GOVERNOR'S OFFICE OF GENERAL COUNSEL
DEPARTMENT OF ENVIRONMENTAL PROTECTION

August 28, 2026

via electronic filing

Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: **Rulemaking to Further Amend the Provisions of 52 Pa. Code Chapter 56**
Docket No. L-2025-3058767

Dear Secretary Homsher:

Please find attached comments of Office of Governor Josh Shapiro on the regulatory amendments proposed by the Public Utility Commission in the docket captioned above.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Mark Szybist
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Rulemaking to Further Amend the Provisions of 52 Pa. Code Chapter 56	:	Docket No. L-2025-3058767

COMMENTS OF THE OFFICE OF GOVERNOR JOSH SHAPIRO

The Office of Governor Josh Shapiro ("Shapiro Administration" or "Administration") respectfully submits these comments on the proposal of the Public Utility Commission ("Commission") to amend 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Public Utility Service," by incorporating certain provisions previously included in Chapter 14[1] of the Public Utility Code[2] and making certain ministerial changes.

The Shapiro Administration appreciates the Commission taking steps to fill the regulatory gaps left by the expiration of Chapter 14 and agrees that the Commission has legal authority to do so.[3] It would be imprudent, however, for the Commission to simply import provisions of former Chapter 14 into Chapter 56 without a number of necessary updates. When the Commission finalizes the proposed regulation, it must, at a minimum, provide stronger and more reasonable protections for customers regarding the accrual of late payment charges, disconnection practices, and payment arrangement procedures.

Chapter 14 was enacted with the stated intention of reducing arrearages and preventing customers capable of paying their utility bills from avoiding payments. Unfortunately, it is clear

[1] The Commission proposes to incorporate certain language previously codified at 66 Pa.C.S. §§ 1403, 1405, 1408, 1409, 1410, 1414, and 1417. The Commission proposes not to incorporate the remaining provisions of Chapter 14 on the grounds that those provisions are "duly accounted for in the Commission's existing regulations or it is otherwise deemed by the Commission that no further action on [those provisions are] necessary at this time." Notice of Proposed Rulemaking Order (February 19, 2026) at 12.
[2] Chapter 14 (66 Pa.C.S. § 1401 et seq.) expired on December 31, 2024.
[3] *See* Notice of Proposed Rulemaking Order at 9-10.

that during the two decades that Chapter 14 was in place, outcomes for vulnerable Pennsylvanians did not improve. In fact, they have worsened. As families struggle to keep up with rising utility bills, the number of involuntary terminations for low-income customers has grown significantly. Last year alone, a record-high 400,000 households in the Commonwealth had their utility service disconnected.[4] This is an unacceptable and deeply sobering number, with tremendous human impact across our Commonwealth. Further, the Administration has seen no evidence that the Chapter 14 standards improved utility debt collections as circumstances worsened for customers.[5]

One of Chapter 14's fundamental flaws was that it focused primarily on penalizing whatever small minority of customers are able to pay their bill but fail to do so, rather than seeking to make repayment of arrearages and restoration of service achievable within each customer's circumstances. The Commission's update to Chapter 56 should focus squarely on achievability, with the aim of breaking the cycle of arrears, termination, and reconnection that only puts struggling households further in financial distress and makes repayment increasingly unlikely.

The Administration therefore urges the Commission to make several important changes to its proposed regulatory amendments. These recommendations, described below, will help ensure that customers continue to receive the utility services needed for their health and safety, and at the same time improve collections by making it more possible for customers to pay off arrears.[6]

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[4] PA PUC, Residential Collection Data (June, 2026), available at https://www.puc.pa.gov/media/3972/residential_collections_data-2025v2.pdf.

[5] PA PUC, Universal Service and Collections Reports, available at https://www.puc.pa.gov/filing-resources/reports/universal-service-programs-and-collections-performance-reports/

[6] The Commission has requested that commenters "organize all comments filed with the Commission according to the section headings in this NOPR Order to increase readability for public utilities, consumers, the Commission, and all other stakeholders." Notice of Proposed Rulemaking Order at 12. The Administration's comments comply with

§ 56.2. Definitions

Former Chapter 14 defined seventeen terms, many of which are already similarly defined in Chapter 56. The Commission's Notice of Proposed Rulemaking Order proposes to incorporate into proposed Section 56.182, "Payment arrangement procedures," Chapter 14's definitions for two terms that do not currently appear in Chapter 56: "change in income" and "significant change in circumstances." The definitions of these terms will largely determine in what circumstances customers who default on payment plans are eligible for extensions of existing plans and subsequent plans.

