



**CONSUMER PROTECTION, TECHNOLOGY, AND UTILITIES COMMITTEE
PENNSYLVANIA HOUSE OF REPRESENTATIVES**

Hearing on House Bill 1077

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**Testimony of Joline Price
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Greetings, Chairman Matzie, Chairman Marshall and Members of the House Consumer Protection, Technology, and Utilities Committee. Thank you for the invitation and opportunity to provide testimony in support of House Bill 1077, which amends Chapter 14 of the Public Utility Code.

My name is Joline Price. I am a Supervising Attorney in the Energy Unit of Community Legal Services, also known as CLS. CLS provides free civil legal assistance to low-income Philadelphians when they face the threat of losing their utility service, homes, incomes, health care, and even their families, serving nearly 13,000 clients in 2023. The Energy Unit specifically works to ensure that every Philadelphian has equitable access to utility services. We believe that affordable home utility services are vital to the health and safety of all Philadelphians. As a unit, we do direct legal representation, community engagement, impact litigation and advocacy. In my role as a Supervising Attorney, I work directly with clients, represent organizational clients in litigation at the Public Utility Commission (PUC), engage in systemic advocacy, and supervise three full-time case handlers.

The Energy Unit serves more than 500 clients every year, all of whom are struggling to afford and stay connected to their gas, electric and water service. The vast majority of our clients have been impacted by the strict rules and standards contained in Chapter 14 as it is currently written. Almost all of our clients have received a termination notice at some point. Many

medically vulnerable clients are unable to access a needed medical certificate to maintain service. Others are unable to access payment agreements through the PUC that would help them maintain affordable utility service. We see clients who can afford their ongoing utility bills denied access, because they can't afford to pay a restoration fee or deposit needed to turn service back on. Many clients receive notices of impending shutoff without adequate time to gather the money to make a payment, seek grant assistance or obtain a medical certificate. Others are simply unable to understand what the notices say due to language barriers.

This past September, our unit worked with a client, Ms. B, who came to our offices after her electric services were terminated. Ms. B lives with her 11-year-old daughter and one year old granddaughter, and is a diabetic who needs electricity to refrigerate her insulin. She was also at risk of losing her subsidized housing due to her utility service being terminated. Ms. B works as a home health aide, which means her income can vary from month to month. Even so, she attempted to make payments as often as she could. Despite her health needs and the young children in the home, Ms. B was denied access to a medical certificate by the utility, because she had used medical certificates in 2016, 2019 and 2022. Despite making payments towards her bill, she was ineligible for additional medical certificates under current rules. Because her service had been cut off, the utility would only offer a payment arrangement that required Ms. B to pay 50% of the full balance – which was more than the income she makes in a month. The PUC was unable to assist her, due to the strict limits placed on their discretion by Chapter 14. After more than a month without electric service, we were only able to get Ms. B's electricity restored using a grant through the Low Income Home Energy Assistance Program (LIHEAP), which opened in November and is only available during certain months of the year.

Chapter 14 creates tremendous struggles for our clients, many with stories similar to Ms. B's, to connect to and afford basic utility services. Chapter 14 has failed to protect low and moderate income utility customers, leading to a dramatic rise in terminations since its passage. While Ms. B's story ends with service back on, she could have just as easily fallen through the cracks. She was at risk of losing her subsidized housing and her kids because her service was off – not to mention the risk to her own health and the health of her family.

Chapter 14 is known as the “Responsible Utility Customer Protection Act” and was intended “to achieve greater equity by eliminating opportunities for customers capable of paying

to avoid the timely payment of public utility bills.”¹ The provisions of Chapter 14 cover a broad swath of topics, including service connection, billing, involuntary shut-offs, fees and deposits, delinquent bills, payment plans, and other collections related issues. Ironically, Chapter 14, as written, prevents people from paying utility bills by creating barriers to reconnection for people who could otherwise pay a monthly bill, and also preventing people from getting into payment agreements because of restrictions placed on the PUC.

