
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 824 Session of
2007

INTRODUCED BY PRESTON, HENNESSEY, THOMAS, BELFANTI, COSTA,
FABRIZIO, FRANKEL, GALLOWAY, GEORGE, GERGELY, HORNAMAN,
JAMES, JOSEPHS, KIRKLAND, LEACH, MANDERINO, MOYER, MUNDY,
PALLONE, PARKER, PAYTON, PETRONE, SIPTROTH, SURRA, WALKO,
WHEATLEY, J. WHITE AND YOUNGBLOOD, MARCH 19, 2007

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, MARCH 19, 2007

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania
2 Consolidated Statutes, further providing, in responsible
3 utility customer protection, for definitions, for cash
4 deposits and household information requirements, for payment
5 agreements, for termination of utility service, for
6 reconnection of service, for liens by city natural gas
7 distribution operations and for reporting to General Assembly
8 and Governor.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. The definitions of "payment agreement" and
12 "significant change in circumstance" in section 1403 of Title 66
13 of the Pennsylvania Consolidated Statutes are amended and the
14 section is amended by adding definitions to read:

15 § 1403. Definitions.

16 The following words and phrases when used in this chapter
17 shall have the meanings given to them in this section unless the
18 context clearly indicates otherwise:

19 * * *

1 "Occupant." A person who resides in the premises to which
2 utility service is provided or requested.

3 ["Payment agreement." An agreement whereby a customer who
4 admits liability for billed service is permitted to amortize or
5 pay the unpaid balance of the account in one or more payments.]

6 * * *

7 "PUC payment agreement." An agreement ordered or approved by
8 the Pennsylvania Public Utility Commission whereby a customer
9 who admits liability for billed service is permitted to amortize
10 or pay the unpaid balance of the account in one or more
11 payments.

12 "Significant change in circumstance." Any of the following
13 criteria when verified by the public utility and experienced by
14 customers with household income less than 300% of the Federal
15 poverty level:

16 (1) The onset of a chronic or acute illness [resulting
17 in a significant loss in the customer's household income].

18 (2) Catastrophic damage to the customer's residence
19 resulting in a significant net cost to the customer's
20 household.

21 (3) Loss of the customer's residence.

22 (4) Increase in the customer's number of dependents in
23 the household.

24 "Utility payment agreement." An agreement entered into
25 between a public utility and a customer whereby a customer who
26 admits liability for billed service is permitted to amortize or
27 pay the unpaid balance of the account in one or more payments.

28 * * *

29 Section 2. Sections 1404(a), (b), (c) and (d), 1405, 1406,
30 1407, 1414 and 1415 of Title 66 are amended to read:

1 § 1404. Cash deposits and household information requirements.

2 (a) General rule.--In addition to the right to collect a
3 deposit under any commission regulation or order, the commission
4 shall not prohibit a public utility[, prior to or as a condition
5 of providing utility service,] from requiring a cash deposit
6 payable, during a 90-day period, in accordance with commission
7 regulations in an amount that is equal to [one-sixth] one-
8 twelfth of the applicant's estimated annual bill, at the time
9 the public utility determines a deposit is required, from the
10 following:

11 (1) An applicant who previously received utility
12 distribution services and was a customer of the public
13 utility and whose service was terminated for any of the
14 following reasons:

15 (i) Nonpayment of an undisputed delinquent account.

16 (ii) Failure to complete payment of a deposit,
17 provide a guarantee or establish credit.

18 (iii) Failure to permit access to meters, service
19 connections or other property of the public utility for
20 the purpose of replacement, maintenance, repair or meter
21 reading.

22 (iv) Unauthorized use of the utility service
23 delivered on or about the affected dwelling.

24 (v) Failure to comply with the material terms of a
25 settlement or payment agreement.

26 (vi) Fraud or material misrepresentation of identity
27 for the purpose of obtaining utility service.

28 (vii) Tampering with meters, including, but not
29 limited to, bypassing a meter or removal of an automatic
30 meter reading device or other public utility equipment.

