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Governor Holcomb: Utility Affordability Task Force is Needed to Address Implications of Pandemic and to Protect Consumers

INDIANAPOLIS – Governor Eric Holcomb must act now to address the financial cliff that is coming once emergency orders are lifted, specifically the moratorium on utility disconnects. Action is needed to ensure that utility arrearages incurred during the crisis do not trigger mass disconnections by requiring all utility service providers, both regulated and unregulated, to adopt more flexible credit and collections practices than are currently required by state regulations, or in the case of unregulated utilities, their self-governed, internal policies related to credit and collection practices.

“CAC calls on Governor Holcomb to immediately establish a Utility Affordability Task Force with the stated goal of ensuring all Hoosier consumers have uninterrupted access to essential utility services and are able to remain comfortably and safely in their own homes,” said Kerwin Olson, Executive Director of CAC.

Recommended consumer protections should:

- Eliminate any customer deposit requirements
- Allow flexible, reasonable payment plans that are based on the customer’s ability to pay
- Eliminate down payment requirements on payment plan arrangements
- Eliminate any requirement that disconnected customers pay the full arrearage in order to reconnect
- Require utilities to forgive debt for consumers who certify that they are eligible for LIHEAP (Low Income Energy Assistance Program) but are unable to receive LIHEAP due to insufficient LIHEAP funds
- Prohibit utilities from imposing late fees and engaging in negative credit reporting
- Eliminate minimum balance requirements for prepaid utility service customers

Financially struggling ratepayers are dealing with an unprecedented shutdown of the economy. Record unemployment, food insecurity, disproportionate health impacts by race and zip code, and financial obligations are all a direct result of the pandemic. We are just beginning to understand the extent and length of the economic fallout resulting from the pandemic – particularly for low-income and vulnerable consumers.

“We must put in place consistent Statewide rules which apply to all utilities and which recognize that the utilities have an obligation to serve all customers,” added Mr. Olson. “This conversation must be a collaborative and transparent process with all stakeholders and relevant State agencies at the table. We respectfully request that the Governor create this Task Force now to begin working to protect Hoosier consumers in these unprecedented times.”

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