



National Fuel Funds Network

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October 21, 2005

Energy Safety Net Bulletin #81

Member Letter

Dear NFFN Member: Awareness of the impending home energy crisis is spreading throughout the country. Utilities are making all out efforts to inform their customers of programs available to help them during this crisis and to make their customers aware of energy conservation and energy efficiency measures that can be taken to reduce their energy bills.

Governors and state legislatures are acting to provide additional funds for state assistance programs and altering eligibility requirements to make assistance available to more people.

The NFFN is actively working to increase donations to its member fuel funds. Last month NFFN Chairperson Carol Clements wrote to all of the nation's governors soliciting their support in the effort to increase contributions to charitably funded assistance programs. (See State Government Actions below)

Please let us know what is going on in your area. The information you provide to us will be circulated among our members but will also be used to help us make the case for increased LIHEAP funding to the Congress and the Bush administration.

LIHEAP

- In the Senate on October 20, an amendment to the Department of Transportation appropriations bill to provide \$3.2 billion in additional funding for LIHEAP for FY 06 failed on a procedural vote when the proposed amendment did not receive the necessary 60 votes. The amendment, offered by Sen. Jack Reed and co-sponsored by Sens. Susan Collins, John Kerry, Edward Kennedy and Olympia Snowe, garnered 54 votes, six shy of the number needed.

This was the second time in the last two weeks that the Reed amendment failed on the same procedural rule. Last week Sen. Reed attempted to attach the amendment to the Department of Defense appropriations bill but the measure was defeated when the amendment received only 50 votes.

Sen. Reed will file another amendment to increase LIHEAP funding when the Senate takes up legislation funding the Department of Health and Human Services (HHS).

- Representatives of the American Gas Association (AGA) and the Edison Electric Institute (EEl) urged members of the Senate Committee on Energy and Natural Resources to approve funding for LIHEAP at \$5.1 billion for FY 06 and \$ 1 billion in emergency funding for the program.

On October 18, Laurence Downes, chairman of the AGA and chairman and CEO of New Jersey Natural Gas, told the members of the committee that natural gas utilities are doing all they can to ease the price burden on consumers.

EEl President Tom Kuhn pointed out that “for many years, EEl member companies also have created fuel funds to funnel assistance to low-income households, totaling over \$1 billion annually.”

- The New England Council has written to the senators representing the six New England states expressing its support for at least \$4 billion in funding LIHEAP. James T. Brett, president and CEO of the New England Council, said “it is important that Congress act on this soon so that the states are prepared to handle requests for assistance.” The New England Council is the nation’s oldest business association.
- A group of environmental organizations have written to members of the Senate to voice their support for increasing funding for LIHEAP to \$5.1 billion for FY 06. The group included the Alaska Wilderness League, Earthjustice, Friends of the Earth, the League of Conservation Voters, the National Environmental Trust, the Natural Resources Defense Council, Physicians for Social Responsibility, Public Citizen, Sierra Club, the Union of Concerned Scientists, U.S. PIRG and the Wilderness Society.
- Rep. Anne Northup (R-KY) has suggested that cities should have to bear some of the costs for providing energy assistance to low-income households. In a story in the Oct. 14th editions of the Louisville Courier-Journal, Rep. Northup, who represents part of Louisville, is quoted as saying “our city has a \$2.5 million surplus and the federal government has no surplus, maybe we ought to make sure that we get some like sacrifice, it that’s the priority for our city, our community...”

A spokesman for Louisville Mayor Jerry Abramson said the city does not have a surplus of funds and pointed out that the city allocates \$1.5 million to a relief fund that pays for items such as heating assistance and contributes about \$1.5 million to community based ministries, which can use part of that money to help low-income people with their utility bills.

Utility Actions

- Xcel Energy has made a \$2 million donation to Energy Outreach Colorado and announced that it will match up to \$1 million more in customer contributions. Information on how to contribute to the matching program will be contained in November utility bills.
- Elizabethtown Gas has donated \$20,000 to each of five New Jersey community action agencies, including New Jersey Shares, to support their energy assistance efforts. The utility also hosted an energy information meeting for elected and community officials to discuss high prices, conservation measures and energy assistance programs to help their constituents this winter.
- Atlanta Gas Light (AGL), the Georgia Environmental Facilities Authority and the Resource Services Ministries recently began a \$1 million joint project to repair or replace non-functioning furnaces and water heaters for qualified Georgia families. Suzanne Sitherwood, president of AGL said “the Home and Heart Warming Project is one way we can offer assistance. We’re also looking at other opportunities to direct corporate donations where they are most needed.”
- Cinergy, the utility serving the Cincinnati area, has developed a one-stop web page designed to help customers better manage their winter heating bills. The site contains information on budget billing, various energy conservation ideas and available energy assistance programs. The site is -- www.CinergyComfort.com.
- Former NFFN Board member Wally Nixon, who retired in December as Entergy's director of regulatory policy, was honored for his years of tireless service on behalf of low-income customers at Entergy Arkansas' annual Low Income Advocates Leadership Conference. Nixon was a key player in Entergy's low-income advocacy work for several years.