1 (viii) Violating tariff provisions on file with the
2 commission so as to endanger the safety of a person or
3 the integrity of the delivery system of the public
4 utility.

5 (2) Any applicant or customer who is unable to establish
6 creditworthiness [to the satisfaction of the public utility]
7 through the use of a generally accepted credit scoring
8 methodology which [employs standards for using the
9 methodology that fall within the range of general industry
10 practice] is approved by the commission.

11 (3) A customer who fails to comply with a material term
12 or condition of a settlement or payment agreement.

13 (b) Third-party guarantor.--Nothing in this section shall be
14 construed to preclude an applicant from furnishing a third-party
15 guarantor in lieu of a cash deposit. The guaranty shall be in
16 writing and shall state the terms of the guaranty. The guarantor
17 shall be responsible for [all missed payments owed to the public
18 utility] the amount of the deposit that would otherwise be
19 required under this section.

20 (c) Deposit hold period.--

21 (1) A public utility may hold a deposit until a timely
22 payment history is established [or for a maximum period of
23 24] but no longer than 18 months.

24 (2) A timely payment history is established when a
25 customer has paid in full and on time for twelve consecutive
26 months.

27 (3) At the end of the deposit holding period as
28 established in paragraph (1), the public utility shall deduct
29 the outstanding balance from the deposit and return or credit
30 any positive difference to the customer.

1 (4) If service is terminated before the end of the
2 deposit holding period as established in paragraph (1), the
3 public utility shall deduct the outstanding balance from the
4 deposit and return any positive difference to the customer
5 within 60 days of the termination.

6 (5) If a customer becomes delinquent before the end of
7 the deposit holding period as established in paragraph (1),
8 the public utility may deduct the outstanding balance from
9 the deposit.

10 (6) The public utility shall accrue on the deposit until
11 it is returned or credited the legal rate of interest
12 pursuant to section 202 of the act of January 30, 1974
13 (P.L.13, No.6), referred to as the Loan Interest and
14 Protection Law, and return such interest with the deposit.

15 (d) Adult occupants.--Prior to providing utility service, a
16 public utility may require the applicant to provide the [names]
17 name of each adult occupant residing at the location [and proof
18 of their identity] whose name appears on a mortgage, deed or
19 lease for the property.

20 * * *

21 § 1405. Payment agreements.

22 (a) General rule.--The commission is authorized to
23 investigate complaints regarding payment disputes between a
24 public utility, applicants and customers. The commission is
25 authorized to establish payment agreements between a public
26 utility, customers and applicants [within the limits established
27 by this chapter].

28 (b) Length of PUC payment agreements.--The length of time
29 for a customer to resolve an unpaid balance on an account that
30 is subject to a PUC payment agreement [that is investigated by

1 the commission and is entered into by a public utility and a
2 customer] shall not extend beyond:

3 (1) Five years for customers with a gross monthly
4 household income level not exceeding 150% of the Federal
5 poverty level.

6 (2) [Two] Three years for customers with a gross monthly
7 household income level exceeding 150% and not more than 250%
8 of the Federal poverty level.

9 (3) One year for customers with a gross monthly
10 household income level exceeding 250% of the Federal poverty
11 level and not more than 300% of the Federal poverty level.

12 (4) Six months for customers with a gross monthly
13 household income level exceeding 300% of the Federal poverty
14 level.

15 (c) Customer assistance programs.--[Customer assistance
16 program rates shall be timely paid and shall not be the subject
17 of payment agreements negotiated or approved by the commission.]
18 When a customer contacts the public utility to make payment
19 arrangements, the public utility shall notify the customer
20 verbally and in writing about the public utility's customer
21 assistance program, inquire about the customer's eligibility and
22 enroll eligible customers into the customer assistance program,
23 if agreeable to the customer.

24 (d) Number of payment agreements.--Absent a change in income
25 or other significant change in circumstances, the commission
26 shall not [establish or] order a public utility to establish a
27 second or subsequent PUC payment agreement if a customer has
28 defaulted on a previous PUC payment agreement. [A public utility
29 may, at its discretion, enter into a second or subsequent
30 payment agreement with a customer.]

