

ONE HUNDRED SEVENTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

March 21, 2022

Mr. Tom Fanning
Chairman and CEO
Southern Company
30 Ivan Allen Jr. Blvd. NW
Atlanta, GA 30308

Dear Mr. Fanning:

Despite broad assurances from the electric utility industry in early 2020, we have seen alarming reports of high customer shutoff rates during the coronavirus disease of 2019 (COVID-19) pandemic for certain utilities, including yours. In an effort to further examine these concerns, pursuant to Rules X and XI of the U.S. House of Representatives, the Committee on Energy and Commerce requests information regarding Southern Company's shut-off data, arrearage data, and energy assistance programs during the COVID-19 pandemic.

In the spring of 2020, the utility industry made the argument to this Committee, as well as to other committees and agencies, that a federal mandatory shutoff moratorium was not necessary because a patchwork of state and local moratoriums had already begun to take shape. In a letter circulated on April 28, 2020, the investor-owned utility industry argued that a state-level approach was sufficient to address shutoff concerns.¹

Nevertheless, a September 2021 report entitled *Powerless in the Pandemic* identified electric utilities that lobbied against a federal shutoff moratorium, received Coronavirus Aid Relief and Economic Security Act (CARES) funding, and still shut off utilities for customers. The report found that American families had their power cut nearly one million times between July 2020 and June 2021 by 16 utilities that also received \$1.25 billion in federal aid.² This money, the report argues, would be more than enough to cover the costs of the power shutoffs. The report further argues that a correlation exists between utility shutoffs and increased COVID-19 infection and death rates.

¹ *Congress under pressure as states lift electricity shut-off bans during coronavirus crisis*, The Washington Post (Aug. 6, 2020).

² Bailout Watch and the Center for Biological Diversity, *Powerless in the Pandemic After Bailouts, Electric Utilities Chose Profits Over People* (Sept. 2021).

Furthermore, a working paper published by the National Bureau for Economic Research found that, had a nationwide ban on disconnections been in effect from March to November 2020, COVID-19 infections could have been reduced by 8.7 percent and COVID-related deaths could have been reduced by 14.8 percent.³

According to the National Energy Assistance Directors' Association (NEADA), total utility arrearages increased from \$20.2 billion in 2020 to about \$22.3 billion in 2021, with average arrearages increasing from \$879 to \$1,060.⁴ These trends, coupled with rising energy prices and the destabilization in volatile global energy markets as a result of the crisis in Ukraine, are especially concerning for low-income families.

Congress and two administrations have taken steps to alleviate the pressure of rising energy prices on Americans since the beginning of the pandemic, including \$5.4 billion in supplemental funding for the Low Income Home Energy Assistance Program (LIHEAP) through CARES and the American Rescue Plan. Furthermore, the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, included an additional \$500 million for LIHEAP and \$3.5 billion for the Weatherization Assistance Program. Despite these critical investments, we remain concerned about the financial impacts on struggling Americans. According to the U.S. Census Bureau's Household Pulse Survey, in the last year, 29 percent of Americans surveyed had to reduce or forego expenses for basic necessities to pay an energy bill.⁵

We understand that federal money received by utilities over the course of the pandemic has multiple applications, but we are disturbed by the alarming reports of shutoffs over the last two years. Additionally, as state shutoff moratoriums expire, we are concerned about the financial pressure on customers. Therefore, we write to collect additional data on the shutoff and arrearage numbers in your service territory, and to ensure that vulnerable Americans are protected.

In order for this Committee, Congress, and the Administration to provide assistance effectively and efficiently to those who need it most, we ask you to respond to the following regarding shut off data, arrearage data, and energy assistance by no later than April 4, 2022.

Please provide us with the following:

1. The current 30-, 60-, and 90-day arrearage data for residential customers, including the number of households in each category and how many receive LIHEAP assistance;

³ National Bureau of Economic Research, *Housing Precarity & the COVID-19 Pandemic: Impacts of Utility Disconnection and Deaths Across US Counties* (Jan. 2021).

⁴ National Energy Assistance Directors' Association, *Arrearage and Moratorium Update* (Jan. 20, 2022) (neada.org/wp-content/uploads/2022/01/arrearagesjan2022.pdf).

⁵ The National Energy Assistance Directors' Association, *Press Release: Gasoline and Home Heating Will Cost More than Christmas Gifts this Winter* (Nov. 22, 2021) (press release).

2. A comparison of the current 30-, 60-, and 90-day arrearage data against pre-pandemic 30-, 60-, and 90-day arrearage data from 2019, and the same data from 2020 and 2021;
3. Total arrearage data for the 2019, 2020, and 2021 calendar years, including the range of amount owed and distribution of amount owed;
4. Electricity shutoff data for 2019, 2020, and 2021, and the average duration of such shutoffs;
5. A summary of the duration of the pandemic-related shut off moratorium in your state and any resulting actions you took related to customer outreach regarding shutoff moratoriums and the availability of assistance programs;
6. A summary of your shutoff policies when there is no active moratorium;
7. Your plan for addressing the needs of your most vulnerable customers in the coming months, and whether any shutoff moratoriums are currently in effect;
8. A description of any programs or assistance you currently offer to low-income customers;
9. An accounting of any programs or assistance you began to offer specifically related to the COVID-19 pandemic, and an explanation of whether or not these programs and assistance continue to this day;
10. Your assessment of need for energy assistance in your service territory;
11. A summary of your experiences with your state's LIHEAP administration;
12. A summary of whether supplemental LIHEAP assistance provided through COVID relief bills helped avert shutoffs in your service territory, and whether LIHEAP assistance received met the need in your territory;
13. According to the Center for Budget and Policy Priorities, the Child Tax Credit helped low-income families pay for basic necessities, including utility bills.⁶ Looking ahead, with the expiration of the child tax credit, are you anticipating additional shutoffs?

⁶ Center on Budget and Policy Priorities, *9 in 10 Families With Low Incomes Are Using Child Tax Credits to Pay for Necessities, Education* (Oct. 21, 2021) (www.cbpp.org/blog/9-in-10-families-with-low-incomes-are-using-child-tax-credits-to-pay-for-necessities-education).

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We look forward to your timely response to this request. If you have any questions, please contact Medha Surampudy or Rebekah Jones on the Committee staff at (202) 225-2927.

Sincerely,



Frank Pallone, Jr.
Chairman



Diana DeGette
Chair
Subcommittee on Oversight
and Investigations



Bobby L. Rush
Chairman
Subcommittee on Energy

cc: The Honorable Cathy McMorris Rodgers
Ranking Member
Committee on Energy and Commerce