As discussed below, the Commission should prioritize realistic achievability and fairness in whatever payment arrangement rules it establishes in Chapter 56. Consistent with this goal, the Commission should amend the definitions of "change in income" and "significant change in circumstances" to reflect the fact that for low- and moderate-income households, even a small loss of income or adverse change in circumstances can cause significant economic hardship. Specifically, the Commission should:

- Amend the definition of "change in income" to mean a change in income of 10 percent or more (rather than 20 percent or more) for a customer whose household income level exceeds 300 percent of the Federal poverty level (FPL), and a change of 5 percent or more (rather than 10 percent or more) where a customer's household income is 300 percent or less of FPL, and
- Amend the definition of "significant change in circumstances" which currently lists four specific life events that warrant the extension of a payment plan,[7] by establishing a general qualitative standard for significant changes and including the current life events (if at all) as *non-exclusive* examples of such changes. The qualitative standard should capture two concepts: first, that some changes in circumstances may increase a customer's non-utility expenses, making completion of a payment plan more difficult, even if the customer's income remains constant, and second, that some changes in

the Commission's directive where the subject of a comment is relevant to a heading in the NOPR order. Comments that address subjects not covered by one of the NOPR section headings appear at the end of these comments.

[7] The four events are: (i) the onset of a chronic or acute illness resulting in a significant loss in the customer's household income; (ii) catastrophic damage to the customer's residence resulting in a significant net cost to the customer's household; (iii) loss of the customer's residence; and (iv) increase in the customer's number of dependents in the household.

circumstances result in material and logistical impediments to payment, regardless of whether a customer has the ability to pay.

<u>§ 56.22. Accrual of late payment charges</u>

The Commission proposes to modify the existing regulation at 52 Pa. Code § 56.22 (relating to accrual of late payment charges) to incorporate language regarding the waiver of improperly assessed late payment charges formerly found in Section 1409 of the Code. It is clearly just and reasonable to prohibit utilities from seeking to recover erroneous or otherwise improper charges. But the Commission should go further and prohibit utilities from charging late fees and reconnection fees in circumstances for customers below 300 percent of the FPL where such fees would only exacerbate a customer's financial struggles and increase the likelihood that the customer will fall further behind on payments

Fees to reconnect service, late payment fees and interest, and cash deposits required to obtain service raise the barriers to restore service, maintain service, or establish service, respectively—a customer not only needs to be able to pay their utility bills as they become due, but also needs extra funds to cover a fee that can significantly exceed their monthly bill. In addition, modern technology systems make some of these fees less practical. For example, utilities often no longer physically reconnect service at the customer's home but instead do so remotely. To help keep vulnerable customers on top of their payments, the Commission should make additional changes to its Chapter 56 regulations, either by expanding the scope of proposed Section 56.122 or adding or modifying other sections. Specifically, the Commission should:

- Prohibit utilities from charging reconnection fees for customers below 300 percent of the FPL.
- Prohibit utilities from charging reconnection fees for any residential customers during winter months—December 1 through March 31—to help restore service during cold weather that can be dangerous for disconnected customers.

- Prohibit utilities from charging late payment fees for customers below 300 percent of the FPL. The risks of falling into arrears or termination should provide sufficient impetus for on-time payments.
- Allow customers below 300 percent of the FPL to connect to service without paying a cash deposit.

§ 56.153. Public utility duties

Many low-income customers are unaware that they are eligible for income-based rules that can help them stay on top of their utility bills. The Commission should require utilities to screen customers to identify those whose income level qualifies them for beneficial programs or rules, such as the customer assistance program. Utilities can screen by offering to check for program eligibility when a customer establishes service or seeks a payment arrangement.

§ 56.182. Payment arrangement procedures

The Commission proposes to create a new regulation at 52 Pa. Code 56.182 to incorporate the payment arrangement procedures formerly found in Section 1405(a)-(e) of Chapter 14 without substantive change, and to title the section "Payment arrangement procedures."[8] But the status quo concerning payment arrangements is neither tenable nor acceptable. To provide Pennsylvania's most vulnerable households with a meaningful opportunity to pay their bill arrearages, the Commission must make significant revisions to the language of former Section 1405 (and, as discussed above, the definitions of "change in income" and "significant change in circumstances" that Section 56.182 relies on). For customers who have fallen behind on their utility bills, payment arrangements based on a customer's actual ability to pay, rather than on standardized goals, can provide a realistic path to pay off arrears and

