Increased fuel aid may make up for decrease of Kennedy group's oil

By Aaron Wasserman/Daily News staff
GHS
Posted Jan 06, 2009 @ 11:08 PM

Though Citizens Energy is forced to limit its heating oil donations in Massachusetts, expanded federal aid and other private donors should help fill some of the gap for low-income customers.

Dramatic increases this winter in federal aid applications are a concern, though, said the directors of two local energy assistance programs.

Federal fuel assistance applications are accepted through April by the South Middlesex Opportunity Council and Worcester Community Action Council, which run the program in nearly all local towns. The program's income ceiling has been raised for this winter, which allows more people to qualify. The federal government also gave more money to Massachusetts this year.

Heating oil prices are substantially cheaper than they were last winter, or even a few months ago, which also somewhat alleviates the burden.

"Thank God, oil prices have dropped; it has taken some of the stress away from the job where people were panicked about having no fuel and running out of money quickly," said David Harrison, who directs SMOC's energy and financial aid program.

But he said he doubts the maximum $1,300 available to the neediest oil users can sustain them through the winter, which is where Citizens Energy, headed by Joseph P. Kennedy II, came to people's aid.

"Those extra 100 gallons Kennedy kicked in would help people get through," Harrison said. "I'm very concerned because it's getting cold out."

Kennedy said Monday his organization must limit its Massachusetts donations and suspend them elsewhere because Citgo, the oil company owned by Venezuela's government, has stopped its donations.

Citizens Energy will still provide aid as it did before to Massachusetts natural gas customers and homeless shelters, the organization said.

A spokesman for Citizens Energy said it expects it will have to reduce by one third its deliveries of 100 gallons of heating oil to poor families. The nonprofit organization delivered oil to 22,000 households last year and to 15,000 before Citgo began its donations, said Brian O'Connor.

The falling price of oil has prompted the Venezuelan government, led by the divisive Hugo Chavez, to curtail its public spending and international aid.

Mark Sanborn, director of the Worcester Community Action Council's energy resources program, said he believes the expanded federal aid and other private donors to his agency, such as the United Way, should fill the gap.

"There are other programs in place that will pick up for people who have exhausted their benefit and need the extra..."
100 gallons to get through," he said. "Hopefully there are enough safety nets set up."

Sanborn said he has already received more than 11,000 applications for aid this winter, the same amount as all last winter. Harrison said he has received nearly 4,900, about 1,000 more than at this point last winter.

Massachusetts has received $230 million in federal heating aid this year, said a spokesman for the state Department of Housing and Community Development. The figure is a substantial increase from the $130 million of federal and state aid available last year.

The income ceiling for people to qualify for the aid is also higher, at 60 percent of median income. That means a family of four making about $53,600 can qualify. For information on who to contact to apply for aid, call the state's heating assistance hot line at 800-632-8175.

Last week's average price of heating oil in Massachusetts was $2.35 per gallon, according to data from the state Division of Energy Resources. That is $1 per gallon less expensive than this time last year.

The price decline, however, comes at the same time as a national recession, noted Larry Chretien, executive director of the Massachusetts Energy Consumers Alliance. His organization provides small amounts of aid to low-income members of its heating oil cooperative.

"This is a year that we're all very fortunate that oil prices have dropped and the (federal aid) program is funded better than ever," he said. "It's quite ironic that oil is a lot more affordable for low-income people than last year, but the economy is much worse."

Material from the Associated Press was used in this report. Aaron Wasserman may be reached at 508-634-7546 or awasserm@cnc.com.
Increased fuel aid may make up for decrease of Kennedy group's oil - Framingham, MA - The M...