

Minutes of the Pennsylvania Public Utility Commission's Consumer Advisory Council

Meeting of March 27, 2012

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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.

George Silvestri said his comment in the minutes wasn't correct. Tom Charles asked him to send Lori Shumberger his comments and the minutes were updated.

The Council approved the amended January 24, 2012, minutes.

Attendance

The following members of the Council were present:

Tim Hennessey, Chairman
Pedro Anes (telephone)
Cindy Datig (telephone)
John Detman
Tom LeCrone

Tina Serafini
George Silvestri
Lee Tolbert (telephone)
Joe Toner (telephone)

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

Robert Christianson, Vice Chairman
Michael Bannon
Lillian Carpenter

Harry Geller
Rick Hicks

Public Utility Commission Staff present:

Tom Charles, Office of Communications
Lori Shumberger, Office of Communications
Heidi Wushinske, Law Bureau
Tom Beene, Legislative Affairs
Grace McGovern, Bureau of Consumer Services

Guests Present:

Heather Yoder, Office of Consumer Advocate
Sandra Levine, with George Silvestri
Taylor Gatta, with Tim Hennessey

Marketing Guidelines and Door-to-Door Subcommittee Report

Tim Hennessy said, since Harry Geller could not be here today, we would have an update at the next meeting.

Section 1313 Update

Heidi Wushinske said she had an intern research Section 1313 on landlords or property managers rebilling for utility services. Specifically addressed is the situation where a landlord rebills for utility service using a method not directly related to actual service consumed such as square footage or number of bedrooms in an apartment.

There are three different issues regarding landlord rebilling for utility service. These are: the landlord rebills the tenant at the same rate as the utility, but adds an administrative fee; the landlord rebills the tenant at a higher rate than the utility; or the landlord does not meter individual units, but rather charges the tenant based on another method such as apartment square footage or number of bedrooms in unit.

The first scenario the tenant would seek redress through the Office of the Attorney General. The second scenario is a clear violation of Section 1313, which places it under the jurisdiction of the Commission. The third scenario is more complicated.

On the third scenario, the Commission doesn't feel we have jurisdiction. The landlord is not reselling utility services to tenants. There are a lot of cases in the Commonwealth court on this. In Philadelphia, a tenant has the Philadelphia Housing Court.

Master metering is one meter for multiple tenants. Utilities under the Public Utility Regulatory Policy Act have begun to prohibit master metering through their tariffs. New buildings are prohibited from installing a master meter.

In Section 1529.1 of the Public Utility Code addresses the situation whereby more than one dwelling units are not individually metered. The owner is under a duty to notify the utilities serving the property is a rental purpose. The owner must be named on the utility account. All arrearages will be charged to the owner. All disputes over the financial responsibilities between the landlord and tenant under these circumstances are to be resolved in the Court of Common Pleas and are outside the Commission's jurisdiction.

If anyone would like to review the case sites, please let me know.

Legislative Update

Tom Beene from Legislative Affairs was invited to give an update on legislative happenings.

Tom Beene said Vice Chairman John Coleman is up for nomination that will require a Senate confirmation. Vice Chairman Coleman has been to meet most of the senators. His confirmation hearing is today.

There are three main pieces of legislation that just passed.

House Bill 1294 is Act 11, for approval to implement a Distribution System Improvement Charge (DSIC). The DSIC must be designed to provide for timely recovery of the costs incurred to repair, improve or replace aging lines.

House Bill 1950 is Act 13, the drilling impact fee and the expenditure of the funds generated by that impact fee to local and state purposes specifically outlined in the law.

House Bill 344 is Act 127, providing for gas and hazardous liquids pipelines and for powers and duties of the Pennsylvania Public Utility Commission; and imposing civil penalties.

There is a similar law in the legislation on smart meters. There was a hearing on the AEPS requirement act.

Tim Hennessey asked what the timeframe is for Act 13 and Act 11. Tom Beene said for Act 13, the deadline is April 16, 2012. Counties must make a decision by then. If a county doesn't opt in, the townships have 60 days to opt in. There must be 50 percent of the townships or population to override the county's vote. That deadline is June 13.

Act 11 is also in the works. Tom Charles said there will be a new webpage on the PUC's website. Jan Freeman can talk about this when he attends a future meeting.

Tom LeCrone asked, if the counties don't take part, when will the townships or population need to vote. Tom Beene said if the county opts not to receive the impact fee, the townships and population can. Not sure when that date is. Also, if there are 10 townships and only four townships votes for the fee and their population is 50 percent of the total county population. The county will get the fee.

LIHEAP Update

Grace McGovern from Bureau of Consumer Services was invited to give an update on LIHEAP. Two handouts were passed out. The first was LIHEAP pending applications numbers as of March 16. The second one was recommendations made by a LIHEAP subcommittee.

The last LIHEAP meeting was on Feb. 8. DPW is in charge of these meetings. At that time, the federal total for the year was \$3.4 billion. The House and Senate wants LIHEAP increased to \$4.7 billion next year.

