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What to Do When You Can't Pay Your Utility Bill - Debt.org

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If you've ever shivered through a sub-zero morning in Minnesota or sweated out a summer afternoon in South Florida, you understand that a thermostat can be your home's most valuable appliance.

But what happens if you can't afford to use it?

Gas, fuel oil, electric and water bills are easily among the largest household expenses. Struggling to keep the power on or the oil tank full can be tough, especially if you're going through hard times.

Fortunately, an assortment of government, charitable and utility-company programs are available to make these large expenses more manageable. If you lost your job or had an emergency that makes paying a utility bill difficult or impossible, become familiar with what's available and start making calls.

What Are Utilities?

Think of utilities as pipes that deliver essential products to your home or cart away things you no longer need.

The list of utilities includes:

- Natural gas, electricity and fuel oil.
- Water
- Trash removal and recycling
- Communications connections, specifically cable or satellite TV service, internet and possibly a landline or cell phone.

If you're having an immediate cash crunch, you should organize utilities by priority. If you live in a northern state during the winter, you need electricity, gas or fuel oil to stay warm and prevent your pipes from freezing. If you live in the south in the summer, not having air conditioning can be uncomfortable and, for the elderly and handicapped, life-threatening.

Water is needed to drink, bathe and cook. Electricity powers just about everything in your home, including the lights and your refrigerator. Because they play a central role in survival, gas, electricity, fuel oil and water are all essentials. You need them and you must pay the bills to keep them available.

Other services might be less critical. Garbage collection is

available in most locations and often is included in property taxes which you or your landlord pay annually. Internet, cable and phone connections aren't indispensable – you might not want to live without the internet or cable TV, but not having them won't kill you.

The U.S. Department of Energy estimated in 2018 that that the average family spends \$2,200 a year on home utility bills. Though you might not need every appliance or electronic device, it's safe to say that most items in those categories are essential.

Keep in mind that there are substantial regional differences. In the South, air conditioning is very important, and most people don't have furnaces, so electric bills tend to be higher than in other locations. Gas and heating oil are used heavily in the North during cold weather and can create big expenses.

Paying the Bills

If you have the money to cover everything, you might not be happy with the cost, but you can live with it. Not having enough to pay very different and requires fast action.

First, prioritize your bills.

- You need water and electricity, but you can do without the cable service. So, consider suspending cable for a while.

- If you have a landline and a cell phone, drop one of them.
- Consider lowering the thermostat on the water heater, raising the setting on the air conditioner and lowering it on the heating system.
- Fix leaky faucets and don't take long showers.
- Seal drafty doors and windows.
- Add insulation, if it's in your [budget](#).
- Buy a smart thermostat that automatically adjusts the temperature at night or when you go to work.
- Consider partially closing heating and cooling vents in rooms you seldom use.

You get the idea: conserve and save. If conservation isn't enough, contact your utilities. Many power companies will average electric bills over a calendar year, smoothing out what you must pay each month.

Remember that not paying an essential utility bill and not contacting the utility provider to let it know you're having financial trouble, could lead to suspension of service – something you definitely want to avoid. Know the payment deadlines and don't miss them unless you have made arrangements with the utility.

Government Programs for Help with Electric Bills

If you have several weeks before a utility bill is due and you know you won't be able to pay it, start looking for help. Government programs and charities can assist, but you have to learn what's available and ask for it.

The Low Income Home Energy Assistance Program (LIHEAP), administered by the federal Department of Health and Human Services, provides states with funds to help those in financial need pay their energy bills. The program received \$3.65 billion in funding for fiscal 2019 and aids residents in all 50 states through block grants.

The money can be used to offset heating and cooling costs and avert crises. Some states use LIHEAP money to repair broken furnaces and air conditioners and do home repairs to increase energy efficiency.

[LIHEAP](#) targets heating and cooling. For instance, if you heat with gas, the program won't help with your electric bill.

Qualification for Energy Assistance Programs

There are income thresholds to qualify for help from LIHEAP. Though eligibility varies from state to state, a single person household cannot earn more than 150% of the federal poverty level, \$18,375, to qualify. The qualifying income maximum increases by about \$6,600 for each additional member of a household.

If you already have qualified for benefit programs like

Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI) or needs-tested VA benefits, you might automatically qualify for LIHEAP.

LIHEAP money is limited. Each local office receives a set amount of funding each year and when funds run out, no more benefits are available until Congress makes them available the following year. Only about 20% of households nationally that qualify for help under the program guidelines actually receive assistance.

In addition to LIHEAP, some states have their own utility assistance programs. Ohio, Colorado, New Jersey, Nevada, Illinois, Pennsylvania, New Hampshire and Maine all have programs that subsidize utility bill payments based on income levels.

LIHEAP has a priority system that favors households with a family member at risk or disabled and those households with senior citizens.

Charities and Churches Offering Help with Utility Bills

Charities are also available to those facing a bill-paying crisis. You can often find these agencies by dialing 2-1-1 on your phone and connecting to an emergency assistance

operator.

Organizations that can help include the [Red Cross](#), [Salvation Army](#), [Catholic Charities](#), [Love Inc.](#), [Lutheran Social Ministry](#), [St. Vincent de Paul Society](#), the [Jewish Federation of North America](#) and the [Urban League](#).

Most of the organizations help is at the local level, though the Red Cross has some financial aid available when it responds to national disasters. The other organizations operate in local communities with varying budgets and priorities. It is best to show up with your utility bill in hand and any evidence that can support your plea for assistance.

Local churches also often offer help. If you need help with your bills, call churches in your area and ask if they provide aid to keep your utilities on.

Utility Provider Assistance Programs

The companies that provide utilities throughout America recognize how disruption of their service can cause chaos in the day-to-day life in a home so they too provide assistance for financially-strapped families.

American Water, one of the nation's largest water companies, operates the H2O Help to Others program that can pay part or all the water bill of a qualified low-income applicant. The H2O program focuses on the elderly and handicapped.

Heating, cooling and electric bills are often the most expensive, and many utility companies have their own programs and financial aid.

The assistance can come in the form of:

- Direct financial assistance to pay a bill
- A payment plan to spread the bill over months and make repayment less of a hardship
- Referrals to other agencies in the area that assist with utility bills
- Help on “weatherizing” a home to make it more energy efficient

To find out what type of assistance programs are available in your area, contact your utilities provider’s customer service department.