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# Utilities disconnect 116,000 Pa. households after state lifts moratorium on pandemic shutoffs

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Pennsylvania utilities have cut off service to 116,000 customers for nonpayment since the state lifted a moratorium on shutoffs on April 1 after a staggering number of unpaid bills piled up during the coronavirus pandemic.

Though the shutoff number may appear large, utilities regulated by the Pennsylvania Public Utility Commission are actually disconnecting customers at a slower pace than they did in 2019, the year before the pandemic, allaying some concerns about a tsunami of shutoffs after the year-long moratorium was lifted.

"We didn't get a tidal wave we feared — this is very good news," said Elizabeth R. Marx, executive director of the Pennsylvania Utility Law Project, which represents low-income customers. "But the numbers still trouble me."

Marx said there should be fewer shutoffs coming out of the pandemic because utilities put into place several new or expanded relief programs to assist customers. The PUC also required utilities to allow customers with large debts up to five years to pay overdue

bills, a step to keep monthly payments affordable.

Several utilities, such as Peco of Philadelphia, delayed residential terminations for several weeks after the moratorium was lifted, Marx said. PPL Electric Utilities, based in Allentown, waited until June to start residential shutoffs.

Philadelphia Gas Works, the city-owned utility, ramped up shutoffs over the last three months — it disconnected no residential customers in April, 828 in May, and 3,578 in June, according to reports filed this month with the PUC.

A representative of the utilities said the energy companies had always intended to ease out of the moratorium, hoping that the mass mailing of shutoff notices would induce customers to pay in full or enter into payment agreements.

"It wasn't going to be the Wild West out there," said Terrence J. Fitzpatrick, the president of the Energy Association of Pennsylvania, a trade group of utilities. "The companies knew what a lot of customers were going through. We were aware of the social responsibility. And we knew the commission would be watching, and a lot of people would be watching."

The numbers reported to the PUC represent only only those utilities regulated by the state — not most municipal utilities, such as the Philadelphia Water Department.

Utilities in New Jersey, where the total amount of unpaid utility bills soared 89% last year from $376 million to $709 million, are effectively forbidden from shutting off nonpaying customers until spring 2022.

Nearly a million Pennsylvania customers were late on their utility

bills going into the winter after more than eight months of pandemic-induced economic recession, up a third from the previous year, according to reports filed with the Pennsylvania Public Utility Commission. They owed more than $808 million, up 70% from the previous year.

Low-income advocates, who object to using service terminations as a collection tool, feared that lifting the shut-off moratorium would magnify inequities endured by low-income families and people of color, who were disproportionally impacted by COVID-19 from higher coronavirus infection rates and suffered a heavier economic impact from the shift to a remote-work economy.

Most utilities operate assistance programs for low-income customers that link their bills to a percentage of income. But advocates say that even with the discounted bills, low-income customers often live in energy-inefficient rental housing and devote a much bigger portion of their household income to energy and water bills.

A study by the University of Pennsylvania's School of Social Policy and Practice found that many Pennsylvania's low-income residents must choose which bills they can pay every month, which sometimes means which utility service they can live without. The study was commissioned by Community Legal Services and the Pennsylvania Utility Law Project to encourage the state to extend the shutoff moratorium,

"Low-income, Black, and Latinx residents are more likely to be rent-burdened than their counterparts and pay more money toward their utility bills than their white counterparts," the study's authors said. "They are also more likely to experience utility insecurity."

Service terminations are an unfortunate part of the typical annual cycle for utilities. In all of 2019, electric and gas utilities shut off service to about 352,000 customers, according to PUC data. About 5% of all residential electricity customers were shut off in 2019. But among low-income customers, the number was 17%. About 7.7 million Pennsylvania households get electric and gas service from PUC-regulated utilities.

For most customers, a shut-off is temporary. In 2019, about 80% of electric customers who were shut off were reconnected after coming to terms with the utilities; about 70% of gas customers got restored.

Utilities say the end of the moratorium has already had some of its intended impact: Most utilities reported reductions in outstanding debt in April, May, and June.

PGW reported that total residential arrearages subsided from $101 million in April to $63 million in June. Peco did not report monthly numbers, but said the $94 million its residential, commercial, and industrial customers owed at the end of June was down more than $30 million from a year ago.

Fitzpatrick, the head of the energy association, said that the threat of a shutoff is a necessary part of getting customers to pay. "We need to get back into a regular process here, because a lot of people, they just need to see the whole process," he said.

Low-income advocates say that without fundamental changes in public support for poor families, low-income households are doomed to repeat the cycle.

"If a household couldn't afford their bill before, they most likely cannot afford their bill plus a payment arrangement," said Marx.

"We anticipate that many households are likely to fall behind again in the coming months."