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The Big Chill

As the heating season nears, Vermonters' worries grow August 20, 2008

By Louis Porter Vermont Press Bureau

Like many Vermonters, Randy Babcock is very worried about how he will pay for heating fuel this winter.

But Babcock, a former truck driver who now is on disability, and his wife have another worry to deal with first: How to pay for the propane they used to heat their home last winter.

"I have got to do something," Babcock said. "Low income, or fixed-income, people, I don't know what we are going to do."

Like nearly every other heating fuel, the cost of propane has gone up as oil prices have increased, meaning the price the Babcocks must pay to heat the 1973 trailer they call home in Poultney, which belonged to his father, has gone up radically.

The cost of propane has increased by 36 percent over the last year, a big jump but less than the hike in fuel oil. The cost of No. 2 oil – the common heating fuel – has increased on average by 82 percent in Vermont.

"It's not an easy spot. The wages in the state of Vermont are not high enough for someone to go out and earn a living," said Babcock "It takes two incomes and they have to be relatively good incomes," he said, adding "there is no leeway for the unexpected."

Babcock knows what his trailer really needs is some more insulation. The last work on it was done a decade ago and it hasn't fared well since. "The insulation they put in has packed down and worn out," he said.

But he also knows that, still owing money for last winter's heat, he doesn't have the money to weatherize.

"I can do the work," said Babcock, 45, who has four children living at home. "I just can't afford the materials."

When he moved into the trailer several years ago, heat cost about \$192 a month. It is now \$450 a month.

"I am hoping I am going to get some help," said Babcock, who is talking to BROCC, a community action group serving southern Vermont. "If I don't, I am going to be up the



ENLARGE IMAGE

Ellen Leonard stacks firewood on the front porch of her East Montpelier home, where she switched over to wood from propane last winter. Photo: Stefan Hard/Times Argus

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creek."

It is a familiar worry for Linda Rooker, who runs BROC.

"Everybody has been watching and waiting. They are worried because they are not sure that fuel assistance is going to carry them through," she said. "There will be fuel assistance this year, but it is becoming less and less likely it is going to cover everybody's heating liability."

"People are not sure what road they are going to take," she said.

It's a small consolation, but Babcock won't be alone come snowfall — just months away.

The Low Income Heating Assistance Program, or LIHEAP, is the primary aid for Vermonters and those in other northern states who can't afford their heat without help — and for some southerners who can't afford to stay cool. While it's a federal program, some states, including Vermont, have kicked in their own money to stretch out the help it offers.

For instance, last year the state and feds spent a total of \$23 million (\$6.3 of Vermont money) to help more than 21,000 households.

This year, applications to the program are running 20 percent higher, and to keep the benefit level the same — that is to cover an average of roughly 60 percent of needs for households — there would have to be \$38 million in money available.

There is just under \$12 million and efforts to double the amount of money for LIHEAP — led by the Vermont congressional delegation — have been rebuffed so far. And although state officials and lawmakers had hoped there would be between \$2 million and \$4 million in "waterfall" money — leftover state General Fund monies at the end of the fiscal year — that hope has fallen through.

"I have received hundreds and hundreds of e-mails and phone calls from Vermonters who are very, very worried about what will happen this winter," said U.S. Sen. Bernard Sanders, a Vermont Independent. "There is no issue higher on my agenda."

But as yet there is no expansion of the federal program, although there is hope that funding for the program may still be expanded despite a threatened presidential veto.

"The notion the President would veto LIHEAP aid is very depressing. It would be like vetoing aid to Katrina victims. This energy crisis is our category five storm," said U.S. Rep. Peter Welch. "We have to at a minimum double LIHEAP aid. The main responsibility government has is to help folks in an emergency."

The additional cost could be covered by taxing oil company profits, he added.

It might seem that record oil prices would benefit fuel dealers — after all they sell the stuff.

But in fact it may drive smaller operations out of business. That is because they will have to pay the wholesalers who deliver to them when they receive the oil — but have to wait weeks (if they are lucky) to collect money from their own customers.

