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Residential Utility Arrearages Reach \$19.5 Billion As Consumers Struggle with Inflation in Essential Goods

The level of utility consumer debt – the amount consumers owe their utilities – has increased from \$17.5 billion at the end of January 2023 to \$19.5 billion by the end of March 2023. About 19.6 million households (approximately one out of six nationwide) were behind on their electric bills at the end of March 2023. Families owed an average of \$653 on their electric bills up from \$530 as of 12/31/21 and \$453 on their on their natural gas bills up from \$313 as of 12/31/21.

The rapid increase in the cost of basic goods – food, shelter and energy – have placed millions of low income families in a precarious position of having to choose between paying their home energy bill and food, rent and medicine. While the overall rate of inflation is finally starting to come down, the impact of rapidly rising prices in the last year have taken their toll on some of the nation’s poorest families. The federal reserve’s survey 2022 Household Economics and Decision Making released earlier this week *found that self-reported financial well-being fell sharply and was among the lowest observed since 2016.*

Table 1: Estimated Total Residential Arrearages (12/2021 to 3/2023)

Ending Period	National Arrearages (\$'s in Billions)
03/2023	\$19.5
01/2023	\$17.5
12/2022	\$17.8
03/2022	\$15.7
01/2022	\$15.4
12/2021	\$14.6

Table 2: Estimated Residential Electric Arrearages (12/2021 to 3/2023)

Ending Period	% of Households in Arrears	Total Households in Arrears (Millions)	Average Arrearages	National Arrearages (\$'s in Billions)
03/2023	14.9%	19.6	\$653	\$12.8
01/2023	15.5%	20.3	\$606	\$12.3
12/2022	15.3%	20.1	\$637	\$12.9
03/2022	13.9%	17.9	\$572	\$10.3
01/2022	14.4%	18.6	\$587	\$10.9
12/2021	14.6%	18.8	\$530	\$10.4

Table 3: Estimated Residential Natural Gas Arrearages (12/2021 to 3/2023)

Ending Period	% of Households in Arrears	Total Households in Arrears (Millions)	Average Arrearages	National Arrearages (\$'s in Billions)
03/2023	20.0%	16.1	\$413	\$6.6
01/2023	16.2%	13.0	\$396	\$5.1
12/2022	17.4%	14.0	\$351	\$4.9
03/2022	16.6%	13.1	\$413	\$5.4
01/2022	15.5%	12.2	\$372	\$4.6
12/2021	17.0%	13.4	\$313	\$4.2

Winter Utility Disconnection Protections: Winter utility disconnection moratoriums have now expired, putting millions of families at risk of shut-off if they are not able to pay their utility bills. A recent report by the Center for Biological Diversity, [Powerless in the US](#), estimated that about 4.2 million households were shut-off from power in 2022.

Arrearage Rates by Utility: While the average percentage of customers in arrears varies considerably from utility to utility, many are reporting arrearage rates of more than 16% of their residential customers. Table 4 provides a list of the top 25 utilities reporting residential arrearage rates for states of more than 16% from January 2023. Note – not all states report consistent utility data but based on our review of states that report the data less frequently, these arrearage patterns are consistent.

The amount owed by customers to their utilities also varies considerably from utility to utility with the average amount in some cases exceeding \$1,000. Table 5 provides a list of the top 25 utilities reporting residential arrearage rate from March 2023.

Underlying Reasons for the Increase in Arrearages: Families are falling behind on their home energy bills because of continued high home heating prices, rising prices for essential goods and services that are increasing faster than the rate of inflation and the end of federal income-based stimulus payments. The combination of rising prices and cutbacks in income supports is creating a perfect storm of misery for low income families that is making it increasingly difficult to pay their home energy bills. These concerns are explained in more detail as follows:

- **Home Heating Prices Increase by 9.7%:** Based on NEADA's analysis of home energy prices, households faced significant increases in home heating expenditures this winter compared to last year. On average, households paid 9.7 percent more for home heating this winter and 27.8 percent more than two years ago. Heating oil expenditures experienced the largest increase relative to the other fuels, with a 12.5 percent increase, over \$200, more than the 2021-22 winter heating season. Natural gas expenditures also saw a significant jump of 8.9 percent more than last year. While prices for home energy are finally coming down they have yet to be fully reflected in the retail price of electricity and natural gas.

