



800 North Third Street, Suite 205, Harrisburg, Pennsylvania 17102
Telephone (717) 901-0600 • Fax (717) 901-0611 • www.energypa.org

March 2, 2015

Rosemary Chiavetta, Esq., Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

**Re: Act 155 of 2014 (Chapter 14) Implementation
Docket No. M-2014-2448824**

Dear Secretary Chiavetta:

Enclosed for filing please find the comments of the Energy Association of Pennsylvania to the Commission's Tentative Order at the above-referenced docket.

Sincerely,

A handwritten signature in blue ink, appearing to read "Donna M.J. Clark", written in a cursive style.

Donna M.J. Clark
Vice President & General Counsel

Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Act 155 of 2014 (Chapter 14) Implementation : M-2014-2448824

**COMMENTS OF THE
ENERGY ASSOCIATION OF PENNSYLVANIA
TO TENTATIVE ORDER ON ACT 155 / CHAPTER 14 IMPLEMENTATION**

I. INTRODUCTION

On October 22, 2014, Governor Corbett signed into law HB 939, or Act 155 of 2014 (“Act 155”). This law, which became effective on December 22, 2014, reauthorized and amended Chapter 14 of the Public Utility Code (66 Pa. C.S. §§ 1401-1419), Responsible Utility Customer Protection. Chapter 14 protects responsible bill paying residential customers from rate increases attributable to the uncollectable accounts of other residential customers by providing public utilities with the collection tools needed to encourage timelier payment, while simultaneously protecting vulnerable customers and ensuring that utility service continues to be available to all customers on reasonable terms and conditions. The amendments made to Chapter 14 by Act 155 supersede a number of current Chapter 56 regulations, and as such, the Pennsylvania Public Utility Commission (“PUC” or “Commission”) has been charged with revising Chapter 56 and promulgating regulations to administer and enforce the revised Chapter 14. The Commission has stated it will initiate a rulemaking process to achieve this goal.

On January 15, 2015, the PUC issued a Tentative Implementation Order for Act 155 (“Tentative Order”) in order to address certain issues that may be in need of immediate Commission guidance as to their interpretation and implementation prior to a formal rulemaking process. The Commission identified two such areas: (1) Section 1403, Definition of *Medical Certificate* and (2) Section 1410.1(3) and Section 1410.1(4), utility reporting requirements concerning accounts with arrearages in excess of \$10,000.00 and annual reporting of medical certificate usage.

The Energy Association of Pennsylvania (“EAP”) respectfully submits these comments to supplement those filed individually by its electric distribution company (“EDC”) and natural gas distribution company (“NGDC”) members.¹

II. COMMENTS

A. Section 1403, Definition of *Medical Certificate*

The Commission identified this section as a priority item because Act 155 amended the definition of a “medical certificate” to provide that it is “a written document, in a form approved by the commission.” As such, the Commission invited parties to comment on what “form” should be sufficient to meet Commission approval and the statute’s definition. EAP offers that medical certificate forms already in use by member companies are sufficient for immediate Commission review and approval under this new definition. Each company already uses a medical certificate

¹ Electric Utility Members: Citizens’ Electric Company; Duquesne Light Company; Metropolitan Edison Company; PECO Energy Company; Pennsylvania Electric Company; Pennsylvania Power Company; Pike County Light & Power Company; PPL Electric Utilities; UGI Utilities, Inc.-Electric Division; Wellsboro Electric Company; and West Penn Power Company. Gas Utility Members: Columbia Gas of Pennsylvania, Inc.; Pike County Light & Power Company; National Fuel Gas Distribution Corp.; PECO Energy Company; Peoples Equitable Division; Peoples Natural Gas Company LLC; Peoples TWP LLC; Philadelphia Gas Works; UGI Central Penn Gas, Inc.; UGI Penn Natural Gas, Inc.; UGI Utilities Inc.; and, Valley Energy Inc.

form that includes all the appropriate information per the current regulations at 52 Pa. Code § 56.113 and has been modified to include utility acceptance of medical certificates from physicians assistants as well as physicians and nurse practitioners. To the extent that any utility may make additional revisions not required by the amendments to Chapter 14 (e.g., inclusion of a practitioner’s license number), the company will submit a revised form for Commission approval.

In the Tentative Order, the Commission asked for parties “to keep in mind that the ‘form’ of a medical certificate needs to be one that is convenient for customers and medical professionals to use and understand, especially given the time-demands upon medical professionals [and] at the same time ... include the information necessary for the utility to effectively and equitably apply the medical certificate regulations.”² The most appropriate and expedient form of a medical certificate is one that already is in use between utilities, customers, and their medical professionals and complies with the Act 155 modifications. Changing the nature or the format of the current form in use in each utility’s service territory would only cause unnecessary confusion, expense, and time for all parties.

B. Section 1410.1(3): Utility Reporting Requirements re: Accounts Exceeding \$10,000 in Arrearages

Section 1410.1(3) represents a new utility reporting requirement, one that will necessitate time for EDCs and NGDCs to modify their IT systems to collect and report the information requested. EAP agrees with the Commission that the legislature may have intended the reporting of “specific accounts in lieu of ‘number of accounts’ or ‘averages’” as is typical of other utility reporting requirements.³ From the language of Act 155, it is arguable that the General Assembly sought specified data in order to provide the Commission and utilities with a greater understanding

² Tentative Order, M-2014-2448824, January 15, 2015, p. 4

³ Tentative Order, M-2014-2448824, January 15, 2015, p. 6

of the factors involved which can lead to this level of account arrearage. EAP defers to its member companies' comments as to their interpretation.