Meanwhile, they are in the same bind as some homeowners. Do they enter into contracts to buy oil now — a parallel of the homeowner's pre-buy — only to watch oil prices come down later and get stuck with the difference? Or do they wait, and risk the price climbing even more?

If small local Vermont dealers go under, it will be more than just a problem for themselves and their employees, according to state Sen. Susan Bartlett. Those local dealers have, sometimes for years, negotiated, helped and worked with families to keep them warm through the winter, even if it means waiting a few weeks or months to get paid.

"These small dealers are the foundation of our system. They have been unofficial bankers to folks in a variety of economic positions for a lot of years. I really see them as the structure for the long-term answer for the state," she said. "I will be amazed if we don't lose some of them."

Bartlett would like to use rainy day funds — that is state reserves — to help those dealers get lines of credit. However, the idea has not gained support among state officials, concerned that, in a period of increasing needs and declining state revenue, eventually that money might be needed elsewhere.

There is a further concern ahead resulting from the steep price of fuel. If customers don't pay for oil, their dealers might work with them on a payment plan — or they might just stop delivering. But electric utilities, as a regulated industry in Vermont, are prevented from cutting off customers during winter months.

That means poor Vermonters might fall back on less-efficient electric space heaters, wrecking

- Can a bearish oil market soften the blow for winter heating bills?

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havoc with utility finances, electrical supplies and perhaps safety. The danger is even greater given that electricity is no longer far outside the price of other fuels, as it usually is. Fuel oil now costs roughly \$42.04 per million British thermal units or BTUs. Propane costs \$44.95 BTUs. Electricity (averaged across the state) costs \$41.35 BTUs.

Avram Patt, head of Washington Electric Cooperative in East Montpelier, said he understands the dilemma.

"If we were in that position, we would all make that choice probably. It is a logical choice," he said. But the customers will still owe the money for the electricity come springtime – even if their power isn't shut off before.

"It postpones, but does not lessen, the crisis that is going to happen to that household," he said.

Many renters already pay for heat, and landlords and advocates are worried about the effect of increasing prices on renters, including on those who don't pay for their own fuel now.

Landlords may decide to ask tenants to begin paying for heat when leases are to be renewed, which may be during the winter adding an additional cost to their household budgets. Rooker of BROCC said she worries about that possibility.

"Our clients increasingly are finding they are going to have to pay for fuel," she said. "There are going to be fewer apartments where heat is included."

And some owners of affordable housing, like land trusts or housing authorities, may simply not have the margin to cover the additional cost of heating, some worry.

Christopher Curtis, a lawyer with Vermont Legal Aid, advocates for low-income renters and others. More attention should be given to how to encourage landlords to insulate and weatherize their buildings, which can help them and tenants, he said.

There should also be a plan in place for how the state will help those whose heat is, or will be, cut off, Curtis said.

"The reality is we are faced with a huge crisis this winter," he said. "It is a large-scale problem and it is going to need a large-scale solution."

It is not just those eligible for government help who may be in a bind. One of the most worrisome aspects of the rising fuel costs is the scale of the problem and the fact it is not limited to Vermonters with low incomes.

Even those who could afford their own heating fuel without help last winter may feel the pinch this time around.

Since January 2007, heating oil has jumped from \$2.51 a gallon to \$4.65. Propane has increased from \$2.31 a gallon to \$3.29.

Even wood has gone up. According to Vermont Department of Public Service reports the cost of a cord of green, uncured firewood has gone up from \$180 to nearly \$200. Others report even higher prices — if you can get it, increasingly difficult during a summer so consistently wet that loggers have simply been unable to get into the woods.

Still, Vermonters, as they have during earlier periods of energy crisis, are turning to using wood heat in increasing numbers.

"Woodstove sales have gone up by maybe 50 percent," said Ron Root, a manager at Stove Depot, which has several stores in the state.

The people who come into his shop are sophisticated and educated about the options for heating homes, he said. They are weighing a lot of factors, including environmental effects, the substantial cost of a new wood or wood pellet stove or furnace – and the possibility that oil prices may not stay as high as they are.

And then there is the possibility the winter might not be that cold.

"We know how quirky the winters have been in recent years," he said.

