

## Utility Disconnections

When people fall behind on their electric, natural gas, and water bills, the utility company can disconnect the service. There are some regulations that affect the disconnection. The COVID-19 pandemic highlighted that Iowa's laws regarding utility disconnections need to be revised.

“More than half of Iowa’s housing stock was built before 1970. Nearly 150 Iowa towns have had no new housing built since at least 2010, U.S. census figures show.”<sup>1</sup> In general, older homes were built with inadequate insulation, which increases the amount of money that the residents must pay for heating and cooling.

### Current law regarding electric and natural gas disconnections

A person receiving a notice that their electric or natural gas service will be disconnected can delay disconnection by<sup>2</sup>

- Paying the bill in full.
- Entering into a payment plan with the utility.
- Applying for and being approved for low-income energy assistance (LIHEAP) which will assist in payment of the utility bills, which will prevent disconnection from November 1 through April 1. LIHEAP uses income and family size to determine if a person qualifies for energy assistance.
- Giving the utility a written statement from a doctor or public health official stating that disconnecting natural gas or electric service would pose an especial health danger for a resident. This will delay the disconnection by 30 days.
- For a dispute in the amount of the bill, the customer must notify the utility of the disputed amount, but must pay the amount not in dispute.
- When one of the heads of household is a service member deployed for military service, utility service cannot be shut off during the deployment and for 90 days after the end of deployment, provided that the utility was informed of the deployment prior to disconnection.



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National Renewable Energy  
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Further, the electric and natural gas utility has to follow these requirements:

- Your utility can disconnect service between the hours of 6 a.m. and 2 p.m., Monday through Friday.
- The utility will not disconnect your service on nights, weekends, or holidays.
- The utility will not disconnect your service if the temperature is forecasted to be 20 degrees Fahrenheit or colder during the following 24-hour period, including the day your service is scheduled to be disconnected.
- You must be given a written notice at least 12 days before the utility service can be disconnected for nonpayment. This notice will include the reason for disconnecting your service.
- If you have not made payments required by an agreed-upon payment plan, your service may be disconnected with only one day's notice.

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<sup>1</sup> Kevin Hardy, “Would-be showcase turns into tower of terror”, *Cedar Rapids Gazette*, February 10, 2019

<sup>2</sup> For more information on disconnecting electric service,

[https://iub.iowa.gov/sites/default/files/documents/2018/09/2018.09.18\\_r\\_r\\_electric.pdf](https://iub.iowa.gov/sites/default/files/documents/2018/09/2018.09.18_r_r_electric.pdf)

and for gas service, [https://iub.iowa.gov/sites/default/files/documents/2018/09/2018.09.18\\_r\\_r\\_gas.pdf](https://iub.iowa.gov/sites/default/files/documents/2018/09/2018.09.18_r_r_gas.pdf)

- The utility must also try to reach you by telephone or in person before it disconnects your service. From November 1 through April 1, if the utility cannot reach you by telephone or in person, the utility will put a written notice on the door of your residence to tell you that your utility service will be disconnected.

### **Current law regarding water disconnection**

Most of the cities in Iowa supply water to their residents through a municipal water utility. The municipal water utility sets its own rules for disconnections and the procedure they must follow.

A few cities use a private company to provide water for their residents. The Iowa Utilities Board sets the rules if your water comes from a private company serving 2,000 or more people, including disconnection rules:<sup>3</sup>

- The utility must try to collect the money owed before the water is disconnected.
- The utility must give you at least 12 days' notice before disconnecting water.
- If you dispute that amount of money you owe, the utility cannot disconnect the water 45 days, during which they must resolve the dispute.
- If you file a complaint with the Utilities Division, the utility could have to extend this waiting period another 60 days if the state requests it.
- You cannot be denied water service to your home if the previous occupant did not pay their water bill; likewise you cannot be denied water service if you promised to pay another customer's bill but failed to do so.

Although LIHEAP assists in paying for energy, there is no similar program to assist people in paying for water.

### **Policy concerns**

Addressing the following policies would improve how Iowa utilities handle disconnections when customers fall behind on their bills:

- LIHEAP helps pay for utility bills for home-heating those who qualify. However the amount of money available to the LIHEAP is significantly lower than the need for the assistance. LIHEAP is a federally-funded program.<sup>4</sup>
- Rather than limit utility disconnections to those who qualify for LIHEAP, it makes sense to limit utility disconnections during the winter months to everyone, provided they have entered into a payment plan with the utilities.
- Having the electric power disconnected during the hottest days of the year can lead to serious health issues. Yet nothing in the current Iowa law prevents utilities from disconnecting power during those hot months.
- All customers of all electric and natural gas utilities (investor-owned, rural electric cooperative, municipal) should be treated the same with respect to disconnections.
- The federal Weatherization Assistance Program needs to be adequately funded so that heating and cooling costs are permanently reduced. The program is available to low income individuals and families.
- Fees to restore service to a disconnected meter should be reasonable and low. Now that many utilities use smart meters, meter disconnection and restoration can be done in an office and does not require an on-site visit.
- The Iowa Utilities Board should have jurisdiction over the disconnection of water for all utility customers in Iowa, not just the investor-owned water utility company operating in Iowa – Iowa-American Water Company.
- There is nothing in the current laws that automatically prohibits disconnections during emergencies or disasters. During this time, credit reporting for non-payment of bills should cease.

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<sup>3</sup> <https://www.iowalegalaid.org/resource/water-service-shutoffs>

<sup>4</sup> For more information on LIHEAP, see <https://humanrights.iowa.gov/dcaa/liheap> and “Iowa Low-income Home Energy Assistance Program 2020 Fact Sheet”