Even if you can avoid utility shut-offs, in the long run you will be in trouble if you cannot afford your utility bills going forward. Thus it is essential to reduce the cost of future bills as much as possible.

Changing Your Communications Services (Telephone, Internet, and TV). Today, the rapidly evolving communications marketplace provides more options for paring back services to meet your basic communications needs.

**Voice Service:** Are you paying for both landline and wireless telephone service? Can you cancel one of these telephone services? Is your voice service part of a bundle? If so, after reading the sections below, examine the services included in the bundle to make sure that it is still the best value for you.

**Wireless Service:** Are you paying for additional voice and data services that you don’t need? If you have a telephone plan with a monthly bill, study your bills to get a handle on how much voice and data you actually use and whether you should switch to a lower cost plan. Also check to see if you are free to switch companies or if you are under contract to stay with your current provider. Another issue to explore is whether you can use your phone with a different provider.

Prepaid service may be an attractive alternative. There is no contract or early termination fee, there may be the option of purchasing a cheaper refurbished phone or using one you already own, and you pay upfront for a set amount of service and continue to pre-pay as you go. You will not run the risk of a larger than expected bill, although you can still spend down your account faster than you intended, requiring you to reload funds into the account.

**Internet and Cable TV Service:** Can you let go of the cable TV (pay-TV) service and rely on streaming shows over the internet or by using a digital TV antenna? In a fast changing market, cable TV providers are responding by offering smaller, cheaper packages. Contact your cable company to see if you can save money, but try to avoid teaser rates.

**Weatherization and Energy and Water Efficiency.** Many utilities have programs that provide free or low cost weatherization or energy efficiency services, either available to all households or prioritizing older or low-income persons or homes with disabled persons and/or children. In the best programs, the utility conducts a full energy audit and provides extensive weatherization services. Other programs simply provide hints on how you can reduce usage, or only supply energy efficient light bulbs, insulation for hot water tanks, “low flow” efficient faucets, or other energy efficiency products. Call your local energy and water providers to find out what programs they have available.

A number of government programs provide weatherization assistance for owner-occupied housing and rental units. One of these is the federal Weatherization Assistance Program (WAP) where qualifying households may receive at no cost up to several thousand dollars in weatherization benefits. Many states have their own weatherization programs and cities have Community Development Block Grant money which is sometimes used to help low-income households weatherize their homes. Although there may be a waiting list for all of these programs, the benefits are often so great that it is worthwhile to add your name.

Free weatherization is a definite win for the customer receiving the benefit. However, unless there is an almost immediate payoff in terms of energy savings, you should not invest much of your own money in weatherization efforts at a time you are having trouble paying your bills, where any money might be better spent paying the overdue utility bills. Nevertheless, some relatively inexpensive procedures reduce energy and water bills by a surprising amount.

On a windy day check for air leaks around your windows and doors. You can use a lit stick of incense to detect leaks around windows and doors by moving the stick around the frame and watching to see if there is any wind blowing the smoke. If you are a tenant, try to get the landlord to fix these leaks properly. If the landlord does not fix the problems, or you own your own home, try a number of homespun fix-ups:

? Use caulk, or weather stripping for air leaks around windows. In the winter you can seal windows with heavy-duty clear plastic sheets or clear plastic film. In a pinch you could use clear plastic tape to seal the cracks.

? For leaks around doors, leave a rolled up towel next to the bottom of the door. If necessary, use weather stripping or tack up a blanket or large towel to stop leaks around the top and sides of doors.

? If there are holes in the walls, try to plug them up by stapling plastic sheeting over the holes and caulking the edges of the plastic. You will be surprised how much warmer a house or apartment can be without the heat loss from cracks between openings and walls.

? If you have a fireplace that is not in use, make sure the flue is tightly closed. As the home warms up, you can consider turning down the heat.
Turn off lights and your heating or cooling systems when you are not at home. Also close the door for any rooms you are not using, and don’t try to heat or cool unused, unoccupied rooms. Try turning down the temperature on your hot water heater a notch, and when on vacation, turn the temperature to a lower vacation setting.

