

With customers owing millions in back payments, NJ extends ban on utility shut-offs

Delay said to give time for regulators to help find way for customers to get bills paid

Tom Johnson, Energy/environment writer

The state's move to keep a ban on utility shut-offs in place until the end of the year marks a respite for the hundreds of thousands of gas, electric and other utility customers who, in aggregate, are over a half-billion dollars behind in paying their bills.

In a bill signed quickly by Gov. Phil Murphy on Friday, the moratorium on shut-offs due to expire at the end of June was extended six months, a step that gives administration officials more time to come up with a strategy for helping customers pay off their debts.

The Legislature approved a bill ([A-5820](#)) Thursday ending most, but not all, pandemic-era emergency executive powers held by the governor for more than a year. The moratorium on shut-offs of utility customers was one of several orders extended to Jan. 1 by the law.

“That’s very good news for consumers,” said Evelyn Liebman, associate director for AARP of New Jersey. “We want the moratorium to stay in place until some assistance programs are in place for those in arrears.”

Tom Churchelow, president of the New Jersey Utilities Association, said his organization still hoped the moratorium will end on June 30. His hopes were bolstered, he said, by comments from state regulators who suggested the moratorium will, in fact, end on that date.

Expand assistance programs?

The New Jersey Board of Public Utilities and other state agencies are working on ways to expand various assistance programs to help customers pay their overdue bills, but have yet to reach a consensus on how to do so.

Since the pandemic began early in 2020, huge job losses followed as the economy largely shut down. Then huge numbers of customers fell behind on their utility bills. At the end of April, the most recent data released by the state, 350,000 households were in arrears on electric and gas bills by \$524 million. Half of that amount was more than five months overdue, according to Larry Levine, a senior attorney at the Natural Resources Defense Council.

Rate Counsel Director Stefanie Brand called the extension of the moratorium “the right thing to do.” She said the extension hopefully will give the agencies the time they need to come up with a consensual approach for dealing with arrearages.

“Really good things are happening regarding the expansion of assistance programs,” Brand said, adding, “It is going to take time to make it happen. Until then, people shouldn’t be shut off.”

Dip into federal relief funds?

Brand, like others in the discussions among the agencies, utility officials, consumer advocates and environmentalists, is hoping the more than \$6 billion available in federal relief funds from the American Rescue Plan can be tapped to help customers pay off those arrearages. So far, discussions have focused on expanding existing assistance programs as well as increasing income thresholds to allow middle-income customers to take advantage of the programs.

“Within months, we’ll be in a position where people who need assistance will be able to apply for it,” Brand said.

If the moratorium is extended to the end of year, Churchelow agreed it is important to leverage federal funds to offset the arrearages of customers.

Utility officials were unhappy with the extension of the moratorium, although there was confusion over when the moratorium will end, largely a result of two BPU commissioners advising customers at its bimonthly meeting that the moratorium will end at the end of June.

At some point, the moratorium will end, according to BPU President Joseph Fiordaliso. “As of today, the end point is June 30,” he said at the beginning of the meeting. BPU Commissioner Upendra Chivukula seemed to agree, noting the importance of June 30. “People have to take action,” he said.

When asked to clarify when the moratorium will end, Peter Peretzman, a spokesman for the agency, said Fiordaliso misspoke.