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March 2, 2015

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Chapter 14 Implementation: Tentative Order, Docket No. M-2014-2448824

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Comments of Philadelphia Gas Works with regard to the above-referenced matter.

Sincerely,



Daniel Clearfield

DC/lww
Enclosure

**BEFORE THE
PENNSYLVANIA UTILITY COMMISSION**

Chapter 14 Implementation; Tentative Order : Docket No. M-2014-2448824

COMMENTS OF PHILADELPHIA GAS WORKS

I. INTRODUCTION

Philadelphia Gas Works (“PGW”) respectfully submits these Comments to the Pennsylvania Public Utility Commission (“Commission”) in response to the Commission’s Tentative Order entered January 15, 2015 seeking comments on certain issues viewed by the Commission as “the most time-sensitive matters in implementing Act 155 or matters that cannot wait until a Chapter 56 rulemaking is fully promulgated.”

A. Background

On October 22, 2014, Governor Corbett signed into law HB 939, or Act 155 of 2014. This law became effective on December 22, 2014. The Act reauthorized and amended Chapter 14 of the Public Utility Code (66 Pa.C.S. §§ 1401-1419), the Responsible Utility Customer Protection Act. The Act is intended to protect responsible bill paying customers from rate increases caused by customers who fail to pay, by providing public utilities with the collection mechanisms and procedures to promote timelier collections, while protecting vulnerable customers by ensuring that utility service remains available to all customers on reasonable terms and conditions. The legislation is applicable to electric distribution utilities, water distribution utilities, natural gas distribution utilities, steam heat and wastewater utilities.

The amended Chapter 14 supersedes a number of Chapter 56 regulations, and the Commission is directed to revise Chapter 56 and promulgate regulations to administer and enforce the revised Chapter 14. Five years after the effective date and every five years thereafter, the Commission also must report to the General Assembly regarding the implementation and effectiveness of the amended Act. Chapter 14 expires on December 31, 2024, unless reenacted.

The PUC singled out two issues raised by Act 155, for immediate attention:

Section 1403, Definition of Medical Certificate: The Commission is to approve the "form" that a medical certificate must take.

Section 1410.1(3) and (4): Utility reporting requirements concerning accounts with arrearages in excess of \$10,000.00 and annual reporting of medical certificate usage.

In the Tentative Order, the Commission provided its preliminary thinking in these specific areas and requested that interested parties comment on those preliminary positions. The Commission intends to issue an implementation order addressing the issues raised in the Tentative Order, prior to the promulgation of regulations. The Commission indicated that it expects to begin a Chapter 56 rulemaking in 2015 to bring the Chapter into alignment with Act 155. Therefore, what follows are PGW's views on the issues that the Commission has indicated it intends to address in its initial implementation order.

B. Summary of PGW Comments

PGW appreciates the opportunity to share its views on some of the important issues resulting from the recent passage of Act 155. With respect to the medical certification form, PGW suggests that the form not request information on the "nature" of the medical condition (a

utility does not need this information) and should request that the medical professional signing the form provide his or her license number on the certificate. To reduce confusion and increase customer and medical professional convenience, PGW urges the Commission to adopt the utility's existing medical certification form as the "approved" form whenever possible. To that end, the presumption should be that the existing form will be acceptable to Bureau of Consumer Services ("BCS") upon review, absent some clear error or issue. PGW also agrees that aggregated reports of medical certificates should be submitted showing the total number of medical certificates as well as the number accepted and rejected.

With respect to reporting on customer accounts with arrearages of \$10,000 or more, PGW respectfully urges the Commission to not require the submission of individual account data, but instead mandate the submission of aggregate data. For PGW, providing individual account data will not only be burdensome and expensive but will necessarily result in an undue focus on the individual reasons for the existence of a particular large arrearage, rather than focusing on systemic trends. In addition, aggregate data is more consistent with the reporting that PGW currently submits to the Commission and will better protect against customer privacy. Consistent with this recommendation, PGW also proposes that utilities provide a "collections summary report" focusing on the collections trends and "takeaways" revealed by the aggregate data as well as a discussion of the practices and procedures a company is utilizing to collect the amounts reported.

If the Commission nonetheless requires the information to be submitted on an individual account basis, PGW recommends that the Commission identify the account information to be provided, as follows: 1) customer account identifier; 2) total outstanding arrears; 3) average monthly bill amount; 4) number of terminations; 5) number of disputes; 6) number of

complaints; 7) most recent CAP removal date; 8) number of payment arrangements; and 9) multiple meter or single meter property.

