

**Minutes of the
Pennsylvania Public Utility Commission's
Consumer Advisory Council
Meeting of June 18, 2013**

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Call to Order and Introductions

Chairman Tim Hennessey called the meeting to order at 10 a.m. in the Executive Chambers of the Public Utility Commission.

Harry Geller said he had some revisions that are reflected in the minutes. The Council approved the March 19, 2013, minutes.

Attendance

The following members of the Council were present:

Tim Hennessey, Chairman	Harry Geller
Michael Bannon	Tina Serafini
Lillian Carpenter (telephone)	George Silvestri (telephone)
Cindy Datig (telephone)	Lee Tolbert (telephone)
John Detman	

The following members of the Council were unable to be present:

Robert Christianson, Vice Chairman	Rick Hicks
Pedro Anes	Joe Toner

Public Utility Commission Staff Present:

April Ballou, Chairman Powelson's Office
Matt Totino, Vice Chairman Coleman's Office
Mary Beth Osborne, Commissioner Cawley's Office
Lois Burns, Commissioner Witmer's Office
RaChelle Coleman, Commissioner Witmer's Office
Tom Charles, Office of Communications
Jennifer Kocher, Office of Communications
Lori Shumberger, Office of Communications
Joe Witmer, Law Bureau
Karen Moury, Director of Regulatory Operations
June Perry, Director of Legislative Affairs
David Loucks, Bureau of Investigation and Enforcement
Dennis Hosler, Bureau of Audits

Guests Present:

Bernadette Foisy, PECO
Karen Markey, Energy Association of PA

Chapter 14 Update

Karen Moury, the PUC Director of Regulatory Operations and June Perry, the PUC Director of Legislative Affairs, were invited to give an update on Chapter 14. In the packets are two testimonies that were given before the House Consumer Affairs Committee by Karen Moury and Bohdan Pankiw.

Karen Moury said the PUC decided to start reviewing and updating Chapter 14 prior to the 2014 sunset date, started working on this in 2012 on and off and keyed up the work through 2013 to refine the list.

There are more than eight key changes the PUC suggests.

The first change is under House Bill 939: to include water and wastewater to the bill and propose further expand Chapter 14's applicability to small gas and steam heat utilities. There is one set of rules for water and wastewater while the other utilities have a different set of rules, and protection from abuse (PFA) cases have a third set of rules. The revision would make one set of rules for all utilities to follow.

The next most critical rule change is to prohibit Friday terminations. Consumers should be able to talk with a Commonwealth agency prior to terminations. The PUC is pushing hard for this rule change.

A change to the medical certification would allow physicians' assistants to sign the forms. At this time, only licensed physicians are allowed to sign the forms.

Another is to have a 48-hour termination posting notice at service locations year-round. At this time, the utilities are only required to do this during the winter termination time period.

The next change would be on the customer application, there is areas on the application that need to be cleaned up. The PUC is proposing changes.

The PUC should have the ability to make a second payment agreement as long as the PUC hasn't done one prior. If the utility gave a payment agreement, the PUC should be able to do a payment agreement. If there is a certified change in the customer's circumstance, the PUC should be allowed to revisit the payment agreement and not only if there is a financial change of circumstance. This law needs to be made clearer.

For new applicant cash deposits, they must pay the full amount up front prior to connection. If a terminated customer is reconnecting, that customer has up to 90 days to pay the deposit. This should be the same for both customers. Both should have the extended time period to pay the deposit.

On the late payment charges, a change would permit the PUC to direct the waiver for the customers that were improperly assessed.

Chapter 14 doesn't apply to situations covered by provision in the Public Utility Code relating to the discontinuance of service to leased premises.

There is a LIHEAP problem that the Department of Public Welfare (DPW) doesn't recognize termination notices at times. Should there be a change to the program that DPW should follow and send cash to customers with termination notices?

PFA doesn't apply to all victims in the household. The regulation should be changed to cover anyone in the household with a PFA under the PFA ruling.

Lee Tolbert stressed that the PUC needs to work with DPW staff on how the program is applied to customers. There needs to be very clear information for the program and how it affects the customers.

June Perry gave the status on two House bills that deal with Chapter 14 legislation. House Bill 1047 and House Bill 939 both have been voted out of committee. House Bill 939 expanded the bill to include wastewater utilities into Chapter 14.

