



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 939

PRINTERS NO. 4250

PRIME SPONSOR: Godshall

COST / (SAVINGS)

FUND	FY 2014/15	FY 2015/16
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: House Bill 939, Printer's Number 4250, makes omnibus amendments to Title 66 (Public Utility Code) relating to responsible utility customer protection; further provides for assessment for regulatory expenses upon public utilities; and further provides for requirements for natural gas suppliers and electric generation suppliers.

ANALYSIS: This bill makes several changes to Title 66 (Public Utility Code) relating to responsible utility customer protection, and further providing for definitions, cash deposits and household information requirements, for reconnection of service, for late payment charge waiver and for complaints filed with the Public Utility Commission, providing for commission duties, and further providing for automatic meter readings, for nonapplicability, for construction, as well as for reporting to the General Assembly and Governor.

For example, clarifying language is added to the definitions of "customer" and "applicant," while the term "payment agreement" is changed to "payment arrangement" but maintains the current definition. The definition of medical certificate specifies that it is a written document signed by a licensed physician, nurse practitioner or physician's assistant. Another change to Chapter 14 is that the provisions now apply to wastewater, small natural gas and steam heat utilities as well.

Some of the specific changes to Chapter 14, ranging from cash deposits and household information requirements to providing for commission duties, include as follows:

- Provide for payment of cash deposits over 90-days, and a utility may hold a cash deposit until the customer makes on time and in full payments for 12 consecutive months;
- Require public utilities to include information regarding the credit scoring methodology used to determine whether a cash deposit will be required in a Public Utility Commission (PUC) approved tariff;
- Extend the maximum term of a payment agreement issued by the PUC to customers with income between 151% and 250% of Federal poverty level from 2-years to 3-years;
- Permit public utilities to attempt to contact customers prior to service termination using electronic messaging, with the customer's consent;
- Clarify that actual service termination is not required to demonstrate proof of crisis for LIHEAP fund eligibility and to require the Dept. of Public Welfare to provide LIHEAP

grant funding to a customer applying for a crisis grant “as soon as practicable” after that customer receives a termination notice;

- Clarify that the PUC may waive late payment charges that are improperly assessed and for customers with income of less than 150% of Federal poverty levels;
- Require a customer or applicant to contact their utility company prior to filing a complaint with the PUC;
- Require the PUC to report on Chapter 14 to the General Assembly and the Governor every 5 years; and
- Chapter 14 shall expire December 31, 2024.

Additional language was included stating that the public utility shall have an affirmative responsibility to attempt to collect payment on an overdue account, and report to the commission annually residential customer accounts accumulating over \$10,000 in arrearages and what efforts were undertaken to collect. Failure to make reasonable attempts to collect payments on overdue accounts may result in civil fines or other sanctions by the PUC.

The bill also inserts additional language to Section 510(a) providing that the PUC include the gross intrastate operating revenues of licensed entities when calculating its total estimated expenditures to administer Title 66. Chapters 22 and 28 are amended to include language permitting the PUC to establish, by order or rule, fees to be charged to natural gas suppliers and electric generation suppliers for activities related to oversight of these entities. The fees are to be established on a reasonable cost basis.

This legislation would take effect in 60 days upon enactment.

FISCAL IMPACT: Enactment of this bill will have no fiscal impact on Commonwealth funds as reporting requirements and requisite duties of the Public Utility Commission are covered under current operations. It is expected that some of the proposed changes may offer cost savings for both utilities and ratepayers as related to Chapter 14.

It should also be noted that the changes to Chapter 22 and 28 permits the PUC to establish an annual fee for licensed entities such as natural gas suppliers and electric generation suppliers if necessary. Such a fee would be to help cover additional administrative and operational costs related to the oversight of these entities.

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House Appropriations Committee (R)

DATE: October 14, 2014

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.