Regardless of whether the Commission mandates that aggregate or individual account data be submitted, PGW believes that certain types of accounts should be excluded from this reporting. Accounts enrolled in CAP, wherein pre-program arrears are “frozen” and not subject to active collection other than through arrearage forgiveness, accounts where the arrearage is being amortized through a payment arrangement, and accounts that are uncollectible because of a dispute or complaint should all be excluded. For the first report, PGW agrees that it would be reasonable to mandate an interim process that would allow companies to submit data currently available in its systems.

II. COMMENTS

A. Section 1403: Definition of Medical Certificate

In Act 155, the section 1403 definition for medical certificate was modified to include a physician’s assistant and to require that the medical certificate “form” be approved by the Commission. PGW appreciates the importance of having a medical certificate process available to its customers and strives to ensure that the process for obtaining a medical certificate is reasonably convenient for both customers and medical professionals. For this reason, PGW requests that the Commission permit the company to continue to use its existing medical form, – updated to reflect the Act 155 changes. PGW believes that its current form is already well understood by stakeholders and any major changes could create confusion for both the customer and the medical profession. PGW would, in turn, experience increased costs and delays in processing medical certification requests. Accordingly, PGW urges the Commission to adopt the utility’s existing medical certification form as the “approved” form whenever possible. To that

end, the presumption should be that the existing form (modified to accommodate the changes required by Act 155 and/or Commission directives) will be acceptable to BCS, absent some clear error or omission.

In reference to the standards contained in 52 Pa. Code § 56.113, 56.113(3) states that the medical professional must provide “the nature and anticipated length of the affliction” when completing a medical certificate form. PGW proposes to delete the language addressing the “nature” of the customer’s condition so it is clear that a utility need not obtain a description of the customer or household member’s actual medical condition. PGW does not believe that knowing the actual medical condition provides any benefit to the utility and creates consumer privacy risks. As long as a licensed physician, nurse practitioner or physician’s assistant certifies that there is a serious illness and/or a medical condition which requires the continuation of service to treat the condition, this should be sufficient. PGW is not in the business of making medical determinations and would not have the capacity to challenge a specific medical condition as sufficient or insufficient. Of course, PGW will continue to confirm that the certifier is licensed and to check the certificate for discrepancies or suspected abuse.

In addition, PGW would propose adding language requiring that medical professionals provide their license number on the certificate. By mandating that the license number is provided, utilities will be able to comply with the provisions of 52 Pa. Code § 56.113, which states that utilities should have the ability to check the validity of the medical certificate by ensuring that the form was in fact completed by a licensed medical professional.

Accordingly, PGW proposes that the regulation read as follows:

§ 56.113. Medical certifications.

Certifications initially may be written or oral, subject to the right of the public utility to verify the certification by calling the physician, ~~or~~ nurse practitioner or physician’s

assistant to require written verification within 7 days. Certifications, whether written or oral, must include the following:

- (1) The name and address of the customer or applicant in whose name the account is registered.
- (2) The name and address of the afflicted person and relationship to the customer or applicant.
- (3) The ~~nature and~~ anticipated length of the affliction.
- (4) The specific reason for which the service is required.
- (5) The name, office address, license number, and telephone number of the certifying physician, ~~or nurse practitioner or physician's assistant~~.

B. Section 1410.1(3): Overdue Accounts Reporting

1. Format of Reporting:

Section 1410.1(3) requires that “[t]he utility shall report to the Commission annually residential customer accounts which have accumulated \$10,000 or more in arrearages and shall demonstrate what efforts are being taken to collect the arrearages.” Thus, Act 155 requires information about both: 1) residential customers accumulating arrearages of \$10,000 or more; and 2) what efforts the utility takes to collect this debt. With respect to the first requirement, PGW does not believe that the statute requires reporting on individual accounts and proposes that this data be provided to the Commission in aggregate form. While aggregated data will provide the relevant information – residential customer accounts with arrearages of \$10,000 or more – such data would be more consistent with virtually all other types of PUC reporting, would ensure customer privacy, and would provide a more usable format for PUC and utility analyses. In addition, individual reporting will be more costly and burdensome to provide, at least for PGW, and would also mean greater costs and resources for the Commission.¹ As the Commission recognizes in the Tentative Order, the Commission always has the option, after reviewing the aggregate data, to require information on specific accounts or perform an investigation in which

¹ On the other hand, the Commission could consider permitting individual utilities to submit individual customer data if they have already implemented systems to produce the required information in this way and could satisfy customer privacy concerns.

individual account data could be required. Essentially, this aggregated data would provide a more focused analysis of the customer data reported on the 52 Pa. Code § 56.231 report which already requires utilities to report the number and dollar of accounts in arrears.