1 (e) Extension of PUC payment agreements.--If the customer
2 defaults on a PUC payment agreement [established under
3 subsections (a) and (b) as a result of a significant change in
4 circumstance], the commission may reinstate the payment
5 agreement and extend the remaining term for an initial period of
6 six months. The initial extension period may be extended for an
7 additional six months for good cause shown.

8 (f) Failure to comply with PUC payment agreement.--Failure
9 of a customer to comply with the terms of a payment agreement
10 shall be grounds for a public utility to terminate the
11 customer's service. Pending the outcome of a complaint filed
12 with the commission, a customer shall be obligated to pay that
13 portion of the bill which is not in dispute and subsequent bills
14 which are not in dispute.

15 (g) Utility payment agreement.--A public utility may enter
16 into one or more utility payment agreements in accordance with
17 regulations established by the commission.

18 § 1406. Termination of utility service.

19 (a) Authorized termination.--A public utility may notify a
20 customer and terminate service provided to a customer after
21 notice as provided in subsection (b) for any of the following
22 actions by the customer:

23 (1) Nonpayment of an undisputed delinquent account.

24 (2) Failure to comply with the material terms of a
25 payment agreement.

26 (3) Failure to complete payment of a deposit, provide a
27 guarantee of payment or establish credit.

28 (4) Failure to permit access to meters, service
29 connections or other property of the public utility for the
30 purpose of replacement, maintenance, repair or meter reading.

1 (5) Fraud or material misrepresentation of the
2 customer's identity for the purpose of obtaining service.

3 (b) [Notice of termination of service] Pretermination
4 notices, contacts and duties.--

5 (1) Prior to terminating service under subsection (a), a
6 public utility:

7 (i) Shall provide written notice of the termination
8 to the customer at least ten days prior to the date of
9 the proposed termination. The termination notice shall
10 remain effective for 60 days.

11 (ii) Shall [attempt to] contact the customer or
12 occupant, [either] in person [or by telephone], to
13 provide notice of the proposed termination at least three
14 days prior to the scheduled termination. [Phone contact
15 shall be deemed complete upon attempted calls on two
16 separate days to the residence between the hours of 7
17 a.m. and 9 p.m. if the calls were made at various times
18 each day.]

19 (iii) [During the months of December through March,
20 unless] Unless personal contact has been made with the
21 customer or responsible adult by personally visiting the
22 customer's residence, the public utility shall, within 48
23 hours of the scheduled date of termination, post a notice
24 of the proposed termination at the service location.

25 (iv) After complying with paragraphs (ii) and (iii),
26 the public utility shall [attempt to] make personal
27 contact with the customer or responsible adult at the
28 time service is terminated. [Termination of service shall
29 not be delayed for failure to make personal contact.

30 (2) The public utility shall not be required by the

1 commission to take any additional actions prior to
2 termination.]

3 (2) For each notice and contact under paragraph (1) and
4 when the customer contacts the utility prior to termination,
5 the public utility shall notify the customer verbally and in
6 writing about the public utility's customer assistance
7 program, inquire about the customer's eligibility and enroll
8 eligible customers into the customer assistance program, if
9 agreeable to the customer.

10 (3) An application for a public utility's customer
11 assistance program shall stay termination of service for
12 nonpayment until a decision has been made on the application,
13 and the utility shall cancel the termination of service upon
14 approval for enrollment in the assistance program.

15 (c) Grounds for immediate termination.--

16 (1) A public utility may immediately terminate service
17 for any of the following actions by the customer:

18 (i) Unauthorized use of the service delivered on or
19 about the affected dwelling.

20 [(ii) Fraud or material misrepresentation of the
21 customer's identity for the purpose of obtaining
22 service.]

23 (iii) Tampering with meters or other public
24 utility's equipment.

