

Facing winter without heat puts big chill on families

Thousands of Minnesota homes had their natural gas or heating oil service cut off last summer, and funds to help low-income families through this winter are running low.

By [Allie Shah](#), Star Tribune

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Tracy McCalley hadn't paid her energy bill in months so it was no surprise when the disconnection notice arrived in August.

But when fall turned to winter, she and her four kids found themselves huddling around space heaters to keep warm. They closed bedroom doors at night to trap the heat inside.

McCalley, a Minneapolis resident whose income falls below the poverty line, is one of thousands of Minnesotans living without natural-gas service now because they fell behind on last winter's heating bills. She owes \$1,200.

The record number of utility customers with overdue accounts has stoked demand for help paying energy bills. But amid a political standoff in Washington, funding for federal energy aid hasn't been set, and many local agencies that work with low-income people fear the money could run out in the dead of winter.

"It's been heavy," Fenton Hyacinthe said of the number of people applying for federal aid at Community Action of Minneapolis, an agency that helps low-income people.

The number of overdue accounts is fueling the demand for aid. CenterPoint, the largest natural-gas supplier in Minnesota, reported in June that a third of its customers were past due on their accounts. Xcel Energy also posted an increase in delinquencies.

Today, CenterPoint estimates that roughly 5,200 residential accounts are still disconnected. Of those homes, about 3,400 are believed to be occupied, company spokesman Rolf Lund said.

Xcel currently has about 500 residential shut-offs, and a significant number of those are vacant properties, said Patrick Boland, Xcel's credit policy and compliance manager.

Since October, the number of approved applications for federal funds from the Minnesota Department of Commerce's Low Income Home Energy Assistance Program (LIHEAP) has reached 66,108. That's a jump of more than 8 percent over this time last year.

Customers seeking assistance at the Community Action Partnership offices serving Scott, Carver and

Dakota counties are bringing in much higher bills than usual, said Mary Sullivan, a worker there. On average, their energy-bill balances are between \$1,500 and \$2,000, she said.

Higher balances and more shut-offs are quickly draining assistance funds. But with this heating season's LIHEAP federal funding still not allocated, many agencies worry that aid could dry up sooner than ever before.

Catherine Fair, director of energy assistance for the Ramsey/Washington County Community Action Partnership, said Wednesday that the need is so great that she predicts, unless the counties get more federal aid, they'll run out of aid money before Christmas.

The funds are disbursed on a first-come, first-served basis and they always run out before winter ends.

Nationwide, millions of poor and elderly people on fixed incomes rely on heating assistance to help pay their heating bills. But with home heating oil prices surging to record levels and wintry storms already hitting many states, Congress and President Bush haven't been able to agree on how much money to give LIHEAP.

Last week, Minnesota Sens. Norm Coleman and Amy Klobuchar signed a letter, along with 38 other members of the Senate, seeking another \$1 billion in emergency funding for LIHEAP.

So far this winter, Minnesota has received \$59 million for LIHEAP. That compares with \$70 million the state received by this time last year.

In the meantime, CenterPoint and Xcel say they've been contacting delinquent customers through phone calls, letters, and home visits to work out payment plans and restore heat.

This fall, CenterPoint went on the offensive to recoup some of the whopping \$106 million that delinquent customers owed at the time. Through radio ads and inserts in November bills, the utility announced that beginning in January, it would inform credit-rating agencies about past-due accounts.

Today, the amount owed has shrunk to just under \$40 million, Lund said.

Turning the heat back on

Delinquent customers currently owe Xcel more than \$38 million. "For the past two months, we have not been denying service to folks who want to get their service restored," Boland said. "In several of those cases, the folks still owe us money but we did turn it back on."

Most of the thousands of delinquent CenterPoint customers had their service shut off in the summer and haven't responded to the company's outreach efforts, Lund said. This week, CenterPoint employees are visiting properties with service disconnections for a third time this heating season.


Some Minnesotans who can't pay their bills can avoid disconnections from Oct. 15 through April 15 under the Minnesota Cold Weather Rule. But customers must apply for protection under the rule and make payment arrangements with their utility companies. Eligibility for the program is based primarily on income.

As for McCalley and her family, they had enough of the space heaters last weekend when it became even colder. "We went to stay with my brother because it was so unbearable," said McCalley, who

works part time. New worries about freezing pipes led her to the Community Action of Minneapolis office.

There, she was approved for LIHEAP money paid directly to CenterPoint. It was enough to get the heat going again.

The Associated Press contributed to this report. Allie Shah • 651-298-1550

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