On Jan. 19, U.S. Department of Health and Human Services (HHS) released additional funds, bringing the total funds to \$209,548,185. No one is expecting any more funds.

DPW rolled over \$25.6 million from last year to make \$237.6 million for this year. This is \$88 million less than last year.

DPW will use \$199.6 million for LIHEAP grants.

There are still 151,000 applications pending. These applications have not been processed yet but are in the system.

The average cash grant has been \$232, and the average crisis grant has been \$291.

DPW anticipating having a possible \$12 to 39 million left at the end of the crisis season. DPW is permitted to carry over 10 percent of the budget, which would be \$10 - \$20 million.

A subcommittee was formed to deal with possible solutions for the carry over budget. The committee came up with three suggestions. A copy of the subcommittee's suggestions was passed out. They are:

- Extend cash and crisis programs for 2 weeks beyond March 31, 2012;
- Provide supplemental cash grants of \$150 to all LIHEAP cash grant recipient households; and
- Remaining funds, after recommendations one and two above are implemented, are to be allocated as determined by DPW. The funds could be used for weatherization program or applied as a LIHEAP carryover.

DPW is planning to extend the program for another two weeks.

The numbers show how much has been spent as of Feb. 27, 2012. The projected money left over is just over \$9.5 million.

DPW received 470,173 applications for cash grants, approved 255,007 and rejected 63,778. For Crisis applications, they received 50,594 and rejected 1,175 of them. About 20 percent of those applicants provided missing information and were reconsidered.

The other handout is the pending LIHEAP applications as of March 16, 2012. Please note that Allegheny and Philadelphia counties have high numbers of pending applications.

DPW has reported that staffing issues have improved since the beginning of the season. Last week, DPW processed 20,629 applications and 9,000 new ones came in. DPW know there is still a problem.

DPW will be using a new computer system beginning July, 2012, so the program must be wrapped up by June 30, 2012.

There will be a web-based system rolled out to all counties in the fall of 2012 and training will start before September.

Lee Tolbert said he hates to keep commenting but Philadelphia has a large problem with the DPW offices. Can there be a stand-alone agency to handle the LIHEAP program. DPW isn't able to run the program. DPW has not met the needs of Philadelphia. Something must be done.

Tom LeCrone asked if this is a staffing and training issue. Lee Tolbert said it's beyond that: The computer system didn't work. DPW had limited access to the system. There needs to be real look into the system.

Grace McGovern said she cannot speak for DPW, but the new web-based system is the result of all the problems. Lee Tolbert said the system has been fixed in the past three years, and, there needs to be an oversight committee on this program. People are suffering.

Cindy Datig said Senate Resolution 165 is to study the efficiency of the LIHEAP program. Dollar Energy has been in Philadelphia to see what needs done. We have talked with LIHEAP, PPL and DPW. Hopefully, something will be improved.

Retail Markets Investigation

Tom Charles said the Council had formed a subcommittee to submit comments on the Retail Markets Investigation. The comment period has passed.

On March 21, there was an en banc hearing to hear from small business and stakeholders. All presentations and comments on posted on the PUC's Retail Market Investigation website. There is audio from the meeting on the site.

The next step is a tentative order. Dan Mumford and staff are working on this. The investigation is slated to finish up in April, 2012.

Tom LeCrone said the time frame to change suppliers can take up to 90 days. PPL lowered their rates and it can go back up in three months. Direct Energy said the supplier has 15-days to let them know of the switch, than another 30 to 60 days to finalize the change depending on the payment schedule. That would only give a consumer a 30-day benefit at the lower cost. With all the electronics, why would it take so long to switch. Tom Charles said this is one issue that the RMI working group is looking into. There may be changes made to the switching procedures.

Sandra Levine asked the default service. Tom Charles said the default service provider is also under question. Should there be a default provider or should all consumers be made to switch. That is one of the issues being reviewed.

Future Agenda Items

Tim Hennessey asked if there should be anything else added to the future agenda items other than what is listed.

Tina Serafini said the BCS Director has been on the list for a while. Lori Shumberger said Alexis Bechtel should be at the April meeting.

Tom Charles said the April's meeting will be a conference call, and the next regular meeting will be on Tuesday, May 22, 2012. Tim Hennessey asked if anyone have a topic for a conference call in April, if not, the call will be canceled. No one replied back, so the call has been canceled.

Lori Shumberger said she received an email about Bob Christianson. He had fallen and would not be at the meeting. A request for his address was made and Lori Shumberger said she would send it out to everyone.

Future Meeting Topics Include:

- Act 127, Reorganization, Alternative Fueled Vehicles Update
- Aging Workforce and Line Crew Update
- Director of the Bureau of Consumer Services Visit
- Legislative Update
- Marcellus Shale Update – Chairman Powellson's Visit
- Marketing Guidelines Update
- Retail Markets Investigation Update

The next meeting for the CAC will be held at 10 a.m. on May 22, 2012, in the Executive Chambers of the Commonwealth Keystone Building.

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