25 (iv) Violating tariff provisions on file with the
26 commission so as to endanger the safety of a person or
27 the integrity of the public utility's delivery system.

28 (2) Upon termination, the public utility shall [make a
29 good faith attempt to] provide a post termination notice to
30 the customer or a responsible person at the affected

1 premises, and, in the case of a single meter, multiunit
2 dwelling, the public utility shall conspicuously post the
3 notice at the dwelling, including in common areas when
4 possible.

5 (d) Timing of termination.--Notwithstanding the provisions
6 of section 1503 (relating to discontinuance of service), a
7 public utility may terminate service for the reasons set forth
8 in subsection (a) from Monday through Friday as long as the
9 public utility can accept payment to restore service on the
10 following day and can restore service consistent with section
11 1407 (relating to reconnection of service).

12 (e) Winter termination.--

13 (1) Unless otherwise authorized by the commission, after
14 November 30 and before April 1, an electric distribution
15 utility or natural gas distribution utility shall not
16 terminate service to customers with household incomes at or
17 below 250% of the Federal poverty level. [except for
18 customers whose actions conform to subsection (c)(1). The
19 commission shall not prohibit an electric distribution
20 utility or natural gas distribution utility from terminating
21 service in accordance with this section to customers with
22 household incomes exceeding 250% of the Federal poverty
23 level.

24 (2) In addition to the winter termination authority set
25 forth in paragraph (1), a city natural gas distribution
26 operation may terminate service to a customer whose household
27 income exceeds 150% of the Federal poverty level but does not
28 exceed 250% of the Federal poverty level, and starting
29 January 1, has not paid at least 50% of his charges for each
30 of the prior two months unless the customer has done one of

1 the following:

2 (i) Has proven in accordance with commission rules
3 that his household contains one or more persons who are
4 65 years of age or over.

5 (ii) Has proven in accordance with commission rules
6 that his household contains one or more persons 12 years
7 of age or younger.

8 (iii) Has obtained a medical certification in
9 accordance with commission rules.

10 (iv) Has paid to the city natural gas distribution
11 operation an amount representing at least 15% of the
12 customer's monthly household income for each of the last
13 two months.

14 (3) At the time that the notice of termination required
15 by subsection (b)(1)(i) is provided to the customer, the city
16 natural gas distribution operation shall provide notice to
17 the commission. The commission shall not stay the termination
18 of service unless the commission finds that the customer
19 meets the criteria in paragraph (2)(i), (ii), (iii) or (iv).]

20 (f) Medical certification.--A public utility shall not
21 terminate or refuse to reconnect service to a premises when a
22 licensed physician or nurse practitioner has certified that [the
23 customer or a member of the customer's] an occupant of the
24 household is seriously ill or afflicted with a medical condition
25 that will be aggravated by cessation of service. The [customer]
26 occupant shall obtain a letter or other form of notification
27 from a licensed physician or nurse practitioner verifying the
28 condition and shall promptly forward it to the public utility.
29 If, prior to termination of service, the utility employee is
30 informed that an occupant is seriously ill or is affected with a

1 medical condition which will be aggravated by a cessation of
2 service and that a medical certification will be procured,
3 termination may not occur for at least three days. The medical
4 certification procedure shall be implemented in accordance with
5 commission regulations.

6 (g) Qualification for LIHEAP.--A notice of termination to a
7 customer of a public utility shall be sufficient proof of a
8 crisis for a customer with the requisite income level to receive
9 a LIHEAP Crisis Grant from the Department of Public Welfare or
10 its designee. Between November 1 and March 31, a public utility
11 shall accept assignment of a LIHEAP Crisis Grant from the
12 Department of Public Welfare or its designee on behalf of a
13 customer enrolled in the utility's customer assistance program.

