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Unpaid Pa. utility bills soar 68% in the pandemic, and thousands face shutoffs next month

by Andrew Maykuth, Posted: October 16, 2020



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Major Pennsylvania utilities say overdue bills are up about 68% this year after the state imposed a COVID-19 moratorium on service shutoffs in March, according to new data filed with state regulators. Many of the 1 million customers who owe money face terminations next month when the state is [set to lift the ban](#) on shutoffs.

Customers of Pennsylvania's major electric, gas, and water utilities were overdue on more than \$800 million in bills at the end of September, [according to reports filed](#) Thursday with the Pennsylvania Public Utility Commission. The PUC asked the utilities to report mounting customer arrearages ahead of the Nov. 9 expiration of a ban on service terminations.

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About 146,000 Peco electric and gas customers and 156,000 Philadelphia Gas Works customers have unpaid bills totaling about \$221 million, or more than \$730 per account. The Peco customers, which include some small commercial and industrial accounts, owe \$135.6 million, up 150% from a year ago. PGW customers owe \$85.3 million, nearly double the unpaid bills of a year ago.

The utilities say that a moratorium on service shutoffs, enacted in March in the early days of the coronavirus emergency, has had the unintended consequence of discouraging customers from entering into payment plans, even when they are offered enhanced terms. They pressed the PUC to ease the ban on shutoffs to incentivize customers to enter into payment plans or to apply for assistance.

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Low-income advocates say the soaring arrearages reflect the economic hardship that hundreds of thousands of families are experiencing from job losses because of the pandemic, and say that if utilities are allowed to resume shutoffs, many families could be at risk going into the winter without heat.

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The PUC [arrived at a compromise last week](#), allowing utilities to again shut off nonpaying customers on Nov. 9. But the commission [put safeguards into place](#) for families and small businesses that are struggling financially because of the COVID-19 pandemic.

The safeguards prevent utilities from shutting off “protected customers” whose income is no more than triple the [Federal Poverty Guidelines](#), which are set at \$26,200 for a family of four. So the yearly limit for such a family protected from shutoff would be \$78,600. The protected customers must apply for available assistance programs and request a payment arrangement from the utility to pay down their debt.

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It’s unclear how many customers would be protected from shutoff. Of the utilities that reported arrearages, only Peco provided data on the number of customers it identified as low-income -- about 24,232, or 18% of the total 135,171 residential customers who are behind on their bills. Other customers may identify themselves as “protected customers” as the Nov. 9 deadline approaches for the resumption of shutoffs.

New Jersey was set to lift its ban on utility shutoffs on Thursday, but at the last hour, Gov. Phil Murphy extended the moratorium on electricity, gas, and water service terminations until after March 15, 2021. The governor’s executive order extended a moratorium on disconnecting internet and telecommunications customers through Nov. 15. However, online service can’t be shut off for households with children who need internet for school.

“Our message to residents is clear,” Murphy said at a news conference Thursday. “As this pandemic and its economic fallout continues, we will continue to have your back, and as the winter months get closer and closer, no one should fear losing the ability to heat their home.”

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New Jersey utilities have not released data on the number of customers at risk of termination. After Murphy’s announcement, Atlantic City Electric pleaded with customers with unpaid bills to [contact the utility](#) for help.

“Only 15% of customers who are behind on their bills have contacted us and established payment arrangements,” the company said in a statement. “Tens of millions of dollars in energy assistance also remains available to assist customers. We are here to help our customers establish a plan and to help them manage the impacts of this pandemic.” Atlantic City Electric and Peco are owned by Exelon Corp.

In Pennsylvania, utilities must provide a written 10-day termination notice to customers, and also attempt to contact the customer personally three days before a shutoff.

In addition, the PUC's order lifting the ban on shutoffs requires utilities to reach out an additional 10 days ahead of the formal termination notice to provide customers with options for addressing overdue balances and a time range for possible termination.

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The data reported this week represents only utilities that are regulated by the PUC, and does not include customers of rural co-operatives and some municipal utilities, such as the Philadelphia Water Department, who may also be behind in payments.

The reports show that while the number of customers with unpaid bills is up about 19% for electric and gas utilities and 35% for larger water utilities, the dollar amounts owed are up much more — 74% for electric utilities, 58% for gas utilities, and 50% for water utilities. Utilities are concerned that as unpaid bills grow, the total debt becomes increasingly burdensome for customers to ever repay.

Aqua Pennsylvania, which is heavily concentrated in the Philadelphia suburbs, reported that 29,968 customers had unpaid balances, up 6% from a year ago. But they had \$10.3 million in unpaid bills, more than double the total from a year ago.

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It is difficult to assess the total number of customers in the Philadelphia region who are at risk of shutoff, since some Philadelphia customers may have unpaid bills with both PGW and Peco, and be counted in the totals of both utilities. PGW serves about 500,000 gas customers in the city, and Peco serves about 1.6 million electric customers in Philadelphia and suburban counties.

Inquirer Staff Writer Ellie Silverman contributed to this article



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[Andrew Maykuth](#) | [@Maykuth](#) | amaykuth@inquirer.com

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