Table 4: Top 25 Utilities by % of Households in Arrears (1/2023)

State (Utility)	Type	Customer in Arrears	Total Customers	% in Arrears	Average Arrears
Massachusetts (Fitchburg / Unitil)	Gas	5,302	14,698	36.1%	\$902
Massachusetts (Fitchburg / Unitil)	Electric	7,483	26,208	28.6%	\$1,298
California (San Diego Gas and Electric)	Gas & Electric	336,801	1,341,214	25.1%	\$610
Massachusetts (WMA - Eversource)	Gas & Electric	48,153	196,460	24.5%	\$738
DC (Pepco)	Electric	75,475	310,899	24.3%	\$517
Maryland (Southern Maryland Electric Coop)	Electric	36,077	157,496	22.9%	\$352
Massachusetts (EGMA - Eversource)	Gas	77,171	348,485	22.1%	\$863
New Jersey (Public Service Electric & Gas)	Gas & Electric	507,725	2,321,985	21.9%	\$498
New York (Central Hudson)	Gas & Electric	61,676	285,060	21.6%	\$1,272
California (Southern California Gas)	Gas	1,226,694	5,733,357	21.4%	\$203
California (Pacific Gas and Electric)	Gas & Electric	1,165,079	5,578,972	20.9%	\$790
New Jersey (Elizabethtown Gas)	Gas	59,831	286,943	20.9%	\$313
Massachusetts (EMA Gas - Eversource)	Gas	57,644	277,800	20.8%	\$657
Massachusetts (Massachusetts Electric)	Electric	239,307	1,156,198	20.7%	\$1,292
Maryland (Pepco)	Electric	108,040	546,628	19.8%	\$432
Michigan (DTE)	Gas & Electric	539,931	2,789,026	19.4%	\$351
New Jersey (South Jersey Gas)	Gas	70,856	375,940	18.8%	\$461
Massachusetts (Boston)	Gas	127,840	684,012	18.7%	\$893
Illinois (People's Gas)	Gas	151,228	811,615	18.6%	\$668
California (Southern California Edison)	Electric	849,388	4,570,365	18.6%	\$943
New Jersey (Atlantic City Electric)	Electric	91,227	502,606	18.2%	\$813
Massachusetts (Berkshire)	Gas	6,401	35,548	18.0%	\$565
Maryland (Delmarva)	Electric	31,806	184,259	17.3%	\$344
Massachusetts (EMA Electric - Eversource)	Electric	182,888	1,078,279	17.0%	\$782
Georgia (Georgia Power)	Electric	400,550	2,366,818	16.9%	\$133

Table 5: Top 25 Utilities by % of Households in Arrears (3/2023)

State (Utility)	Type	Customer in Arrears	Total Customers	% in Arrears	Average Arrears
Massachusetts (Fitchburg / Until)	Gas	6,234	14,696	42.4%	\$923
Massachusetts (Fitchburg / Until)	Electric	8,609	26,213	32.8%	\$1,218
California (Southern California Gas)	Gas	1,758,753	5,742,632	30.6%	\$247
Massachusetts (WMA - Eversource)	Gas & Electric	49,921	196,818	25.4%	\$806
California (San Diego Gas and Electric)	Gas & Electric	336,766	1,343,094	25.1%	\$744
Massachusetts (EGMA - Eversource)	Gas	87,228	352,883	24.7%	\$980
Michigan (DTE)	Gas & Electric	546,844	2,240,272	24.4%	\$377
DC (Pepco)	Electric	73,426	312,179	23.5%	\$554
Massachusetts (EMA Gas - Eversource)	Gas	65,148	277,611	23.5%	\$811
New York (Central Hudson)	Gas & Electric	66,214	286,147	23.1%	\$1,139
New Jersey (Elizabethtown Gas)	Gas	66,544	288,025	23.1%	\$358
Maryland (Southern Maryland Electric Coop)	Electric	34,382	157,933	21.8%	\$370
New Jersey (Public Service Electric and Gas)	Gas & Electric	499,144	2,323,574	21.5%	\$531
Massachusetts (Massachusetts Electric)	Electric	244,912	1,155,846	21.2%	\$1,372
Maryland (Pepco)	Electric	114,283	547,402	20.9%	\$506
New Jersey (South Jersey Gas)	Gas	77,598	376,774	20.6%	\$520
California (Pacific Gas and Electric)	Gas & Electric	1,137,602	5,582,694	20.4%	\$851
Massachusetts (Berkshire)	Gas	7,124	35,578	20.0%	\$677
Massachusetts (Boston)	Gas	133,381	685,532	19.5%	\$1,032
Illinois (People's Gas Company)	Gas	157,894	815,610	19.4%	\$792
Maryland (Delmarva)	Electric	34,720	184,464	18.8%	\$576
New Jersey (Atlantic City Electric)	Electric	91,227	502,919	18.1%	\$809
Massachusetts (EMA Electric - Eversource)	Electric	185,951	1,077,152	17.3%	\$764
California (Southern California Edison)	Electric	775,379	4,576,407	16.9%	\$1,039
Georgia (Georgia Power)	Electric	400,550	2,366,818	16.9%	\$133