[8] Section 1405 was titled "Payment agreements."

can ultimately increase collections. The restrictions on payment arrangements in the proposed Chapter 56 amendments, however, can make payment arrangements less achievable for customers and lead to increased termination rates. The Commission should make payment arrangements more accessible—and less likely to result in default—by revising the provisions of Section 56.182 to:

- Cap monthly payments under payment arrangements at 20 percent of the customer's average monthly bill to make it more feasible for customers to make the required payment. Accordingly, payment arrangements should be allowed to extend long enough to ensure that monthly payments are below the cap;
- Allow the Commission to establish or order a utility to establish subsequent payment arrangements for a customer who has defaulted on a previous arrangement, or to modify existing arrangements, whenever reasonable under the customer's circumstances;
- Allow customers enrolled in utility Customer Assistance Programs (CAP) to enter into payment arrangements for arrearages incurred under those programs; and
- Allow customers whose household incomes are less than 300 percent of FPL to earn forgiveness for their arrearages, as they can under CAP, either through the forgiveness of a certain percentage of arrears each time the customer makes a monthly payment, or the forgiveness of all of a customer's remaining arrearages following a customer's completion of a payment plan.

<u>Subchapter E. Termination of Service</u>

The Commission's proposed amendments to Chapter 56 would not incorporate Section 1406 of former Chapter 14, which established standards for the termination of utility service and for termination notices. Effectively, this means that termination under Chapter 56 would continue to be governed under 52 Pa. Code 56.81 and, for qualifying victims of domestic violence, 52 Pa. Code 56.321. In their current form, these regulations do not adequately protect customers from the severe impacts of service disconnections and the Administration urges the Commission to strengthen them.[9]

Disconnection protection

Disconnection from utility service endangers customers' health, safety, and well-being, and has impacts not just on the individuals who are responsible for paying utility bills but on their dependents, including children and elderly persons. During periods of extreme heat or cold, disconnections can be particularly hazardous, but current rules only provide protection from disconnections during winter months. Customers with qualifying medical conditions are protected from disconnections for a very limited amount of time, but the process to be certified for this protection can be challenging to navigate and the certification expires far too quickly, which can result in qualifying customers being disconnected regardless, or locked in a struggle to retain a medically authorized suspension of disconnection. Given these realities, the Commission should establish the following protections from disconnection for vulnerable customers:

Summer Moratorium on Terminations

- Prohibit disconnections for customers below 250 percent of the federal poverty level during summer months—June 15 to September 1—to keep these customers safe from heat conditions.

Medical Certification

- Reinstate the 7-day restriction on termination while a customer seeks a medical waiver;
- Extend the coverage period of a medical certificate to a minimum of 90 days;
- Establish a coverage period of 180 days for customers with a medical certificate for a long-term or chronic illness;
- Require utilities to accept medical certificates signed by registered nurses;
- Prevent utilities from limiting the number of medical certificates a licensed provider can issue; and

[9] The Administration acknowledges the Commission's statement that the current rulemaking is not intended to be a general review of the existing Chapter 56 regulations, but reiterates that the termination of utility service is a subject that was covered by Chapter 14 and is, therefore, appropriate to address in the current rulemaking.

- Require utilities to clearly communicate a customer's payment requirements during and after a medical certificate period. Customers can sometimes believe that their payment obligations are paused during a medical certificate period, only to be given a large bill at the end of the period.

Disconnection notice requirements

Clear, easy-to-understand notice well ahead of disconnection is crucial to give customers an opportunity to respond. Under current notice requirements, notices often fail to alert customers effectively of upcoming disconnection in time. The Commission should strengthen disconnection noticing requirements through the following commonsense changes:

- Increase the notice requirement to 20 days before termination.
- Require notice both via first class mail and email notice if the customer has signed up for electronic notifications.
- Require adequate language access. Disconnection notices should be provided at a minimum in both English and Spanish in clear, plain language. Notices should also prominently include a sentence in each of the top five languages spoken in the utility territory (excluding English and Spanish) that communicates that the customer is going to be disconnected and a link to the complete text of the notice in each of those languages.
- If a utility is not successful in contacting a customer to notify them of disconnection, the utility should place a door knocker notice at the customer address 72 hours before disconnection. The door knocker should have the same language access requirements as the disconnection notice.

The Administration appreciates the opportunity to comment on these important matters, and thanks the Commission for its consideration of the recommendations above.