An increasing number of Pennsylvanians are unable to afford basic energy and water services to their home, and Chapter 14 does little to protect them. Low income Pennsylvanians often pay upwards of 30% of their household income on energy costs alone.² By way of comparison, a median income household pays just 4% of income towards utility costs, and the PUC’s own policy states that affordable bills for electricity and heating should be no more than 10% of income.³

As of November 2023, Pennsylvania utilities had shut off more than 330,000 households in 2023 – each household representing a Pennsylvania family that went without water, electricity, gas, or sanitation services.⁴ Chapter 14, as currently written and implemented, disproportionately harms economically vulnerable families – causing deep and lasting consequences to the health, safety, and stability of Pennsylvanians experiencing poverty and financial hardship. Many moderate income customers – just above eligibility for Customer Assistance Programs, but still struggling to make ends meet, are also shut out from utility service by the current terms of Chapter 14.

Chapter 14 must be amended to address the overarching issue of keeping these customers connected to service and paying their bills – and HB 1077 does just that. For Ms. B, the extended notice of termination and the availability of additional and longer medical certificates likely would have enabled her to find the resources she needed to maintain service and make a payment toward her balance – whether through LIHEAP or other avenues. Likewise, given her variable

¹ 66 Pa. C.S. 1402 (declaration of policy).

² Fisher, Sheehan, & Colton, The Home Energy Affordability Gap: 2022 (April 2023), http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html.

³ PA PUC, Home Energy Affordability for Low-Income Customers (Jan. 2019) at 87, <https://www.puc.pa.gov/pdocs/1602386.pdf>; 52 Pa. Code 69.265.

⁴ PA PUC, Terminations and Reconnections: Year to Date November 2022 vs. Year to Date November 2023, <https://www.puc.pa.gov/media/2709/terminations-reconnectionsyt-d-nov2022vs23.pdf>.

income and mitigating circumstances, the additional PUC discretion included in HB 1077 may have enabled her to get a better payment arrangement that she would have been able to afford.

The proposed amendments in HB 1077 directly address many of our clients' struggles to stay connected and remain paying customers of the utilities, and would positively impact the lives of all of our clients. For that reason, I urge this committee and the entire legislature to pass this bill.

HB 1077 introduces needed reforms that will:

- **Keep residential utility customers connected to and paying for utility services,**
- **Ensure people with chronic medical conditions, seniors, young children, and survivors of domestic violence remain connected to life essential services, and**
- **Ensure consistency and equity across the Commonwealth in how utility customers are treated, regardless of which county they live in.**

1. HB 1077 will help utility customers stay connected to service, eliminating unnecessary barriers to establishing, maintaining or reestablishing service.

HB 1077 helps low and moderate income utility customers by eliminating security deposits, expanding the availability of payment arrangements for reconnection, and limiting reconnection fees for low and moderate income households.

Requiring a security deposit to establish or continue utility service is punitive, imposing an unreasonable barrier to life-sustaining service for vulnerable populations, and exacerbating economic insecurity. Similarly, customers who had their utility service disconnected due to inability to pay are unlikely to be able to pay a reconnection fee – on top of the debts that led to the termination. As with cash deposits, reconnection fees present a punitive barrier for low and moderate income households to re-establish life-sustaining service and compounds economic instability. Removing barriers like deposits and reconnection fees will make it easier for households to connect to service and pay their monthly bills on an ongoing basis.

HB 1077 keeps bills affordable by eliminating late payment fees and ensuring PUC discretion to tailor payment arrangements to a specific household's individual circumstances.

Payment arrangement standards need to be aligned with the real-life, practical hardships and financial obstacles facing low and moderate income households. CLS recently worked with a client, Ms. A, who lives in her childhood home, which is in need of serious repairs. She could not afford to make the needed repairs, but the disrepair caused her to amass a large heating bill. The household income – her social security and a family member's employment income – puts their household just over income for the utility's Customer Assistance Program and for LIHEAP. At the same time, it does not provide them with enough income to make the repairs needed to reduce usage.

Ms. A has serious health issues which require multiple medical appointments a week. Like Ms. B, she had already used medical certificates, so despite these serious health conditions, she was unable to access additional certificates. We are working with Ms. A to address the underlying repair issues that are driving up her bills – she is getting assistance from various repair and weatherization programs, but applying for and getting that assistance has also taken time.

