

Energy companies continue utility shutoffs as bitter cold hits Detroit

By Thomas Gaist
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Increasing numbers of low-income families in the Detroit area and the rest of Michigan are having their utilities shut off by the energy corporations, in the midst of bitter cold conditions. With temperatures falling below zero, residents are desperately trying a variety of means to heat their homes, including space heaters and propane, which greatly increase the risk of residential fires.

An article published Monday in the *Detroit Free Press*, titled “Michigan customers behind on utility bills face shutoff, even in winter,” related the story of Nathan Blair, husband and father of two young girls, who recently had his utilities shut off just as temperatures plunged to negative four degrees.

Blair’s wife, Victoria Concord, 29, told the *Free Press*, “I was surprised they shut it off,” she said. “To shut it off if you have children is a little extreme.”

The *Free Press* pointed out that utility shutoffs frequently occur during the coldest months of the year, despite the common misconception that such shutoffs are illegal. In January 2013 alone, the *Free Press* reported, more than 25,000 DTE and Consumers Energy (CMS) accounts were disconnected, and a further 169,407 households were cut between January and September 2013.

While the companies provide some protections for seniors from utility shutoffs under programs such as the “Winter Protection Program,” these measures are extremely limited. As the *Free Press* noted, “Experts, however, cautioned that a moratorium only postpones the inevitable. Senior citizens who fail to make payments through the winter when they are protected from utility disconnection in Michigan face a reckoning in the spring because bills add past due to current charges. That kind of snowballing effect makes it even harder for struggling residents to catch up.”

Since the crash of 2008, millions of Americans been plunged into poverty. The utility companies have responded to the crisis by carrying out countless shutoffs against working class families. Through September 2013, DTE reported 169,407 shutoffs and CMS reported 118,203 shutoffs. Shutoffs have escalated rapidly since the beginning

of the economic crisis, with DTE shutoffs two and half times greater in 2011 than in 2007.

At the same time, the utility providers continue to reap huge profits and benefit from federal tax relief. DTE and CMS paid no federal taxes between 2008 and 2010, and they increased executive compensation from \$9 million to \$14 million and from \$7.3 million to \$12.4 million respectively over the same period.

These companies are now continuing their practice of leaving working class families in the cold, in the midst of record-breaking low temperatures resulting from the “polar vortex.”

Across the US, rising energy prices are taking a larger and larger bite out of household budgets already strained to the breaking point. A January 2013 report published by the American Coalition for Clean Coal Electricity, “Energy Cost Impacts on American families,” found that more than half of US households spend more than 20 percent of their family budget on energy costs.

According to projections provided by DTE, the average Michigan customer will have seen their bills increase by 13 percent between November 2013 and January 2014.

While energy prices continue to rise, the Obama administration has presided over drastic reductions in federal heating aid for poor families disbursed through the Low Income Home Energy Assistance Program (LIHEAP). From 2010 to 2012, LIHEAP funding was cut from \$5.1 billion to \$3.5 billion as a result of cuts approved by the Obama administration. As a result, Michigan has lost \$100 million in residential heating assistance from the federal government over the last two years.

DTE wields enormous power in Michigan politics, enabling the company to exploit and victimize the population with impunity. Far from being prosecuted for the dozens of deaths that have resulted from its aggressive shutoff policies, DTE has now been given control over the public lighting system by the mayor of Detroit, David Bing, who sat on the company’s board for some 20 years and retains close ties to the company.

The *Free Press* noted that, “instead of a moratorium on shutoffs”—an idea, which was floated after a 93-year-old veteran, Marvin E. Schur, froze to death in his Bay City home in January 2009—“Michigan legislators instituted a program last year to ensure better funding for utility payment assistance.” This involves a monthly 99-cent surcharge on customers to fund utility assistance for low-income residents. “Utilities could either levy the surcharge or agree to no winter shutoffs,” the *Free Press* wrote.

“DTE and Consumers are among the utilities that levy the surcharge and were approved in October for state grants of \$16 million and \$10.9 million, respectively, that are to be used to assist low-income customers.” This can only mean that the utility giants rejected such a ban and are continuing their criminal practice of shutting off low-income families in the middle of winter, with the sanction of state legislators from both big business parties in Lansing.

“We try to err on the side of caution, but we also want our customers to understand they are responsible for the energy they consume,” Whitney Skeans, a spokesperson for Consumers Energy, told the *Free Press*.

In 2010, utility shutoffs by DTE resulted in a series of deadly house fires in Detroit that claimed several lives, including two wheelchair-bound brothers on Dexter Avenue and three children on Bangor Street. In both cases, the company sought to deflect attention from its responsibility by blaming the tragedies on “energy thieves” who hook up houses to DTE power lines. With the backing of the state, DTE demanded arrests and launched a spying campaign against Detroit residents, which included the use of aerial infrared photography to determine which houses still had heat after being turned off for non-payment.

At the same time, DTE launched a publicity campaign, promoting its charity, the Heat and Warmth Fund (THAW), and its Winter Protection Plan (WPP). In addition to only protecting seniors from winter shutoffs, these programs place families into payment plans, in return for limited subsidies, which essentially keep households permanently in debt to DTE. In many cases, families cannot keep up with the payment plans and lose service anyway.

In response to the deadly wave of fires in 2010, the Socialist Equality Party organized a “Citizens Inquiry into the Dexter Avenue Fire: Utility Shutoffs and the Social Crisis in Detroit.” Afterwards, the Inquiry issued a series of recommendations, including:

- 1) “The shutoff of utilities should be immediately stopped and made illegal”
- 2) “DTE workers should refuse to comply with company instructions to shut off utility service.”
- 3) “The utilities, including DTE, should be nationalized

and transformed into publicly owned, democratically run entities. Essential services such as gas, electricity and water should be provided to people as a basic human right, not on a for-profit basis.”

The Socialist Equality Party insisted that all workers have the right to basic necessities of life, regardless of ability to pay.

On Monday afternoon, the WSWs spoke with Detroit residents outside a DTE office on Seven Mile Road, with forecasts that area wind chill temperatures would fall to 30-40 degrees below zero by Tuesday morning.

Bernard told a WSWs reporter, “I came in here to pay \$236. That was the minimum amount they said would stop them from shutting off our utilities. They wanted me to pay \$560, but I just don’t have the money.

“People on my block are using whatever they have, space heaters, stovetops, anything they can think of. Finding an alternative way to keep warm has become necessary to survive. And you know the company is making good money. These companies are getting rich while we freeze to death.”

Tametria, a Detroit resident and mother of three, said, “They set me up on a payment plan, where I was supposed to pay \$300 every month. I kept up with most of the payments, but when I lost my job, they still shut us off. I have three kids, and now we’ve had to move in with a friend.

“I came in today and they said I have to pay \$2,600 to get my house turned back on. It’s unbelievable. We can’t move back into our house because we can’t afford those thousands of dollars.”

Daryl said, “DTE changes my rates practically every month. They’re constantly trying to squeeze every penny out of us. I keep my gas nearly at zero and they are still charging me an arm and a leg.”

To contact the WSWs and the
Socialist Equality Party visit:

<http://www.wsws.org>