

As our political leaders grapple with the twin challenges of restoring balance to the U.S. budget and achieving economic growth, they must avoid spending cuts that not only produce false savings but also prey on those without a strong voice. There are few more disturbing examples of this than the proposal to slash a program that provides critical support to our nation's most vulnerable: the Low Income Home Energy Assistance Program.

LIHEAP, at a relatively low annual cost of just more than \$5 billion defrays rising energy costs for about 25 million Americans, prioritizing the elderly, the disabled, and children. We do live in an era of tough choices, but it is incumbent on our industry to provide the leadership, the voice, necessary to protect this vital program.

Don't Lose Sight

Why are these proposed cuts false savings? Compare the average per-household annual LIHEAP payment of \$481 to the \$7,500 cost of the average heat-related hospital visit, or to the loss of the hundreds who die every year due to extreme heat and cold. Many of the elderly and disabled who risk losing LIHEAP can't leave their homes—at the same time, those who can put additional strain on community resources in the form of shelters and cooling centers. Or they embrace alternative, dangerous ways of heating their homes that produce fires and further tragedies. And these are just some of the immediate costs.

In a survey conducted by the National Energy Assistance Directors Association, 35 percent of LIHEAP recipients reported they went without medical or dental care due to their energy expenses. The story is even grimmer for energy-insecure infants and toddlers: They are 82 percent more likely to have developmental delays, while their older siblings are denied access to the basic learning tools on which their futures—and ours—depend. Finding small immediate savings at the cost of the health and development of our children only

THE COSTS OF ABANDONING THE MOST VULNERABLE

By J. Wayne Leonard, chairman and CEO of Entergy Corporation.



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increases the financial burden on our future by a large multiplier.

The policy makers in Washington who have proposed the cuts to LIHEAP have lost sight of the choices that low-income households increasingly are forced to make—among shelter, food, medicine, and energy. The average low-income family spends 80 percent of disposable income on just these basics, and prices are rising across the board, even as more Americans fall below the poverty line. The latest census data show 14.3 percent of Americans—almost 44 million people—were impoverished in 2009.

The need for LIHEAP is greater than ever. Over the past five years, according to the Energy Information Administration, the average cost of heating with fuel oil jumped 59 percent; propane, 54 percent; and electricity, 30 percent. Heating prices are expected to continue to increase next winter.

The veterans, seniors on fixed incomes, or single parents in LIHEAP recipient households make hard choices every day to make ends meet. There is simply no room for sudden price spikes due to extreme weather and

volatility in the energy market. No one is better aware than the people in electric companies of how unpredictable and catastrophic sudden rises in energy costs can be. In such cases, LIHEAP provides our customers temporary, targeted relief—a bridge they can take across the crisis.

SupportLIHEAP.org

In 2010, only about 20 percent of American households eligible to receive assistance did so. The president's 2012 budget proposal would cut LIHEAP funding in half—to \$2.57 billion—leaving 9 million low-income Americans unable to receive the assistance they need. This loss will not be evenly felt: Some states face higher reductions, in the worst instance, pushing three-quarters of current recipients into the cold, the heat, and the dark. Due to the threat of this cut, Illinois has canceled its 2011 cooling program. Oklahoma's summer program was exhausted in three days.

Every utility in America should be speaking out against this shortsighted proposal. We must give a voice to our customers with the least recourse and convince Congress to do right by their constituents by continuing to fund LIHEAP at current levels. Both conscience and good sense demand it. Send this message to your representatives in Washington using www.SupportLIHEAP.org—and circulate this website to colleagues in your company and community.

LIHEAP isn't an entitlement. Assistance requires a congressional appropriation. Maintaining LIHEAP at \$5.1 billion is the best way to ensure that our nation's most vulnerable citizens—those too old, ill, or young to have other options—get the help they need. Cutting LIHEAP is a sure way to incur massive, unintended economic and social costs—it is an ill-conceived attempt at savings we just can't afford. The fact we are even having this conversation speaks volumes about how we came to this economic crisis and how we have lost our way in service to all Americans, particularly our nation's children and elderly. ♦