With our assistance, Ms. A sought a payment arrangement from the PUC, which got the services restored. At that time, based on the current Chapter 14 payment arrangement rules, the payment arrangement combined with monthly charges came out to almost \$1000 a month – far from affordable. Despite making partial payments as much as possible, this past summer, she received additional shut off notices for her gas service. Because she had already received a PUC payment arrangement, another arrangement was not possible. However, we had helped Ms. A apply for utility assistance through the Homeowner's Assistance Fund when she first came in and, after almost a year, she received a grant, finally paying down the utility bill and preventing shutoff at least through the winter months. That was one time assistance and won't be available to her again.

The updated provisions in HB 1077 that provide the PUC with additional flexibility in granting payment arrangements would have enabled Ms. A to get a more affordable payment arrangement

from the beginning – and would have been critical to keep Ms. A connected while her home receives the repairs it needs if grant funding hadn't been available.

HB 1077 keeps bills affordable by requiring utilities to gather income information and direct income-eligible customers to a utility's Customer Assistance Program.

Customer Assistance Programs (CAPs) are a valuable tool in ensuring that low income households receive affordable bills. In my experience, households are more likely to pay if presented with an affordable bill. However, these programs are dramatically undersubscribed. Statewide, only 52% of confirmed electric low-income customers and 35% of confirmed natural gas low income customers were enrolled in utility CAPs in 2022.⁵ And these numbers reflect only the households that the utility has confirmed to be income-eligible – not the entire universe of eligible households. Currently, Chapter 14 only requires utilities to refer customers to universal services if a customer calls about a payment agreement.⁶ Many of the clients we see at CLS would have lower arrears had they enrolled in CAP prior to accruing the large balance. HB 1077 would help address this issue by requiring utilities to screen customers and applicants for income at the time service was established, and by requiring referral of customers to universal services programs.

2. HB 1077 will ensure vulnerable households remain connected to life-essential utility service.

HB 1077 provides vulnerable households – families with small children, elderly adults, survivors of domestic violence and individuals with chronic and ongoing medical concerns – with additional tools to remain connected to service.

The current strict medical certificate rules mean that many medically vulnerable households are unable to maintain services. Utility service is medically necessary and life-essential for utility customers facing a variety of significant health conditions, including conditions that require the refrigeration of medications or electricity to power medical equipment. We recently worked with a client, Ms. C, who is 95 years old and bedridden while recovering from infected bed sores. She

⁵ PA PUC, Universal Service Programs & Collections Performance, 2022 Report (Sept. 2023) at 59, <https://www.puc.pa.gov/media/2573/2022-universal-service-report-final.pdf>.

⁶ 66 Pa. C.S. 1410.1.

was given a hospital bed which relied on electricity to operate. Despite the necessity of electricity for Ms. C's health, the utility shut off her service and refused to accept additional medical certificates and refused to accept anything less than 50% of her balance to restore, an amount that was out of her reach on her social security income. Ms. C was forced to live with a neighbor for several weeks while her service was shut off. We were only able to get Ms. C's electricity restored with our advocacy using a LIHEAP grant, which as discussed above is only available during certain months. The proposed amendments to Chapter 14 in HB 1077 expand access to medical certificates and extend the length of medical certificates. These changes would have allowed Ms. C to obtain longer medical certificates and remain safe in her home.

HB 1077 expands access to the existing domestic violence exemption by allowing certified domestic violence counselors to confirm a customer is a survivor.

Survivors of domestic violence must be able to start fresh. The existing domestic violence exemption is critical for the health and safety of domestic violence survivors and their families – helping to ensure that utility debts accrued by a third party do not prevent a survivor from establishing a safe home. However, currently, the only way for a survivor of domestic violence to access an exemption is with a court order. In my experience, many of our clients have not obtained or are unable to locate these court orders. Allowing a certified domestic violence counselor or advocate to confirm with a public utility that a consumer is a survivor would greatly expand protections to this particularly vulnerable population of utility customers.

HB 1077 protects households from the dangers of extreme temperatures. Extreme heat is dangerous to health and safety – especially for older adults, people with disabilities, and young children.