EAP supports the idea of an annual "snapshot" date for this report, as recommended by the Commission. EAP recommends a "snapshot" date of December 1 as the winter moratorium begins and certain collection efforts are restrained to avoid termination of utility services during cold weather. Similarly, EAP recommends aligning the submission date for this report with other utility reports, thus making an initial due date of April 1, 2016. The April 1 date coincides with current annual utility reporting at 52 Pa. Code § 56.231.

EAP notes, however, that in order for the utilities to make April 1, 2016, the first reporting date for the 2015 data, it is imperative that a final order providing the suggested reporting format (spreadsheet or otherwise) be available no later than August 2015 – before the Commission suggestion in the Tentative Order of "end of the calendar year 2015"⁴ – in order to allow for sufficient time for IT systems programming and data collection. Even basic data already available on a utility system will take time for the companies to collate at this stage because, for a number of companies, this information will require a manual query. EAP emphasizes that not all companies have the same access to the data points which may be required for this new report and establishing the specific data points and the format of the report early enough in the reporting cycle is key.

EAP believes that the accounts targeted for reporting are those the utilities identify as "active" residential accounts as of the date of the "snapshot". "Active" is a term generally used by utilities with respect to those accounts that, if delinquent, give rise to collection activity; thus

⁴ Tentative Order, M-2014-2448824, January 15, 2015, p. 8

excluding those accounts that are on Customer Assistance Programs (“CAP”) with frozen (uncollectable) arrearages

Insofar as individual data points to be included, EAP notes that the Commission suggested a minimum of: (1) unique account identifier (not individual name, address, or utility account number); (2) current balance; (3) number of company-issued payment arrangements; (4) number of Commission complaints (formal and informal); and (5) total arrearage (excluding current bill not yet due). For additional input on specific data points, EAP defers to its member companies. EAP would, however, caution against inclusion of the “time period over which the arrearage accumulated” as suggested by the Commission. EAP does not believe that this provides relevant information on how or why an arrearage accrued and may be difficult to determine. Similarly, EAP does not believe that the rate class, homeowner or renter, type of heat, or other similar variables on such accounts would tell the Commission much in terms of how this arrearage accumulated.. As stated by the Commission in the Tentative Order, the PUC can request further, more specific information about individual accounts if necessary once the report is submitted and reviewed.

Furthermore, EAP agrees with the Commission that, in assessing collection practices and whether “reasonable attempts to collect payments on overdue accounts with arrearages in excess of \$10,000” have been used, the Commission will use a procedure that meets due process requirements and determines “reasonable” based on facts presented in the particular case.⁵

EAP and its member companies are concerned that the provision of data protects customer privacy and maintains the appropriate level of confidentiality. EAP cautions that submission of this report through a filing under the docket number for this order may not be the appropriate mechanism to protect customer and company information, even if specific account information

⁵ Tentative Order, M-2014-2448824, January 15, 2015, p. 7-8

such as customer name, address, and utility account number are not used. In addition, customer telephone numbers, email addresses, and Social Security Numbers should also remain confidential. A secure web portal or other similar electronic interface, as used in the submission of company annual 52 Pa. Code § 56.231 reports, may be more appropriate.

In the Tentative Order, the Commission also welcomed comment on any additional guidance it might offer relative to this matter. EAP suggests that the revision to regulations provides an opportunity for all stakeholders to explore a revised protocol for handling PUC formal or informal cases on accounts with high balances so as to avoid accounts in arrearage over \$10,000.

C. Section 1410.1(4): Utility Reporting Requirements re: Medical Certificates

Section 1401.1(4) creates a new utility reporting requirement of the “number of medical certificates and renewals submitted and accepted in the service territory.” EAP agrees with the Commission that this reporting requirement is similar to many of the current reporting requirements found in 52 Pa. Code § 56.231. As such, EAP recommends that this data be reported as an addition or amendment to the current 56.231 report and be submitted alongside that data at its present due date of April 1 each year. EAP does not believe this information necessitates a separate report or one submitted to the Commission’s Secretary under this docket number. EAP recommends an initial reporting date of April 1, 2016 for the 2015 calendar year.

EAP defers to its member companies as to the specifics regarding what is intended by “renewals submitted and accepted,” and would further ask for clarification from the Commission as to its use of “offered” under its proposal for this report, as stated on page 9 of the Tentative Order. Company representatives may “offer” a medical certificate that once submitted by the customer is not effective for any number of reasons such as lack of completion of the form, invalid

medical professional license number, a doctor or nurse practitioner's denial, etc. EAP suggests that the Commission is seeking the number of medical certificates submitted by the customer.

Finally, EAP again requests that the Commission issue its interim guidelines on these items by August 2015 in order to allow for sufficient time for systems programming and data collection prior to the due date of the first report. As with the data requested on accounts over \$10,000, the data points required may not be readily available given current IT constraints and the companies may need to collect the information by means of a manual query, depending on how the term "submitted and accepted" is ultimately defined.


III. CONCLUSION

EAP respectfully requests that the Commission consider these comments as it develops a Final Order and issues interim guidelines in advance of a rulemaking proceeding.

Respectfully submitted,



Terrance J. Fitzpatrick
President & CEO
tfitzpatrick@energypa.org



Donna M.J. Clark
Vice President & General Counsel
dclark@energypa.org

Energy Association of Pennsylvania
800 North Third Street, Suite 205
Harrisburg, PA 17102

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