The PUC met with legislative committee staff and suggested changes to the bills. The Office of Consumer Advocate (OCA), PA Utility Law Project (PULP) and other agencies agreed on the changes. When the meeting ended, the legislative staff members said they would work on putting an amendment together.

Lee Tolbert asked if DPW personnel should be involved in Chapter 14 updates. That way the PUC would understand what the changes should be.

Michael Bannon asked Karen Moury about LIHEAP and if they consulted other agencies. Karen Moury said no. Only PUC staff was consulted.

Lee Tolbert said DPW is not on the same page as Chapter 14. It would be very useful to have these regulations to help get LIHEAP to work. Karen Moury said the Bureau of Consumer Service (BCS) does do a Chapter 14 report and interacts with DPW on the LIHEAP advisory board.

Harry Geller said he wanted to address this. The PUC does sit on the LIHEAP advisory committee and exchanges information with DPW. DPW does give updates on all of this information. There is an issue about applications lagging. DPW does know that the Philadelphia area is having trouble and has addressed these issues. The PUC can ask for more information from DPW. This issue will be added to the agenda at a later time.

Tim Hennessey said to ask BCS about LIHEAP. Tom Charles said he would get someone from BCS for this topic. Lee Tolbert said he could get some people to come to the next meeting to discuss LIHEAP. Tom Charles suggested keeping this issue "in house" with PUC staff for now.

June Perry said she is waiting to hear back from legislative staff about the language in House Bill 1047. House Bill 1047 came out of the House with 80 amendments. This bill will not be moving soon.

Harry Geller said he is waiting to see what the amendments are and what is being considered. There were two hearings, and all agencies were in attendance. At this time, everyone is waiting on the amendments.

Karen Moury said there is a conflict with Chapter 14 on what LIHEAP considers a crisis grant. LIHEAP states there must be a threat of termination. During the winter months, utilities must follow the winter termination rules. This is where the problem occurs.

Karen Moury said the cash security deposit at this time is the amount of a two-month bill. The PUC is seeking to reduce the security deposit to the amount of a one-month bill and also extend the time period to pay the security deposit from a 60-day to a 90-day payment plan.

Karen Moury said Chapter 14 prohibits any payment plans for customer assistance program (CAP) customers, and a CAP customer cannot go to the PUC for a payment agreement. This should be changed. There are no regulations on this issue. CAP customers also should have access to the Commission.

Harry Geller said if the General Assembly acts on Chapter 14 allowing CAP customers to be promoted to receive a payment arrangement from the PUC, the Council should take a position on the issue.

Harry Geller made a motion to recommend that Act 201 of 2004 ("the Act" or "Chapter 14") be amended before Chapter 14 is reauthorized and that the Commission recommend and support each of the following amendments to the Act:

- The PUC must be able to establish at least one or more payment agreements for all residential consumers, including low-income customers enrolled in the Customer Assistance Programs. The prohibition against the Commission establishing or ordering a payment agreement on CAP arrears should be removed from the Act.
- Chapter 14 security deposits requirements should be reduced to no more than one-twelfth of a customer's annual bill. Applicants and customers should have 90 days to pay the deposit in installments.
- Medical certificates must be available for customers and applicants who are ill when service is threatened or is off, and should be able to be signed by nurse practitioners and physician assistants;
- Pre-Chapter 14 notice requirements prior to shut-off should be reinstated year-round: (1) attempted contact 72 hours before shut off; and (2) in-person

contact at the time of shutoff, and absent actual, in-person contact a 48-hour posting requirement before service is terminated.

- The ban on shut-offs on Fridays should be reinstated.
- The life of a termination notice should be reduced to the pre-Chapter 14 period of 30 days or one-billing cycle.
- The Commission should have the authority to stay a termination in appropriate circumstance to protect health and welfare.
- Domestic violence victims should not need to have a PFA to be exempted from Chapter 14.

Tom Charles asked the Council to delay the vote on the motion until the Council could hear or review the utility industry's positions and suggested amendments. The Council declined.

The motion was seconded and passed unanimously.

Michael Bannon asked how the Council's recommendations get to the Commissioners. Tom Charles said he sends their office an email after the Council meeting with all motions and hot issues.

Lee Tolbert said he agrees with the motion except the PUC, utility companies and DPW needs to work together. Everyone needs to coordinate the services instead of going in different directions. There needs to be just one voice. Tim Hennessey said this will be addressed at the next meeting.

Karen Markey offered to send the Council a copy of the Energy Association amendments to Chapter 14, so the Council could have an entire picture. Tim Hennessey said that would be great.