Leaky toilets and faucets waste a surprising amount of money. Your water utility may provide free toilet leak detection kits or you can purchase inexpensive leak detection dye tablets at the hardware store. Many water companies have programs that assist homeowners with low cost plumbing problems. Putting an inexpensive displacement bag (a special strong plastic bag for your toilet tank that you can buy at a hardware store) or a heavy plastic bottle in an old toilet tank will cut down on the amount of water consumed each time you flush.

**Discounted Utility Rates.** Often utilities have special programs which allow certain customers to reduce how much they pay in utility bills. Programs differ by state.

**Discounted Rates for Financially Distressed Households.** Many utilities have special programs for low-income households, households with older persons, or households with persons with disabilities that reduce bills by a set amount each month or based on the size of the bill. Check with your utility to see what is available and how to enroll.

**PIPPs or Energy Assurance Programs.** Utilities in Illinois, Ohio, and a few other states have plans by which families pay a certain percentage of their income for utility service if that amount is less than what they would otherwise pay. This results in lower bills. Typically, consistent payment of the lower amount is rewarded by gradual forgiveness of old, unpaid bills. The best way to determine if a utility has such a program is to contact the utility or the public utility commission’s consumer division in your state.

**Telephone Discounts.** Lifeline is a federal program that helps eligible low-income households pay for wireline or wireless voice or broadband internet service from participating companies. Eligible households obtain monthly discounts for voice and/or broadband service and many states provide an additional discount. The most popular Lifeline product is a prepaid wireless voice and data bundle that has no deposits, no early termination fees, and minutes paid for by the Lifeline program are added to the phone account each month. Consumers can purchase additional minutes as necessary. Consumers can find companies that participate in the federal Lifeline program in their area at [https://data.usac.org/publicreports/CompaniesNearMe/Download/Report](https://data.usac.org/publicreports/CompaniesNearMe/Download/Report) [1]. Consumers should contact their state’s public utility commission’s consumer division or the local telephone company for details about state Lifeline services.

**Discounted Internet Service Offerings.** Keep an eye out for discounted internet packages that often stem from merger deals. Companies such as Comcast offer a discounted internet service for low-income families with school-aged children. For example at the time this book was published, Comcast had a program called Internet Essentials that cost $9.95/month and helped subsidize the cost of a computer; AT&T “Access” had a $5/month and $10/month internet service for low-income households as a condition of its merger with DirecTV. There are restrictions that apply. For example, consumers cannot have prior debt with the company.

**Reducing Your Bill Through Government and Other Assistance.** If you have a low income and high utility bills, you are probably eligible for one or more source of assistance with your utility bills. The federal Low Income Home Energy Assistance Program (LIHEAP), run by each state, helps low-income families pay their winter heating bills and in some states their summer cooling expenses. Benefits are also provided to renters and some public and subsidized housing tenants whose heat is included in their rent.

The size of a family’s LIHEAP benefits generally depends on the family’s income and the number of household members, and may also depend on housing type, fuel type, fuel prices, weather conditions, or actual energy consumption. To apply, contact your local community action program, a county department of social services office, or other local agency administering the program.

In many states, the Salvation Army or other charitable organizations operate a “fuel fund” which helps people pay their bills if they make a little too much money to qualify for LIHEAP or if LIHEAP funds have run out. Contact your state utility commission or the agency that distributes LIHEAP funds in your area.

**Level Payment Plans; Dealing with Quarterly and Bi-Monthly Bills; Changing Your Due Dates.** Several strategies can make it easier to pay your utility bills each month even though they do not decrease your yearly costs. If you have difficulty meeting your heating bills in the coldest winter months or your air conditioning bills in the hottest summer months, a level payment plan will help. Each month you pay the same amount—one-twelfth of your expected annual bill. Since the utility company is estimating your usage over the next twelve months, you may receive either a “catch up” bill or credit every six or...
twelve months, since actual usage will vary from the estimate.

In some areas, utility services are billed quarterly or every other month, which may be more difficult for you to manage than monthly bills. Contact your utility company to explain the difficulty and ask them to bill you on a monthly basis or to accept monthly payments. Make sure there are no "service charges" or "finance charges" or this type of payment plan may not be the best solution for you.

If your main source of income arrives on the fifth of the month, but your utility bill is due to be paid on the fourth, it will be more difficult to pay your utility bill on time than if it was due on the fourteenth, causing additional interest or late charges. Often utility companies will change their billing cycle for you if you explain the situation.

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