14 (h) Dishonorable tender of payment after receiving
15 termination notice.--

16 (1) After a public utility has provided a written
17 termination notice under subsection [(b)(1)(i) and attempted
18 telephone contact as provided in subsection (b)(1)(ii)]
19 (b)(1)(i), (ii) and (iii), termination of service may proceed
20 without additional notice if:

21 (i) a customer tenders payment which is subsequently
22 dishonored under 13 Pa.C.S. § 3502 (relating to
23 dishonor); or

24 (ii) a customer tenders payment with an access
25 device, as defined in 18 Pa.C.S. § 4106(d) (relating to
26 access device fraud), which is unauthorized, revoked or
27 canceled.

28 [(2) The public utility shall not be required by the
29 commission to take any additional actions prior to the
30 termination.]

1 § 1407. Reconnection of service.

2 (a) Fee.--A public utility may require a reconnection fee
3 based upon the public utility's cost as approved by the
4 commission prior to reconnection of service following lawful
5 termination of the service. This fee shall not exceed 1/12 of
6 the customer's outstanding balance.

7 (b) Timing.--When service to a dwelling has been terminated
8 and provided the applicant has met all applicable conditions,
9 the public utility shall reconnect service as follows:

10 (1) Within 24 hours for erroneous terminations or upon
11 receipt by the public utility of a valid medical
12 certification.

13 (2) Within 24 hours for terminations occurring after
14 November 30 and before April 1.

15 (3) Within [three days] 48 hours for erroneous
16 terminations requiring street or sidewalk digging.

17 (4) Within [three days] 24 hours from April 1 to
18 November 30 for proper terminations.

19 (5) Within [seven days] 72 hours for proper terminations
20 requiring street or sidewalk digging.

21 (c) Payment to restore service.--

22 (1) A public utility shall provide for and inform the
23 applicant or customer of a location where the customer can
24 make payment to restore service. When there is a contact
25 between a public utility and an applicant or customer
26 concerning restoration of service, the utility shall also
27 notify the applicant or customer verbally and in writing
28 about the public utility's customer assistance program,
29 inquire about the person's eligibility and enroll those
30 eligible into the customer assistance program, if agreeable

1 to the applicant or customer.

2 (2) A public utility may require:

3 (i) Full payment of any reconnection fees together
4 with repayment over six months of any outstanding balance
5 incurred [together with any reconnection fees] by the
6 customer or applicant [prior to reconnection of service]
7 if the customer or applicant has an income exceeding 300%
8 of the Federal poverty level, [or has defaulted on two or
9 more payment agreements. If a customer or applicant with
10 household income exceeding 300% of the Federal poverty
11 level experiences a life event, the customer shall be
12 permitted a period of not more than three months to pay
13 the outstanding balance required for reconnection. For
14 purposes of this subparagraph, a life event is:

15 (A) A job loss that extended beyond nine months.

16 (B) A serious illness that extended beyond nine
17 months.

18 (C) Death of the primary wage earner.]

19 (ii) Full payment of any reconnection fees together
20 with repayment over 12 months of any outstanding balance
21 incurred by the customer or applicant if the customer or
22 applicant has an income exceeding [150%] 250% of the
23 Federal poverty level but not greater than 300% of the
24 Federal poverty level.

25 (iii) Full payment of any reconnection fees together
26 with repayment over 36 months of any outstanding balance
27 incurred by the customer or applicant if the customer or
28 applicant has an income exceeding 150% of the Federal
29 poverty level but not greater than 250% of the Federal
30 poverty level.

1 [(iii)] (iv) Full payment of any reconnection fees
2 together with payment over [24] 60 months of any
3 outstanding balance incurred by the customer or applicant
4 if the customer or applicant has an income not exceeding
5 150% of the Federal poverty level. A customer or
6 applicant of a [city natural gas distribution operation]
7 public utility whose household income does not exceed
8 [135%] 150% of the Federal poverty level shall be
9 reinstated pursuant to this subsection only if the
10 customer or applicant enrolls in the customer assistance
11 program of the [city natural gas distribution operation]
12 public utility except that this requirement shall not
13 apply if the financial benefits to such customer or
14 applicant are greater if served outside of that
15 assistance program.