Lee Tolbert asked if the motion included LIHEAP. There still needs to be more discussion on the LIHEAP section. Harry Geller said, no because that will be discussed at a future Council meeting.

Limousine Company regulation Update

Dave Loucks from the PUC Bureau of Investigation and Enforcement (I&E) and Dennis Hosler from the PUC Audits Bureau were invited to give a presentation on limousine age requirements.

Dave Loucks passed out a copy of the Proposed Rulemaking Order for Rulemaking Re motor carrier vehicle list and vehicle age requirements, and a copy of the 2012 TLPA limousine and sedan fact book.

Dave Loucks said in the order, the Commission seeks to amend the regulation to eliminate the vehicle age for limousines with a vehicle mileage requirement.

The Commission has reviewed the usage on limousines compared to taxis. Taxis are used 24/7, whereas limousines are not used as much.

The taxis will still have an eight year-old age limit. This rule has been in place for six years. The taxi company would do a vehicle age limitation waiver. At that time, the Commission would do a “four-wheels-off” inspection on the required vehicle. This was a yearly inspection required for each vehicle over eight years old.

Dave Loucks said the proposed rulemaking would eliminate the exemption inspection (four wheels off) for taxicabs, but would be an eight year age limit and the taxi would have to be replaced. Currently the exemption inspection is still available and is a very time-consuming process for the PUC and an expense for the carrier.

The limousines were under the same age requirements as taxis. Owners could not buy a nine year-old stretch limousine. The Commission has deleted the age limit and added a new mileage limit. A limousine now can be operated until the mileage of the vehicle is more than 200,000 miles.

Dave Loucks said the other document is the 2012 TLPA limousine and sedan fact book. This book is national published for limousines. The fact book breaks down the different types of limousines and average annual miles by vehicle type.

Based on the 200,000 miles per limousines, most vehicles would be over 13-years old.

Michael Bannon asked about the California limousine fire that killed the passengers. Did they determine the cause of the fire? David Loucks said the incident is still under investigation. It could have been the wheel bearing overheating, but nothing has been determined yet.

Marcellus Shale Update

Jennifer Kocher from the PUC Office of Communications was requested to give an update on Marcellus Shale.

Jennifer Kocher said, she has been involved with the Marcellus Shale updates and disbursements. And will be walking everyone through the Marcellus Shale website. For those on the phone, you can follow along on our website at www.puc.pa.gov.

The most recent news is on June 13, 2013, the PUC published to our website the disbursements to the county and municipal governments under the Act 13 impact fee regulations. The checks are exceptive to be issued June 28, 2013.

The impact fee payments for 2012 total \$202,472,000. In 2011, the total was \$204,210,000.

More than \$102 million was distributed directly to county and municipal governments who were directly affected by the drilling. State agencies impacted by the drilling received \$28 million. The remaining money went into a Marcellus Legacy Fund.

The PUC was entrusted by the Governor and the legislature with the collection and distribution of the impact fee monies. In the last nine months, the PUC has collected and distributed more than \$406 million in Impact Fees.

To get to the Marcellus Shale site on the website, you can click on the slider page or go to the bottom of the page under natural gas and click on the Act 13 (impact fee) link. There is an interactive impact fee website page. This will let anyone see all the information available.

The legislation gave the PUC deadlines which contained a complex and specific formula for receiving the money and then getting this money into the hands of local communities.

The PUC decided to keep the website simple and as transparent as possible. This would make it easy for groups to deal with us that have never have before.

The website is an interactive page. There is a year-by-year comparison page, where the wells are, who is receiving money and specific breakdowns for wells, disbursement and statistics. All this information is out front for everyone to review.

Jennifer Kocher said there are a user's guide and a producer's guide that can be printed out.

The natural gas producers can do everything online, such as verifying wells, reporting total production and payments. There will soon be an online site for counties and municipalities.

There is a page for downloadable reports. These reports cover county/municipal disbursement – overall breakdown, county reports, disbursement reports, municipality reports, producer impact fee reports, and the number of wells and payments made.

The well producer impact fee payment is due to the PUC on April 1 of each year. Distribution of the collected money is due to the county and municipal governments by July 1 each year.

Jennifer Kocher said county or municipal governments that don't have wells in their territory can still receive funds from the Marcellus Shale Legacy funds.

Jennifer Kocher said the producer impact report lists every producer and what each owes and has paid for each year. There could be some difference of opinion on a

well. A producer can dispute the amount that is due. The PUC and producer will work to resolve these disputes.

