



Senate of Pennsylvania

Senator Jim Ferlo

38th Senatorial District

MEMO

Date: *January 6, 2011*
To: *All Senators*
From: *Senator Jim Ferlo*
Subject: *Co-sponsorship of Title 66 Amendments*

Dear Colleagues:

In the near future I plan to re-introduce Senate Bills 450 through 453 that will amend Title 66 (Utilities) of the Pennsylvania Consolidated Statutes. Newspaper reports have demonstrated that the addition of Chapter 14 to Title 66 threatens the well being of Pennsylvania residents. In addition a weak economy has the potential to seriously harm utility customers. I am proposing to make four amendments to the law that will add a measure of necessary consumer protection to the law.

I have chosen to amend the law as it relates to all utilities in Pennsylvania except for Philadelphia Gas Works (PGW), since the emergency situation there was the impetus for Act 201 of 2004 in the first place.

1) I am proposing to remove the winter shut-off provisions in the bill except for those affecting PGW. Permitting winter shut-offs is the most threatening provision of this bill. We are not only leaving Pennsylvanians in the cold, but this provision will undoubtedly cause fires that will threaten the both those living at the residence as well as neighbors. I will leave a provision that will give the Public Utility Commission the ability to permit winter shut-offs if necessary.

This was SB 450 in the previous session and was co-sponsored by Senators Fontana, Hughes, Washington, Mellow, Logan, Kasunic, O'Pake, and M. White.

2) I am introducing a technical change required because of a misinterpretation of Act 201 by the PUC regarding payment agreements. The PUC has since revisited their initial decision and is now interpreting the payment agreement provisions under Act 201 in the same way that this legislation would require, however due to the confusion in the

interpretation it is still necessary to clarify the language to guarantee that it is not misread in the future. This legislation would require that a customer receive one PUC negotiated payment agreement. Negotiated payment agreements made by the PUC are an important consumer protection, a customer may consider the weight of such an agreement far more seriously than one negotiated by a utility, and I believe customers are more likely to make the required payments.

This was SB 451 in the previous session and was co-sponsored by Senators Fontana, Hughes, Washington, Mellow, Logan, Kasunic, O'Pake, and M. White.

3) I will be introducing a measure that will trim the permitted deposit that a utility can charge when a customer is trying to get new service or get service reestablished after termination from one-sixth of a customer's annual bill to one-twelfth. The reasoning is two pronged.

First, the deposit is extremely prohibitive for those people that are trying to establish a new residence but have not established enough credit to secure utility service without deposits. If required to pay a deposit on electric and gas service, as well as a security deposit for a new apartment, many young people will simply not be able to afford moving into a new residence.

Secondly, those people that have had service terminated are obviously in difficult financial times. Under Chapter 14 it is now even more difficult to reestablish service. This combined with the winter shut-off provision creates an even more dangerous and threatening situation.

This was SB 452 in the previous session and was co-sponsored by Senators Fontana, Hughes, Washington, Mellow, Logan, Kasunic, O'Pake, M. White, and Stack.

4) The requirements for termination notification have been significantly liberalized under Act 201. A utility no longer has to make personal contact with a resident which lessens a customer's recognition of the consequences of a pending shut-off. The changes in the notification requirements have been implicated as contributing to the cause several home fire, and may be traced to several other tragic events throughout the state. I am introducing language that had been used in the past in the Pennsylvania Code and was in effect prior to the passage of Act 201 and would require that the utility make personal contact with the customer that is being terminated. This may also help to make the customer aware of programs such as LIHEAP or CAP that could help pay their bills and prevent a shut-off.

This was SB 453 in the previous session and was co-sponsored by Senators Fontana, Hughes, Washington, Mellow, Logan, Kasunic, O'Pake, Stack, and M. White.

If you would like to co-sponsor this legislation please e-mail Gianna Venno at gvenno@pasenate.com or call 787-6123.