16 (v) For customers enrolled in a public utility's
17 customer assistance program at the time of termination,
18 full payment of any reconnection fees together with a
19 portion of their unpaid customer assistance program
20 payments, to be determined according to standards
21 established by the commission.

22 (3) Between November 1 and March 31, a public utility
23 shall accept assignment of a LIHEAP Crisis Grant from the
24 Department of Public Welfare or its designee to restore
25 service to a customer enrolled in the utility's customer
26 assistance program.

27 (d) Payment of outstanding balance at premises.--A public
28 utility may also require the payment of any outstanding balance
29 or portion of an outstanding balance if the applicant [resided]
30 was a customer at the property for which service is requested

1 during the time the outstanding balance accrued and for the time
2 the applicant [resided there] was a customer.

3 (e) Approval.--A public utility may establish that an
4 applicant previously [resided] was a customer at a property for
5 which residential service is requested through the use of
6 mortgage, deed or lease information, a commercially available
7 consumer credit reporting service or other methods approved as
8 valid by the commission.

9 § 1414. [Liens] Fees by city natural gas distribution
10 operations.

11 [(a) General rule.--A city natural gas distribution
12 operation furnishing gas service to a property is entitled to
13 impose or assess a municipal claim against the property and file
14 as liens of record claims for unpaid natural gas distribution
15 service and other related costs, including natural gas supply,
16 in the court of common pleas of the county in which the property
17 is situated or, if the claim for the unpaid natural gas
18 distribution service does not exceed the maximum amount over
19 which the Municipal Court of Philadelphia has jurisdiction, in
20 the Municipal Court of Philadelphia, pursuant to sections 3 and
21 9 of the act of May 16, 1923 (P.L.207, No.153), referred to as
22 the Municipal Claim and Tax Lien Law, and Chapter 22 (relating
23 to natural gas competition).

24 (b) Residential field visit charge.--]A city natural gas
25 distribution operation is authorized to charge a minimum fee of
26 \$10 for each instance in which its representative is required to
27 visit the residence of a customer in the process of attempting
28 to complete required service termination steps.

29 [(c) Refusal of service.--The commission shall permit a city
30 natural gas distribution operation to refuse to provide service

1 to an applicant if the applicant has a pending lien or civil
2 judgment by the city natural gas distribution operation
3 outstanding against the applicant or against property owned in
4 whole or in part by the applicant unless the applicant enters
5 into a payment arrangement for the payment of the amount
6 associated with the lien or judgment that remains outstanding at
7 the time of the application.]

8 § 1415. Reporting [to General Assembly and Governor].

9 (a) General Assembly and Governor.--No later than two years
10 following the effective date of this chapter and every two years
11 thereafter, the commission shall submit a report to the
12 Governor, the Chief Clerk of the House of Representatives and
13 the Secretary of the Senate reviewing the implementation of the
14 provisions of this chapter. The report shall include, but not be
15 limited to:

16 (1) The degree to which the chapter's requirements have
17 been successfully implemented.

18 (2) The effect upon the cash working capital or cash
19 flow, uncollectible levels and collections of the affected
20 public utilities.

21 (3) The level of access to utility services by
22 residential customers, including low-income customers.

23 (4) The effect upon the level of consumer complaints and
24 mediations filed with and adjudicated by the commission.

25 (b) General public.--The commission shall report the
26 following on its publicly accessible Internet website:

27 (1) Termination of service data of each utility on a
28 monthly basis.

29 (2) Immediate reporting of utility-related deaths,
30 injuries, fires and property damage resulting from denial of

1 termination of utility service.

2 (3) Numbers of customers eligible for a public utility's
3 customer assistance program and actual numbers enrolled in
4 the assistance program for each public utility on a monthly
5 basis.

6 (c) Data submission.--Public utilities affected by this
7 chapter shall provide data required by the commission to
8 complete [this report.] the reports required by this section.

9 (d) Recommendations.--In its recommendations, the commission
10 may also propose any legislative or other changes which it deems
11 appropriate to the Governor and the General Assembly.

12 Section 3. This act shall take effect in 60 days.