Another reason for considering the aggregated report is that submitting data in the consolidated form will better address customer privacy concerns. PGW shares the Commission's concerns regarding potential exposure of customer sensitive information from a demand for release under Pennsylvania's Right to Know Law. Even if utilities are directed to provide the material initially in redacted form, PGW is concerned that both the PUC and, in the case of PGW, the utility, could be subject to Right to Know Law requests that would force the release of the sensitive customer data. Providing the data in aggregate form in the first instance reduces this concern substantially. If individual data is then requested by the Commission it would be in the context of an investigation, in which case it could be protected from release subject to the "noncriminal investigation" exception to the Right To Know Law.²

With respect to the second area required to be reported (reporting on efforts the utility has taken to collect the debt at issue), PGW proposes that utilities provide a "collections summary report" in conjunction with the aggregate data. This report would address the legislative requirement for the PUC to obtain information on efforts being taken to collect substantial arrearages. PGW interprets the statutory language to mean that the PUC would obtain information on current efforts the companies are taking to collect on arrearages. Using this report, the utility would be able to identify trends and tendencies, provide information pertaining to its current and future collection strategies for these types of accounts, and share the concerns and challenges that affect their ability to effectively pursue their collection efforts. This process

² 65 P.S. § 67.708(b)(17).

would provide the Commission with insight into best collection practices and identify the challenges that utilities face when attempting to collect these types of accounts. Moreover, it is unlikely that requiring the reporting of raw, individual information will provide uniform data that will permit analysis among utilities or utility types. A summary collections report would provide the Commission with a more holistic view of the data requested and provide insights into each utility's specific collections efforts as well as trends in the industry. Finally, to facilitate the analysis of these data PGW also proposes that the data submission be completed via a web portal similar to the reporting process for other regulated reports.

2. Types of Accounts:

PGW believes that certain types of accounts should be excluded from this reporting.

PGW proposes excluding the following type of customer accounts:

- Active CAP customers;
- Customers on a payment arrangement;
- Customers with an open dispute; and
- Customers with an active PUC informal or formal complaint

These types of customer accounts should be excluded because, in each instance, the arrearages are either (i) in "frozen" status if enrolled in CAP and not subject to active collection other than through arrearage forgiveness; (ii) amortized through a payment arrangement and subject to collection over time; or (iii) uncollectible as the result of a dispute or complaint.

3. Alternative Reporting Format:

In the event that the Commission does not agree with collecting data on an aggregate/summary basis, PGW agrees to the "snapshot" approach suggested by the Commission and respectfully requests that the "snapshot" be taken on December 1st of each year when the

winter season begins, with a report due on April 1st of the following year. This due date is consistent with other regulated reporting due dates. With respect to what data should be reported, PGW proposes that the following data points be required to be submitted:

- 1) customer account identifier;
- 2) total outstanding arrears;
- 3) average monthly bill amount;
- 4) number of terminations;
- 5) number of disputes;
- 6) number of complaints – both informal and formal combined;
- 7) most recent CAP removal date – which indicates when “frozen” arrears that were not being actively collected came back onto the account;
- 8) number of payment arrangements; and
- 9) indication of whether the premises is a multiple meter property with a single service line to the property – which may present meter access issues.

With respect to the customer account identifier, PGW would propose to use a new identifier each year for repeat customers or, if the Commission prefers to track certain accounts, to submit data in two data sets – one submitted on a confidential basis with the customer’s actual account number, and one submitted for public use with the account number redacted.

4. Initial Report Timing:

For the first report, PGW agrees with the Commission’s suggestion of utilizing an interim process that would allow companies to submit data currently available in its systems.

C. Section 1410.1(4): Medical Certificates Reporting

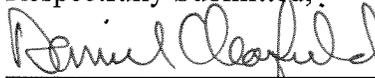
In Act 155, section 1410.1(4) requires that “[t]he public utility shall report to the Commission on an annual basis the number of medical certificates and renewals submitted and accepted in the service territory.” PGW agrees with the Commission that this data should be reported on an aggregated basis. PGW believes that the statutory language requires collection of the total number of medical certificates: (i) accepted (initial certificates and renewals); and (ii) actually submitted to the utility but rejected.

With respect to submission of the required data, PGW requests that the format and data be identified by the Commission prior to the end of 2015. As it appears that the Commission will collect data for the current year, it will be beneficial for the utilities to have the requirements available as a guide to ensure that the necessary processes and system enhancements are in place. PGW also proposes that the data submission be completed via a web portal similar to the reporting process for other regulated reports. Finally, due to the similarity of the data requested, PGW proposes that this reporting requirement be added to an existing report such as the annual 56.231 report.

III. CONCLUSION

PGW appreciates the opportunity to present comments to this Tentative Order and stands ready to assist the Commission in implementing Act 155 in a reasonable and timely manner.

Respectfully Submitted,



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