payment, but often do not allow disconnections if you only owe a very small amount or if you have not been delinquent for very long. If you dispute that you owe a bill, in most states the utility cannot terminate service until the dispute is resolved. If you dispute part of the bill, you may have to pay the undisputed amount to preserve your rights. When you pay your bill, it is a good idea to note that the payment only covers the undisputed charges.

Limit on the Times or Days When Shut-Offs Can Occur. Many states allow shut-offs only during regular working hours on weekdays. Some states prohibit shut-offs on holidays and even the day before a holiday or weekend.

Right to a Hearing. Before or after termination, you may have a right to appeal the termination to both the utility and to the public utility commission. In many states, informal appeals can be made by telephone prior to termination and, often, utility service will be maintained or reconnected during the appeals process.

A utility commission’s consumer division responds to phone calls, letters, and visits by residential customers. Many of these complaints are resolved informally by consultation between the consumer division and the utility. Consumer divisions also hold hearings on complaints that cannot be resolved informally.

You do not need a lawyer at the hearing, but it can help to have someone experienced with utility issues come with you. Bring all relevant documents, such as past bills or, if you are asserting protection from termination due to illness, a physician’s letter or affidavit.

Right to a Deferred Payment Plan. Before utility service is shut off, most states require that you be informed about the ability for you to prevent shut-off and instead to pay your overdue bills through a reasonable installment plan, often over six months or less.

The utility will want you to keep current on future utility bills as they arise and also pay something each month toward the back-due bills. If this is more than you can afford, be aggressive in negotiating with the utility’s representative. Agreeing to payments you cannot afford will just lead to utility termination. In some states, utilities are not required to enter into a second payment plan with you if you did not keep up with your first payment plan.

Instead, explain your financial circumstances and push for a plan you can pay. The utility may agree to this as long as you make regular payments each month. Payment plans need not have the same payment each month. For example, seasonal workers may want to pay less toward arrears in the winter and more in the summer, or vice versa. If a company refuses to agree to a payment plan that you can afford, help can perhaps be obtained from the consumer division of the utility commission, although the level of assistance varies quite a lot from state to state.

Shut-Off Limits Due to Weather and Vulnerable Occupants. In many northern states, heat-related utilities cannot be shut off between November 1 and March 31st (or some similar period). In other states terminations are forbidden during extreme weather (hot or cold), but can move forward when temperatures return to normal.

Some states have protections against shut-offs for households with older or disabled residents, or households with infants. Generally, financial hardship must be shown and in some states you also have to show efforts to obtain state energy assistance.
Your Rights When the Utility Threatens to Terminate Your Service

Even where states prohibit disconnections for certain reasons, your bill will still be charged and you will eventually have to pay or service will be shut off. Thus you should pay something, if you can, even during months your service is not subject to shut off.

No Termination If There Is Serious Illness or a Very Young Child. In many states, there can be no shut offs for households whose members face a serious illness, are threatened with serious illness, depend upon life support systems, or whose members include a pregnant woman or very young children. An illness may have to be certified by a doctor.

Tenant Protections Where Landlord Fails to Pay the Utility Bill. When a landlord who is responsible for providing utility service does not pay the utility company, tenants are at risk of shut off. In some states, tenants must receive a special shut-off notice if the landlord is delinquent, and may be able to stop the termination by making small (or even no) payments to the utility.

Where Landlord Tries to Shut Off Your Utility Service. It is illegal in almost every state for a landlord to cut off your electricity, heat, or water as a way of making you move or pay your rent. Landlords must go through the courts to evict tenants. If the landlord tries to shut off your utilities, you should go to court to obtain relief.

Bankruptcy Can Prevent or Restore a Termination. Although it is rarely a good idea to file bankruptcy solely because of your utility bills, you may have other financial problems which lead you to consider bankruptcy. The mere filing of your bankruptcy will automatically stop any shut off and require the utility to restore service for at least twenty days. The utility can only terminate service after that twenty-day period if you fail to pay bills arising after the bankruptcy is filed.

If you successfully complete your bankruptcy case, you never have to pay any of the amount due at the time you filed for bankruptcy. The utility, though, can also require that you provide adequate assurance that future bills will be paid, such as providing a new security deposit.

Finding Emergency Assistance to Help You Pay Your Delinquent Bills. Before a disconnection, utility companies often must provide you with information about energy assistance programs that can help pay your bills. Here are some sources of emergency assistance that may provide you with funds to prevent a utility termination:

? “LIHEAP,” the Low-Income Home Energy Assistance Program. Contact your local community action program or locate the LIHEAP agency in your area at www.acf.hhs.gov/ocs/liheap-state-and-territory-contact-listing [1].

? Emergency assistance for families with children. If you have children and you are about to lose essential utility services (water, heat in the winter months, etc.), contact your state public utility commission, state or county departments of health, welfare and housing agencies to see if special emergency funds may be available to help you. This type of assistance varies significantly from state to state, and may not be available in your state.

? State emergency assistance. Some states have special funds to help prevent utility terminations. Many counties have “homeless prevention” funds which can be used to prevent utility terminations. Contact your local community action program or the county department of social services.

? Utility fuel funds. Many utilities have a special fund to help people pay their utility bills. Contact both the utility which is threatening to shut off your service and any other utility from which you receive service to see if they have a fund that can assist you.

? Salvation Army, local churches, and other places of worship. The Salvation Army and other local religious and charitable organizations often have money that is available to help needy people in the community with emergency bills such as utilities. Check with the utility company, the public utility commission, or the department of social services. Many churches, synagogues, and mosques that have these funds do not limit them to their own members.

Source: National Consumer Law Center, Surviving Debt [50th NCLC Anniversary Edition], updated at www.nclc.org/library
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