All in all, "it is a tough call," Root said.

Since those in northern climates nationwide are facing higher prices for oil and propane, the price of wood pellets has also gone up, perhaps as much as 40 percent in the last month or two, Root said.

In the right circumstances heating with wood may well help save money this winter. However, some officials and firefighters worry that, in an effort to save money, residents will install woodstoves in poor shape, or use chimneys that are not up to the task, they said.

In the end, many simply will have to pay more for staying warm, and that will cut into the other aspects of their lives.

"It is going to take a chunk," said Carol Knauss, 70, who lives with her 93-year-old mother in Bridport.

Last year, she paid about \$310 a month to heat her wood-frame house, which dates back to 1795. This year, she expects her oil bill to climb to about \$500 a month or so.

"We are better off than a lot of people," she said. "But even people who have money will have to think about it to."

She plans on winterizing and weather-stripping what she describes as "one of those rambling old houses." And in the end, she will be able to cover the cost of her heat, said Knauss, who retired from Middlebury College, where she was an administrative assistant.

But that doesn't mean the increased cost of fuel will not have any effect on her life.

"We are going to have to watch our pennies," she said.

That likely will mean she and her mother go out to dinner less, they go without some small luxuries such as the Sunday newspaper, and they wait longer before replacing a car that has 160,000 miles.

"We are not impulse shoppers," Knauss said. But more than ever, "we are going to have to stop and think 'do we really need it.' We will economize where we can and hope the winter isn't too cold."

Tomorrow: Getting around



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READER COMMENTS

I don't think you should worry about being shot down - certainly those of us who don't have an attitude of entitlement really do understand the struggling middle class. Something that the middle class needs to perhaps understand, is that they are not on the front lines of economic hardships. By the time the middle class has started feeling the pinch, the lower class has long been struggling around monthly funds to meet basic living expenses, never mind the upcoming winter. The middle class maybe should understand that while they can go out and get a second job to help make ends meet, disabled people don't have that as an option. Disabled people live on a fixed income. Just because prices skyrocket, doesn't mean the disability check does. It doesn't. And certainly there are programs set up to help with various things - but I promise you - it is not very much. There are many low income households that do not qualify for ANY heat assistance because of the way the formula is designed. I know people who work hard only to see their paychecks dwindle because of taxes, first think of the low income people who rely on the system for help with living. While there are certainly people who take advantage of the system, most do not and really cannot take of themselves. Instead of automatically looking towards the low income folks - perhaps look instead to your govt who wastes untold millions each year in ridiculous projects, earmarks, pork spending, personal expenditures etc. Perhaps instead of focusing your justifiable anger towards other people who are also struggling, the anger should be directed towards your elected leaders who really truly do NOT have your best interest at heart. I know this because while we're all struggling to figure all this out - our govt went on VACATION. Just something to think about....

-- Posted by **Karen Hanron** on Wed, Aug 20, 2008, 5:44 pm EST [[report this comment](#)]

Wow in reading this article a few things come to mind. Sure I will be shot down for all but I know I am not alone.

One - if you are on disability already there is a good chance that you are receiving a lot of help.

Two - ALL of us have to live within our budgets and this winter is going to hurt every person whether or not there is a Fancy State or Fed agency in your corner.

Third - and this one goes to the people who believe that the endless government checkbook can keep writing checks. That Account is balanced on the backs of all of us and though it might sound really harsh - This year I cannot bale you out. I am struggling to pay my bills and work a 40-hour workweek and am thinking of taking another second job to make ends meet. My husband works a 60-hour workweek and NO we did not take vacation or buy toys or have any other state agency fund our needs. WE are the dying middle class - Who pay for the schools, help our parents in their retirements and teach our kids that working for what they want and living with

honor and dignity is the only way to live. We do help others when we can and yes this means we sacrifice to do so.

But remember every time you hold you hand out I and others like me pay your bill - OH and the oil companies will be allowed to pass along any tax you level on them another thing I can not help you with this year.

-- Posted by **Maryann Williams** on Wed, Aug 20, 2008, 1:52 pm EST [[report this comment](#)]

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