

DTE Energy holds public relations event as utility shut-offs continue

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Seeking to calm anger over its utility shut-offs, DTE Energy joined regulators and advocacy groups at a Detroit media event on Tuesday designed to portray the energy giant as a caring corporation. Spokesmen for DTE called on the US Congress to appropriate more funds for the Low-Income Home Energy Assistance Program (LIHEAP), which the Obama administration will cut by 35 percent next year despite record demand for aid.

DTE's shutoff policies have been directly linked to a number of deadly house fires in Detroit over the past few months. In response to these tragedies, the Socialist Equality Party (SEP) convened the Citizens Inquiry into the Dexter Ave. Fire, Utility Shut-offs and the Social Crisis in Detroit. The inquiry held its first hearing Saturday, featuring extensive testimony from residents and experts on DTE's practices, the relationship between shutoffs and fires, and social conditions in the city.

Tuesday's media gathering was the company and political establishment's response to the Citizens Inquiry and the growing popular anger over DTE's deadly policies. The day before the *Detroit Free Press*—which sent a reporter to the Citizens' Inquiry—published an article on utility shut-offs, which did not mention a word about the inquiry. Instead the newspaper touted the upcoming public relations event by DTE as proof of its commitment to address the problem.

In opening the gathering, Fred Shell, DTE vice president of corporate and government affairs, tacitly acknowledged the growing opposition to its policies, saying, "We've seen a 30 percent increase in inquiries for assistance at DTE this year," he said. "We've seen an increase in the number of energy theft cases and several tragedies."

More funding for LIHEAP, Shell added, is needed "to help people manage their utility bills without resorting to extreme measures to keep the lights and heat turned on." Shell did not say that increased LIHEAP funding would wind up in the revenue streams of DTE and other major utilities.

After the meeting, Monica Martinez of the Michigan Public Service Commission (MPSC) asked this reporter about the proceedings of the Citizens Inquiry on Saturday, indicating the concern and nervousness the event has generated within Michigan's leading corporate and political circles. The MPSC commissioners, who oversee and approve utility shutoff

policies, are appointed by the state's Democratic governor, Jennifer Granholm.

Others addressing the meeting were Sue Montgomery Corey, chair of the National Fuel Funds Network (NFFN) and Wayne County Human Services head Dwayne Haywood.

There was no formal question-and-answer period, but the WSWS was able to approach some participants afterward.

The WSWS asked DTE spokesman Scott Simons whether or not the company acknowledges the link between its utility shutoffs and house fires, as well as deaths from freezing deaths and carbon monoxide poisonings. "We can't resolve this issue" outside of "community cooperation," Simon first responded. Then he acknowledged, "Certainly they are a cause for house fires. People have been suffering here. We're seeing a lot of people asking for help with utilities who would not have in the past."

This reporter pointed out that while ordinary people were suffering DTE's profits were not. "We're in business not only to provide a service, but for our shareholders," Simon responded.

DTE's biggest shareholders include a long list of major Wall Street hedge funds and investment firms. In spite of the depression-like conditions facing its customer base in southeast Michigan, DTE boasted a 14 percent growth in year-over-year profit in 2009, and increased its revenues for its Detroit operations to \$1.53 billion. (See accompanying article, "Utility shut-offs: Who profits?").

The WSWS also spoke with Martinez of the MPSC, again pointing to the well-established link between utility shutoffs and house fires. "DTE has told us that your commission oversees and condones its shutoff policy," the WSWS asked. "How do you justify utility shutoffs in the winter, knowing that they will compel families to take unsafe measures to stay warm?"

Martinez did not answer the question directly. This is unsurprising, given that the regulatory commission shares responsibility for these tragedies. Martinez said that while there are some states that prohibit utility shutoffs in the winter, the result of this policy is a larger increase in shutoffs in the spring

and summer months, which then carry over into the winter months. She spoke of the “options” available to those needing help on their utility bills.

The WSWS pointed out that the supposed ready availability of assistance is belied by the huge increase in shutoffs in Michigan. Martinez said that this is why more federal assistance was needed along with more cooperation among community groups.

The MPSC no longer even bothers to posture as a regulator of the state’s utilities. In her opening remarks to the gathering, Martinez spoke of “fighting together” for home heating assistance with DTE. This of a corporation that cut utilities to 221,000 households in 2009 alone! In fact, as testimony to the Citizens Inquiry established, the MPSC routinely rubberstamps all of DTE’s rate increases and shut-off policies. Its approval of a 20 percent rate hike for Detroit last year—in spite of widespread suffering in the city—has led to untold numbers of utility shutoffs.

The WSWS asked Haywood of Wayne County Human Services—the major welfare agency—how many households in Detroit are without utilities, a statistic that DTE claims it does not have. Haywood said he did not know, but that he doubts “there are that many.”

“But DTE, by its own calculation, has disconnected something like 400,000 households in southeast Michigan in the last two years,” the WSWS pointed out. “While a share of these homes might resume service, many certainly do not, and the number must therefore increase each year.”

“That might be a good thing for us to look into,” Haywood responded complacently.

The WSWS also asked Haywood whether he would support a ban on utility shutoffs, given the rash of house fire deaths and the inability of growing number of residents to pay. “That’s between DTE and its customers,” he responded. “Our goal is to increase the pot of funding for energy assistance. But people have to reach out to us. That woman who had the house fire earlier in the month, she never came to us for help.”

This reporter confirmed that “that woman” to whom Haywood was referring is Sylvia Young, the 30-year-old mother who lost three children in a March 2 fire on Bangor Street and who has been scapegoated by the media and the state. The WSWS pointed out to Haywood that, because Young was paying for her utilities as a part of her rent, she would not have sought assistance through his office. Haywood admitted he did not know she had been renting.

Moreover, far from not seeking help, Sylvia Young was one of at least 10,000 people who lined up at the State Fair Grounds last September seeking assistance. Like the vast majority who went to the event—she got no help.

As opposed to the representatives of DTE and state and local government, those speaking on behalf of charities at the press

gathering expressed genuine concern over the crisis posed by unaffordable utilities.

Susan Corey of the National Fuel Funds Network told the WSWS that the campaign to increase funding for LIHEAP comes in response to President Obama’s proposed 35 percent budget cuts to the program. Obama, who has imposed freezes or cuts on total “discretionary” social spending, has proposed reducing the LIHEAP’s already inadequate budget from \$5.1 billion to \$3.3 billion. These cuts will inevitably result in more house fires and deaths.

Obama’s proposed cut comes in spite of record demand for LIHEAP assistance in each of the last two years. In a number of states, funding for the current year has been nearly exhausted due to unprecedented demand. Corey said that the NFFN expects demand to increase again next year.

According to data from the National Energy Assistance Directors’ Association, nearly 9 million households are expected to request help paying winter energy bills this year, up 15 percent from the previous record of 7.7 million in 2009. As large as the figure is, according to Corey only about one fifth of households eligible for LIHEAP assistance receive it. If so, this could mean that 45 million households—perhaps 117 million people, or one third of the US population—meet income requirements for home heating assistance.

In Michigan, home heating assistance requests jumped by 38 percent in 2009. “We have people applying who’ve never asked for help before,” Barbara Anders of Michigan’s energy assistance program said in a recent interview. Anders said she expects a sharp increase in home heating requests in 2010 as large numbers of Michigan residents run out of unemployment benefits in the coming months.

“People are struggling,” Corey said. “No American should have to choose between keeping their home livable or feeding their family. No senior citizen or person with a disability should have to choose between medication or utility bills.”



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