Michael Bannon said the Act 13 website is very transparent. The PUC did a great job on the site.

Michael Bannon asked why a well would be capped off. Did it run out of gas? Jennifer Kocher said it could be for many reasons. Some are due to economic choice, and those wells could be reopened at a later date.

John Detman asked what the local governments are using the money for. Jennifer Kocher said the local governments are required to spend the money in one of 13 categories. Some of the categories are: construction; repairs or maintenance on roadways; water, storm water or sewer systems; emergency preparedness and public safety; environmental programs; tax reductions, records managements; and delivery of social services.

Lee Tolbert asked about the process to monitor the money to verify it is being used correctly. Jennifer Kocher said the PUC does not have the authority to verify what the funds were spent on. The Attorney General's Office has the authority to review the usage of funds.

George Silvestri said Marcellus Shale is impacting the highways and fresh water. Many companies are installing pipelines to deliver water to well sites while others are driving water trucks on the roads. There is another technology using wastewater in cooling towers. The wastewater is treated and cleaned, then used in cooling towers or other ways. The Marcellus Shale companies need to partner with water and wastewater utilities. When a clean water pipeline is built, water customers could connect to the lines and receive a water service. There needs to be more sharing of information among all of the companies involved.

Lee Tolbert said the Marcellus Shale law is incomplete. There is no monitoring of the fund money, and there are other areas that could use more monitoring.

Lee Tolbert suggested making a recommendation to request the PUC to monitor where the money is being used. Tim Hennessey said it is a good point, but this must be made by legislators. Lee Tolbert said the Council could make the recommendations to suggest changes to the legislators. Tom Charles said The Council advises the Commission, not the Legislators. He suggested inviting the Law Bureau to attend a future meeting to discuss Act 13. This could be out of our jurisdiction.

Michael Bannon said the Attorney General's Office or Inspector General's Office would have the jurisdiction to track the money use.

Mary Beth Osborne said monitoring the money for Marcellus Shale money is not something the PUC has authority over and Tom Charles was correct. There are ways to check how the money is being spent. Anyone can go to their local county

and check to see how the funds were used. And the Auditor General, Inspector General and the district attorneys are the agencies that have authority to review this.

2-1-1 Funding Update

Tim Hennessey said since Rick Hicks isn't here, this topic will be tabled until next meeting.

Harry Geller said a petition has been filed and a prehearing has been scheduled at the PUC for this.

Michael Bannon said the 2-1-1 funds are only for the Western Pennsylvania territories. Harry Geller said the Southwestern part of the state.

PA PowerSwitch Statewide Consumer Education

Harry Geller said Lillian Carpenter forwarded a recommendation on utility rate increase to support additional PA PowerSwitch education. The recommendation was handed out for everyone to review.

Tom Charles said a draft copy of the Statewide Consumer Education Campaign Plan is in the packets. If the Council would like to take the time to review the draft plan, there is still time to make comments.

Tom Charles said he believes a lot of the questions raised in Lillian Carpenter's draft will be answered with the staff plan.

CAC Appointment and Upcoming Elections

Tim Hennessey said he saw the press release on the Commission appointments to the Council last week. There are three new members that were appointed by legislators. They are Ralph G. Douglass, William J. Sterner and Javier R. Toro, and Chad Quinn, who will replace Cindy Datig.

At the July Council meeting, the Council will need to elect a Chairman and Vice Chairman.

Harry Geller asked if the Commission will make additional appointments later in the year. Tom Charles said the Governor still has not appointed anyone yet.

Tom Charles said John Detman will be retiring after this meeting and thanked him for his service.

Tim Hennessey said Cindy Datig is retiring also.

Harry Geller asked if the Council will be appointing a Chairman and Vice Chairman at the July meeting or just making nominations. Tom Charles said it is up to the Council, but, in the past, the Council voted on those positions at the July meeting.

Tim Hennessey said if anyone would like to run for the positions, please let him know by phone or email prior to the July meeting.

Future Meeting Topics Include:

- 2-1-1 Funding Update
- Act 13 Update
- Chairman and Vice Chairman Elections
- LIHEAP Update
- Legislative Update
- Marcellus Shale Update
- Resale of Utilities
- Smart Meters Update

The next meeting for the CAC will be held at 10 a.m. on July 23, 2013, in the Executive Chambers of the Commonwealth Keystone Building.

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