Table 6: Top 25 Utilities by % of Households in Arrears Difference 3/2023-1/2023

State (Utility)	Customers in Arrears 1/23	Customer in Arrears 3/23	Total Customers 1/23	Total Customers 3/23	% in Arrears 1/23	% in Arrears 3/23	Difference 3/23-1/23
Massachusetts (Fitchburg / Unitil)	5,302	6,234	14,698	14,696	36.1%	42.4%	6.3%
Massachusetts (Fitchburg / Unitil)	7,483	8,609	26,208	26,213	28.6%	32.8%	4.3%
California (Southern California Gas)	1,226,694	1,758,753	5,733,357	5,742,632	21.4%	30.6%	9.2%
Massachusetts (WMA - Eversource)	48,153	49,921	196,460	196,818	24.5%	25.4%	0.9%
California (San Diego Gas and Electric)	336,801	336,766	1,341,214	1,343,094	25.1%	25.1%	0.0%
Massachusetts (EGMA - Eversource)	77,171	87,228	348,485	352,883	22.1%	24.7%	2.6%
Michigan (DTE)	539,931	546,844	2,789,026	2,240,272	19.4%	24.4%	5.1%
DC (Pepco)	75,475	73,426	310,899	312,179	24.3%	23.5%	-0.8%
Massachusetts (EMA Gas - Eversource)	57,644	65,148	277,800	277,611	20.8%	23.5%	2.7%
New York (Central Hudson)	61,676	66,214	285,060	286,147	21.6%	23.1%	1.5%
New Jersey (Elizabethtown Gas)	59,831	66,544	286,943	288,025	20.9%	23.1%	2.3%
Maryland (Southern Maryland Electric Coop)	36,077	34,382	157,496	157,933	22.9%	21.8%	-1.1%
New Jersey (Public Service Electric & Gas)	507,725	499,144	2,321,985	2,323,574	21.9%	21.5%	-0.4%
Massachusetts (Massachusetts Electric)	239,307	244,912	1,156,198	1,155,846	20.7%	21.2%	0.5%
Maryland (Pepco)	108,040	114,283	546,628	547,402	19.8%	20.9%	1.1%
New Jersey (South Jersey Gas)	70,856	77,598	375,940	376,774	18.8%	20.6%	1.7%
California (Pacific Gas and Electric)	1,165,079	1,137,602	5,578,972	5,582,694	20.9%	20.4%	-0.5%
Massachusetts (Berkshire)	6,401	7,124	35,548	35,578	18.0%	20.0%	2.0%
Massachusetts (Boston)	127,840	133,381	684,012	685,532	18.7%	19.5%	0.8%
Illinois (People's Gas Company)	151,228	157,894	811,615	815,610	18.6%	19.4%	0.7%
Maryland (Delmarva)	31,806	34,720	184,259	184,464	17.3%	18.8%	1.6%
New Jersey (Atlantic City Electric)	91,227	91,227	502,606	502,919	18.2%	18.1%	0.0%
Massachusetts (EMA Electric - Eversource)	182,888	185,951	1,078,279	1,077,152	17.0%	17.3%	0.3%
California (Southern California Edison)	849,388	775,379	4,570,365	4,576,407	18.6%	16.9%	-1.6%
Georgia (Georgia Power)	400,550	400,550	2,366,818	2,366,818	16.9%	16.9%	0.0%

Table 7: Estimated Winter Heating Fuel Expenditures (2020-2023)

Time Period	Natural Gas	Electricity	Heating Oil	Propane	All Fuels
2020-2021	\$573	\$1180	\$1212	\$1162	\$885
2021-2022	\$723	\$1232	\$1861	\$1587	\$1031
2022-2023	\$787	\$1357	\$2094	\$1476	\$1131

Table 8: Percent Difference in Heating Fuel Expenditure

Time Period	Natural Gas	Electricity	Heating Oil	Propane	All Fuels
% Difference, 22-23 vs. 21-22	8.9%	10.1%	12.5%	-7.0%	9.7%
% Difference, 22-23 vs. 20-21	37.3%	15.0%	72.8%	27.0%	27.8%

The following table shows historical winter heating expenditures by fuel source, adjusted for inflation, are the highest they have been in almost 10 years. Heating oil expenditures and the weighted average expenditures of all four energy sources highlighted – natural gas, electricity, heating oil, and propane – are the highest they have been since the early part of the 2010s.