The winter moratorium keeps customers connected to utility service during the coldest months of the year, avoiding the preventable deaths that result from the involuntary termination of home heating service in the winter months. With summer heat intensifying, a similar moratorium applied during the hottest summer months would likewise prevent heat-related deaths of customers whose electric service would otherwise be terminated, forcing them to live in unsafe, sweltering conditions.

3. HB 1077 will ensure consistency and equity across the Commonwealth in how utility customers are treated, and their rights and responsibilities, regardless of which county they live in.

HB 1077 eliminates unnecessary special provisions for Philadelphia Gas Works.

Chapter 14 contains numerous special provisions for Philadelphia Gas Works (PGW). These provisions include exceptions to the winter moratorium,⁷ additional deposit rules,⁸ additional requirements for reconnection,⁹ and refusal of service based on liens.¹⁰ CLS supports the removal of these provisions in HB 1077. At the time Chapter 14 was enacted, PGW had only recently come under PUC jurisdiction and was the only large municipally owned utility under the jurisdiction of the Public Utility Commission. Prior to PUC oversight, PGW had faced collections difficulties and mismanagement. And, even when Chapter 14 was initially enacted, PGW's collections performance had already begun to improve. There is no clear evidence that Chapter 14's passage had any influence on PGW's improving collections performance.¹¹ Twenty years later, PGW's rolling 24 month collection rate has stayed consistent around 96% - even during the months of the pandemic when many of the tools PGW claims it needs were unavailable.¹² PGW has now been subject to PUC oversight for 25 years. The expectation should be that PGW can abide by the same rules that all other utilities can, and PGW should be held to the same – or better - standards.

HB 1077 establishes utility data reporting and public disclosure requirements and maintains the sunset provision.

Requiring specific, annual, publicly disclosed reporting requirements of the public utilities provides the General Assembly, the Commission, and the public with the necessary tools to evaluate the effectiveness of policies included in Chapter 14. CLS also supports the continuation

⁷ 66 Pa. C.S. 1406(e)(2).

⁸ 66 Pa. C.S. 1404(f).

⁹ 66 Pa. C.S. 1407(c)(1)(iii).

¹⁰ 66 Pa. C.S. 1414(c).

¹¹ Although it is true that PGW's financial condition before Chapter 14 was bleak, it is incorrect to attribute PGW's improvement to Chapter 14. In fact, the data suggests PGW's financial condition was improving before Chapter 14 was implemented. According to a January 2006 report, "PGW's collections experience was improving before the enactment of Act 201." Rhodes, Jr., Joseph, Final Report – Inquiry into the Implementation and Correctness of Act 201, January 27, 2006, at 16.

¹² See Appendix A – PGW Report October 2023 Report to Philadelphia Gas Commission.

of the sunset provision in HB 1077. A lot has changed for utilities and utility customers in the last 20 years since Chapter 14 was initially adopted, and more will change over the next ten. We believe that the terms and conditions by which households access life-essential utility services should be subject to periodic review by the General Assembly.

HB 1077 ensures that Limited English Proficient customers are able to read and understand termination notices and other important documents.

CLS supports the amendments to HB 1077 that require utilities to ensure notices of termination are provided in both English and Spanish, and ensures written notices of termination include notices in additional languages that inform the customer they are receiving a termination notice. At CLS, we serve a large Limited English Proficient population, and frequently encounter clients who simply don't understand their rights and responsibilities when they receive a termination notice, because little to no information is provided in their native language.

For all of these reasons, and on behalf of all of the low and moderate income residential utility customers CLS works with on a daily basis, I urge the committee to support HB 1077. Thank you for your consideration of this testimony.

Respectfully Submitted,



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Appendix A: PGW October 2023 Presentation to
Philadelphia Gas Commission



PGC OCTOBER PRESENTATION

November 28, 2023

PGW Customer Affairs – October Reporting

Twenty-Four Month Collection Rate



The Twenty-four month rolling collection rate through October is 96.99% compared to 96.42% last year for the same period. Billings for this period are \$117.42 million more than prior year and customer receipts are \$122.37 million more than prior year.

