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Business

# Peco improperly shut off nearly 50,000 customers because of computer glitches

Glitchy automated phone-dialing software led Peco to shut off thousands of electric customers without proper notification.



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Peco agreed to pay \$75,000 in penalties under the proposed settlement with the Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement.  
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by Andrew Maykuth

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Peco terminated service to nearly 50,000 electric customers in 2018 and 2019 without proper notification because of software glitches, [according to a settlement](#) that the Philadelphia utility negotiated with Pennsylvania regulators.

Peco agreed to pay \$75,000 in penalties under the proposed settlement with the [Pennsylvania Public Utility Commission's](#) Bureau of Investigation and Enforcement, and the company put into effect state-approved measures "to ensure that such oversight is not likely to reoccur." The PUC on Thursday gave interested parties 25 days to comment on the [proposed settlement](#).

Peco violated provisions in the Pennsylvania utility code that require it to attempt direct contact with a customer or attempt to make two phone calls to a customer at least 72 hours before a scheduled shut off. (The eleventh-hour outreach occurs after shut-off notifications are mailed to customers.)

Due to a coding glitch in new automated phone-dialing software that Peco installed in 2018, the system incorrectly listed calls "not made" as "successful." That meant a large number of customers did not receive a second phone call at least 72 hours before the shutoff. Peco said that its workers also knocked on the doors of customers at the time of the shut off, and did not use its smart meters to remotely terminate service.

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A second problem with the dialer software emerged in 2019 when Peco discovered the system incorrectly listed the customer's current bill due date as the termination date. As a result, Peco did not provide the correct termination date during the 72-hour call.

Peco reported the problems to the PUC, and cooperated with the investigation, the commission said. The company also terminated its relationship with the software vendor, which it declined to identify.

"When we learned about the issue this vendor experienced in completing the required notifications to our customers, we immediately reported it to the PUC and took swift action to resolve it, including

promptly contracting with a new vendor to handle these notifications,” the company said in a statement Thursday.

After the problems were discovered, Peco made manual calls and two attempted field visits to the customers, established a restoration hotline to respond to incoming calls, and offered additional deferred payment agreements to customers, according to the settlement.

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Peco agreed to pay a \$50,000 civil penalty and to contribute \$25,000 to the company’s [Marching Energy Assistance Fund](#), which provides grants to customers unable to pay their bills.

The company said that power has been restored to most of the impacted customers (historically 95% of restorations occur within three days of the termination, the company said).

However, more than 1,500 of the customers remain without service. According to Peco’s surveys, about a third of the dwellings appeared to be vacant, about a third were shut off because of improper usage, and about a third appeared to be occupied, but the occupants were unresponsive.

The improper shutoffs occurred before the coronavirus pandemic struck last year, when Peco and other utilities were required to halt all terminations for most of the year and to restore power to customers whose service had been shut off.

Pennsylvania allowed utilities such as PECO to resume normal service shutoffs for nonpaying customers after March 31.

*This article was updated to include a Peco statement that its workers knocked on the doors of customers at the time of the shut off.*

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