Table 10: Inflation-Adjusted Historical Winter Heating Expenditures

Time Period	Natural Gas	Electricity	Heating Oil	Propane	All Fuels
2012-13	\$734	\$1386	\$2734	\$1770	\$1156
2013-14	\$812	\$1485	\$2708	\$2736	\$1278
2014-15	\$763	\$1472	\$2119	\$2048	\$1179
2015-16	\$607	\$1317	\$1137	\$1307	\$954
2016-17	\$658	\$1302	\$1394	\$1406	\$992
2017-18	\$683	\$1380	\$1664	\$1705	\$1064
2018-19	\$695	\$1392	\$1862	\$1902	\$1083
2019-20	\$626	\$1304	\$1570	\$1289	\$983
2020-21	\$655	\$1349	\$1385	\$1328	\$1012
2021-22	\$770	\$1311	\$1981	\$1689	\$1098
2022-23	\$787	\$1357	\$2094	\$1476	\$1131

- **Inflation in Core Goods:** Inflation in core goods purchased by low income families are increasing faster than the overall rate of inflation. According to the April CPI report, while the overall inflation rate is up by about 4.9%, the rate for food is up by 7.7%, energy services (natural gas and electricity) 5.9% and shelter 8.1%.
- **Income Support Payments:** Income support payments provided during the pandemic have now ended including enhanced child care tax credit, expanded SNAP benefits and unemployment insurance.

Census Bureau Household Pulse Survey: Families Struggling to Pay High Energy Bills

The NEADA model for estimating national utility arrearages closely tracks other data that point out that families are struggling to pay high energy bills along with other closely watched indicators of family poverty.

The Census Bureau’s Household Pulse Survey reported that lower income families are struggling to pay their home energy bills:

- 36.1% of low income families were unable to pay their home energy bill at least one month in the past year.
- 50.8% of low income families scaled back on basic necessities to pay their home energy bill including medicine and food at least one month in the past year.
- 34.6% kept their house at an unsafe temperature at least one month in the past year.

Table 11:Percent of Households Unable to Pay Energy Bills

Winter Heating Season	National Average	Low- and Moderate-Income (<\$50k)	Households with Children
Mar 30 - Apr 11 2022	16.4%	35.8%	21.3%
Mar 29 - Apr 10 2023	17.0%	36.1%	21.9%

Table 12:Percent of Households Foregoing Basic Necessities to Pay Energy Bills

Winter Heating Season	National Average	Low- and Moderate-Income (<\$50k)	Households with Children
Mar 30 - Apr 11 2022	23.9%	47.5%	27.4%
Mar 29 - Apr 10 2023	26.8%	50.8%	29.0%

Table 13: Percent of Households Keeping Their Homes at an Unsafe Temperature to Save Money on Energy Bills

Winter Heating Season	National Average	Low- and Moderate-Income (<\$50k)	Households with Children
Mar 30 - Apr 11 2022	15.2%	29.1%	14.8%
Mar 29 - Apr 10 2023	18.0%	34.6%	16.1%

The Census Bureau launched the survey in April 2020 to gather information on key economic indicators including food, housing and energy costs during the pandemic and began reporting data on energy during the July 21 to August 2 reporting period.

Applications for Energy Assistance: A recent survey of the state Low Income Home Energy Assistance Program (LIHEAP) directors reported the highest increase in applications for the program since 2009 and the highest total rate of applications since 2011, as families struggle with paying some of their biggest home energy bills in more than a decade.

The number of households receiving energy assistance during the current winter season is up by an estimated 1.3 million, from 4.9 million to 6.2 million, the largest one-year increase since 2009. And these numbers don't even account for possible increases in applications this summer to help families pay for air-conditioning as they deal with rising temperatures due to climate change.

NEADA is the primary educational and policy organization for state directors of the Low Income Home Energy Assistance Program and the Low Income Household Water Assistance Program, which are federal programs that help low-income families pay their heating and cooling bills, and water and wastewater bills, respectively. For more information about NEADA and National Energy Assistance Day, visit www.neada.org