

AMENDMENTS TO SENATE BILL NO. 1017

Sponsor: SENATOR KEARNEY

Printer's No. 1268

1 Amend Bill, page 1, line 3, by striking out the comma after
2 "policy" and inserting

3 and

4 Amend Bill, page 1, line 4, by striking out "for" and
5 inserting

6 repealing provisions relating to

7 Amend Bill, page 1, line 5, by inserting after

8 "requirements,"

9 providing for security deposits, further providing

10 Amend Bill, page 1, line 6, by inserting after "service,"
11 for late payment charge waiver,

12 Amend Bill, page 2, lines 11 and 12, by striking out all of
13 said lines and inserting

14 Section 2. Section 1403 of Title 66 is amended to read:

15 Amend Bill, page 8, lines 11 through 18, by striking out all
16 of said lines and inserting

17 Section 3. Section 1404 of Title 66 is repealed:

18 [§ 1404. Cash deposits and household information requirements.

19 (a) General rule.--In addition to the right to collect a
20 deposit under any commission regulation or order, the commission
21 shall not prohibit a public utility from requiring a cash
22 deposit, payable during a 90-day period in accordance with
23 commission regulations, in an amount that is equal to one-sixth
24 of the applicant's estimated annual bill, at the time the public
25 utility determines a deposit is required, from the following:

26 (1) An applicant who previously received utility
27 distribution services and was a customer of the public
28 utility and whose service was terminated for any of the
29 following reasons:

1 (i) Nonpayment of an undisputed delinquent account.

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

4 (iii) Failure to permit access to meters, service
5 connections or other property of the public utility for
6 the purpose of replacement, maintenance, repair or meter
7 reading.

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

10 (v) Failure to comply with the material terms of a
11 settlement or payment arrangement.

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

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

17 (viii) Violating tariff provisions on file with the
18 commission so as to endanger the safety of a person or
19 the integrity of the delivery system of the public
20 utility.

21 (2) Any applicant or customer who is unable to establish
22 creditworthiness to the satisfaction of the public utility
23 through the use of a generally accepted credit scoring
24 methodology, as provided in a commission-approved tariff, and
25 which employs standards for using the methodology that fall
26 within the range of general industry practice.

27 (3) A customer who fails to comply with a material term
28 or condition of a settlement or payment arrangement.

29 (a.1) Cash deposit prohibition.--Notwithstanding subsection
30 (a), no public utility may require a customer or applicant that
31 is confirmed to be eligible for a customer assistance program to
32 provide a cash deposit.

33 (b) Third-party guarantor.--Nothing in this section shall be
34 construed to preclude an applicant from furnishing a third-party
35 guarantor in lieu of a cash deposit. The guaranty shall be in
36 writing and shall state the terms of the guaranty. The guarantor
37 shall be responsible for all missed payments owed to the public
38 utility.

39 (c) Deposit hold period.--

40 (1) A public utility may hold a deposit until a timely
41 payment history is established.

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

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

49 (4) If service is terminated before the end of the
50 deposit holding period as established in paragraph (1), the
51 public utility shall deduct the outstanding balance from the

1 deposit and return any positive difference to the customer
2 within 60 days of the termination.

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

7 (6) The public utility shall accrue interest on the
8 deposit until it is returned or credited.

9 (i) Interest shall be computed at the simple annual
10 interest rate determined by the Secretary of Revenue for
11 interest on the underpayment of tax under section 806 of
12 the act of April 9, 1929 (P.L.343, No.176), known as The
13 Fiscal Code.

14 (ii) The interest rate in effect when deposit is
15 required to be paid shall remain in effect until the
16 later of:

17 (A) the date the deposit is refunded or
18 credited; or

19 (B) December 31.

20 (iii) On January 1 of each year, the new interest
21 rate for that year will apply to the deposit.

22 (d) Adult occupants.--Prior to providing utility service, a
23 public utility may require the applicant to provide the names of
24 each adult occupant residing at the location and proof of their
25 identity.

26 (e) Failure to pay full amount of cash deposit.--A public
27 utility shall not be required to provide service if the
28 applicant or customer fails to pay the full amount of the cash
29 deposit within the time period under subsection (a).

30 (f) City natural gas distribution operation; additional
31 deposit rules for city natural gas distribution operations.--
32 Except for applicants who are subject to a deposit under
33 subsection (a), a city natural gas distribution operation may
34 require a deposit from the applicant as follows:

35 (1) If an applicant has household income above 300% of
36 the Federal poverty level, one-sixth of the applicant's
37 estimated annual bill paid in full at the time the city
38 natural gas distribution operation determines a deposit is
39 required; or

40 (2) If an applicant has household income no greater than
41 300% of the Federal poverty level, one-twelfth of the
42 applicant's estimated annual bill paid in full at the time
43 the city natural gas distribution operation determines a
44 deposit is required. Applicants who enroll into the Customer
45 Assistance Program made available by the city natural gas
46 distribution operation are not subject to this paragraph.

47 (g) Estimated annual bill.--When used in this section, an
48 estimated annual bill shall be calculated on the basis of the
49 annual bill to the dwelling at which service is being requested
50 for the prior 12 months or, if unavailable, a similar dwelling
51 in close proximity.

1 (h) Time for paying deposits upon reconnection.--Applicants
2 and customers required to pay a deposit upon reconnection under
3 subsection (a)(1) shall have up to 90 days to pay the deposit in
4 accordance with commission regulations.]

5 Section 4. Title 66 is amended by adding a section to read:
6 § 1404.1. Security deposits.

7 Notwithstanding any other provision of law or commission
8 regulation, a public utility may not require a cash deposit as a
9 condition for applicants or customers to obtain or continue
10 public utility service.

11 Section 5. Section 1405(a) and (b) of Title 66 are amended
12 to read:

13 Amend Bill, page 9, line 19, by striking out "3" and
14 inserting

15 6

16 Amend Bill, page 9, line 21, by striking out "1407(b)" and
17 inserting

18 1407(a), (b)

19 Amend Bill, page 13, lines 19 through 24, by striking out all
20 of said lines and inserting

21 [(a) Fee.--A public utility may require a reconnection fee
22 based upon the public utility's cost as approved by the
23 commission prior to reconnection of service following lawful
24 termination of the service.]

25 (a.1) Fee prohibition.--A public utility may not require a
26 customer or applicant with an income at or below 300% of the
27 Federal poverty level to provide a reconnection fee. A public
28 utility shall inform a customer or applicant of the prohibition
29 on reconnection fees specified under this subsection at the time
30 a reconnection fee is assessed.

31 Amend Bill, page 15, line 11, by striking out "4" and
32 inserting

33 7

34 Amend Bill, page 15, line 11, by inserting after "Sections"
35 1409,

36 Amend Bill, page 15, by inserting between lines 12 and 13
37 § 1409. Late payment charge waiver.

38 A public utility shall waive late payment charges on any
39 customer accounts if the charges were improperly assessed. The
40 commission [may] shall order a waiver of any late payment
41 charges levied by a public utility as a result of a delinquent

1 account for customers with a gross monthly household income not
2 exceeding [150%] 300% of the Federal poverty level.

3 Amend Bill, page 18, line 6, by striking out "5" and
4 inserting

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6 Amend Bill, page 18, line 9, by striking out "6" and
7 inserting

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