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Utilities can soon cut off nonpaying customers, Pa. says, but the poorest customers are protected

by [Andrew Maykuth](#), Posted: October 8, 2020

REID KANALEY / STAFF



Pennsylvania utilities will be allowed to resume [shutoffs of nonpaying customers](#) on Nov. 9 after state regulators Thursday lifted a moratorium imposed at the onset of the coronavirus pandemic emergency.

The Pennsylvania Public Utility Commission on Thursday voted 3-1 to again permit service terminations, but [put safeguards into place](#) for families and small businesses that are struggling financially because of the COVID-19 pandemic. The PUC's action resolves a dispute that had stalemated the commission for months over how to end the moratorium.

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Utilities say the COVID-19 moratorium has made it difficult for them to collect payments or to get customers to sign up for low-income assistance. They say customers were late on a total of \$479 million in June, a figure that is mounting. But consumer advocates say that a public health emergency is no time to shut off a vital service, the loss of which could mean homelessness for some.

"The moratorium on utility service terminations was the right decision to make in March, but the moratorium cannot be the sole solution for assisting vulnerable utility customers," said Gladys Brown Dutrieuille, the PUC chair. "Many other states have moved or are moving from moratoriums by designing plans to assist payment troubled customers keep utility service."

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The PUC's order will still prohibit 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 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.

Utilities also must reach out to residential and commercial customers whose unpaid balances put them at risk of service termination, providing them with options for addressing any overdue balances and a time range for possible termination. This communication must be sent to customers at least 10 days before the traditional 10-day termination notice. In short, the warning letters must be sent at least 20 days before a cutoff.

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Utilities also must make payment arrangements available to small-business customers, who normally would not be eligible for relief. The arrangement should allow a business owner no less than 18 months to pay down unpaid balances.

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The utilities, which include energy companies, water companies, and regulated telecommunications carriers, also must waive all reconnection, connection, and deposit fees for protected customers, and to waive late payment charges.

The PUC's action will require utilities to report monthly on customers facing a cutoff and sets into motion a process among various stakeholders — customer advocates, utilities, and the state — to explore longer-term solutions to address the economic repercussions of the coronavirus emergency.

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“My goal is to put customer protections in place that can work for the short term,” Dutrieuille said in her motion. “However, none of us know how long we are going to have to live with this pandemic or its economic consequences.”

The commission since June was divided 2-2 in votes along party lines over lifting the moratorium — the two Republican members were more open to calls to end a blanket ban on shutoffs. Utilities had said that without the threat of a service termination, many customers were not paying their bills and did not respond to messages from the utility to enroll in payment agreements or to sign up for assistance.

Consumer advocates had worried that thousands of customers were unemployed, teaching children at home, and stressed by the pandemic, and that a service termination would only exacerbate their problems.

The agreement was the result of negotiations principally between the staffs of Dutrieuille, a Democrat, and John F. Coleman Jr., a Republican commissioner who had encouraged the commission to lift the moratorium before too many customers got swamped by mounting unpaid bill balances.

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“No one benefits from terminating a customer,” Coleman said. “Certainly the utility does not benefit. The customer does not benefit, and this commission does not benefit from that. So I think it’s important to understand that I think we all share the objective of minimizing terminations in this process.”

The PUC’s order will leave a narrow window for utilities to actually terminate customers, because energy companies are formally blocked from shutting off customers during the winter heating months, from the end of November to the end of March.

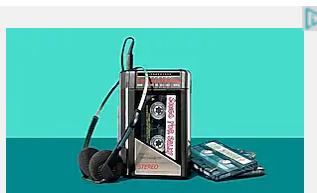
The consumer safeguards will remain in effect until March 31, unless Gov. Tom Wolf’s coronavirus emergency proclamation is lifted sooner. Vice Chairman David W. Sweet, a Democrat, cast the sole vote against lifting the moratorium, saying the PUC should have a plan in place for when service terminations resume.

“We simply do not know what we’re facing, and the ramifications may be dire after March 31, 2021,” he said.

Community Legal Services (CLS), a Philadelphia legal advocacy that represents low-income organizations before the PUC, said it was “dismayed” that the PUC opened the door to terminations while the number of COVID-19 cases is rising.

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“While the PUC includes an attempt at protecting vulnerable customers, the commission has created layers of complexity that will lead to confusion, anxiety, and unnecessary shutoff of customers,” Joline Price, a CLS lawyer, said in a statement. “Absent further relief to assist customers with their arrears, the commission’s protections fall short.”

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