The conference featured two days of workshops designed to help advocates learn how to be more effective in their various approaches to helping improve the lives of poor people and was attended by more than 300 people.

Hugh McDonald, chairman and CEO of Entergy Arkansas was the keynote speaker and he explained to the attendees why Entergy makes a special effort to support low-income causes and updated the group on a couple of flagship Entergy low-income projects, including efforts to replace the weatherization bill and success in persuading the Arkansas Legislature to increase funding for pre-K education.

State Government Actions

- Pennsylvania Governor Edward Rendell has announced that he will ask the legislature to authorize the use of \$18 million in state funds to help provide energy assistance for the state's residents. The governor will ask for \$15 million to supplement the federal LIHEAP program and \$3 million for the state's Homeowners' Emergency Mortgage Assistance Program.

The Governor also announced that Equitable Energy Corp. has pledged up to \$9 million toward low-income energy assistance for customers in its service market. Exelon/PECO has pledged to increase its assistance by \$5.9 million this year and Sunoco is filling up fuel tanks for a limited number of families who qualify for LIHEAP.

In addition, as part of the governor's Stay Warm PA program, the governor announced that he will convene a state-wide summit. The Governor also has called a statewide Stay Warm PA summit on Nov. 1 to bring together the leadership of the United Way, Red Cross, Salvation Army, AFL-CIO, the Pennsylvania Council of Churches as well as Jewish and Muslim organizations to mobilize an army of volunteers to weatherize homes, assist the frail and elderly, establish warm rooms in homes and community centers and collectively address the winter heating crisis.

- New Mexico Governor Bill Richardson has signed into law legislation providing \$23 million in state funds to shore up the federal LIHEAP program. The law also allocates money to a home weatherization program and to schools, police and firefighters to offset higher fuel costs.
- Kansas Governor Kathleen Sebelius has kicked off a state-wide campaign warning residents to expect higher heating bills, advising consumers to conserve energy and urging Kansans to support local energy assistance programs. The campaign will feature radio and television public service announcements, posters and a website – www.warmhelp.org.
- Indiana Governor Mitch Daniels has expanded the eligibility threshold for the state's energy assistance program from 125 percent of the federal poverty guidelines to 150 percent of the poverty level. The governor said this is only the second time the eligibility threshold has been expanded (It was broadened previously in 2001.) and added that he was seeking additional federal funds to help cover the estimated \$5 to \$7 million needed to provide assistance for the additional households.
- Illinois Governor Rod Blagojevich, after speaking with the gas companies across the state, reached an agreement with Ameren, Nicor Gas and

Peoples Energy to waive reconnection fees and suspend deposit requirements for customers who receive assistance through the LIHEAP.

By waiving the reconnection and deposit fees, low-income families on the program will be able to keep their heat on through the winter. The program will end March 31 and the companies will not suspend utilities until the end of March 2006.

- Ohio Governor Bob Taft has order the transfer of \$75 million in unused funds from the Temporary Assistance to Needy Families (TANF) program to the state's energy assistance program. The governor also expanded the eligibility threshold for the state assistance program allowing more than 70,000 additional state residents to qualify for aid.
- Michigan State Democrats have unveiled a legislative package intended to help Michigan residents deal with high home energy costs this winter. The series of legislative proposals called Winter Assistance and Relief for Michigan or WARM would prohibit natural gas utilities from shutting off service during the heating season households with income under 200 percent of federal poverty level, LIHEAP recipients, people receiving SSI benefits, seniors, and others.

The legislation would also allow individuals with incomes up to 300 percent of poverty level to deduct 50 percent of their expenses for home weatherization up to \$5,000 per year and provide a one-time emergency increase of income threshold for the Home Heating Credit from 110 percent to 125 percent of the poverty level and subsidize federal LIHEAP, which currently only cover 76 percent of the credits people qualify for, so that all credits are fully funded.

The proposals would give the Michigan Public Service Commission (MPSC) the authority to declare an emergency, in which case the MPSC could not grant funds for energy efficiency for all energy classes, instead using those funds for the immediate energy crisis and create the "Keep our Families Warm" fund, funded through a voluntary check-off box on state income tax forms.

Fuel Fund Actions

- The Heat and Warmth Fund (THAW) has teamed Detroit radio station WJJ newsradio 950 in an effort to reach out to the faith-based community to raise awareness of the pending home energy crisis and raise contributions to the fuel fund.

Called "Leap of Faith," the campaign asks churches and other faith based institutions to designate a day of worship each month through the end of the year to host a special collection and ask each member to contribute \$1 to The Heat and Warmth Fund.

- The Heat and Warmth Fund (THAW) has received a grant of \$4.5 million to help fund its energy assistance program from the Michigan Public Service Commission (MPSC). THAW was one of seven organizations, which received a total of \$41 million in grants from the MPSC.

“With the alarming spike in natural gas prices, it is more important than ever that low-income customers get the help they need to keep the heat on this winter,” said MPSC Chairman J. Peter Lark. “The Commission is expediting this \$41 million in grants to organizations that can get it into the hands of those who need it most.”