



October 13, 2026

VIA E-File

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

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

Reply Comments of the Low Income Advocates

Dear Secretary Homsher:

Pursuant to the Notice of Proposed Rulemaking in the above noted matter, which was published in the *Pennsylvania Bulletin* on May 30, 2026, please find the attached ***Joint Reply Comments of the Low Income Advocates*** (*Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)* and the *Tenant Union Representative Network (TURN)*) for consideration in this proceeding.

Respectfully Submitted,

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

JOINT REPLY COMMENTS OF
THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY
EFFICIENCY IN PENNSYLVANIA (CAUSE-PA)
AND
TENANT UNION REPRESENTATIVE NETWORK (TURN)

October 13, 2026

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I. INTRODUCTION

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)¹ and the Tenant Union Representative Network (TURN)² (collectively, “Low Income Advocates”)³ submit the following Reply Comments and recommendations in response to the Notice of Proposed Rulemaking (“NOPR”) issued by the Pennsylvania Public Utility Commission (“Commission” or “PUC”) on February 19, 2026, and published in the Pennsylvania Bulletin on May 30, 2026. The NOPR opened a Comment and Reply Comment period for the Commission’s Rulemaking to Further Amend the Provisions of 52 Pa. Code Chapter 56. In the NOPR, the Commission proposed to narrowly amend Chapter 56, which governs utility billing, collections, and terminations, to incorporate various aspects of what was previously Chapter 14 of the Public Utility Code – despite the fact that the General Assembly allowed Chapter 14 to sunset on December 31, 2024, and it is no longer binding law.

On August 26, 2026, the Low Income Advocates submitted Comments in response to the Commission’s NOPR, providing detailed discussion and corresponding recommendations to help improve consumer outcomes, alleviate compounding debt, and reduce record termination rates – especially for low income and other vulnerable customers groups. The Low Income Advocates

¹ **CAUSE-PA** is an unincorporated association of low-income Pennsylvanians from all corners of the state that advocates on behalf of its members to ensure families of limited economic means across the state are able to connect and maintain safe and affordable water, electric, heating and telecommunication services to their home.

² **TURN** is a not-for-profit organization with moderate- and low-income tenant members. All of TURN’s members are either customers of or dependent on service from the public utilities of this Commonwealth. TURN has intervened in numerous matters before the Commission.

³ The Low Income Advocates have deep experience with utility insecurity, and their legal counsel have decades of knowledge and experience regarding the impacts of the statutory and regulatory framework governing utility collections and termination practices on the health, welfare, economic stability, and dignity of Pennsylvania’s low income consumers. The Low Income Advocates’ members have personal experience with utility insecurity and deep insight into the practical reality of punitive collections standards and the profoundly harmful consequences that the utility termination and collections practices authorized by the now defunct standards set in Chapter 14 have had for Pennsylvania’s low income consumers.

proposed several further reforms and a procedural path forward for the Commission to address additional urgently needed changes to the utility billing, collections, and termination procedures governed by Chapter 56 and proposed by the Commission.

In addition to the Low Income Advocates, other commenters included the Office of Governor Josh Shapiro (“Shapiro Administration”), Office of Consumer Advocate (“OCA”), Office of Small Business Advocate (“OSBA”), Energy Justice Lab, Health, Education, and Legal Assistance Project: A Medical-Legal Partnership (“HELP:MLP”), Pennsylvania Coalition Against Domestic Violence (“PCADV”), Center for Coalfield Justice (“CCJ”), the Commission on Economic Opportunity (“CEO”), Consumer Advisory Council (“CAC”), Joint Commenters for Utility Access,⁴ Pennsylvania Ratepayers,⁵ the Energy Association of Pennsylvania (“EAP”), Philadelphia Gas Works (“PGW”), PPL Electric Utilities Corporation (“PPL”), Aqua Pennsylvania and Peoples Natural Gas (“Aqua” and “Peoples”), UGI Utilities, Inc. (“UGI”), Duquesne Light Company (“DLC”), Columbia Gas of Pennsylvania (“Columbia”), Pennsylvania-American Water Company (“PAWC”), PECO Energy Company (“PECO”), and Citizens’ Electric Company of Lewisburg, Wellsboro Electric Company, and Valley Energy (collectively the “C&T Utilities”).

The initial Comments submitted by non-utility stakeholders, including those of the Low Income Advocates, the Shapiro Administration, OCA, OSBA, elected officials, direct service providers, community based organizations, academic researchers, community leaders, and consumers, make two points unmistakably clear:

- (1) The punitive framework for billing, collections, and terminations established in Chapter 14 has failed consumers, resulting in demonstrable harm to the

⁴ Joint Commenters for Utility Access includes 10 Pennsylvania elected officials and 54 business, consumer, environmental, environmental justice, faith-based, legal aid, public health, and social services agencies and organizations.

⁵ Pennsylvania Ratepayers includes 436 utility customers from across the Commonwealth.

health, safety, and economic stability of low and moderate income Pennsylvanians and other vulnerable groups, and must be reformed; and

- (2) The Commission’s proposed course of action – to merely reinstate expired provisions of the failed Chapter 14 framework through regulation – is grossly inadequate to meet the needs of Pennsylvania’s consumers in the face of a utility affordability crisis.

As Vice Chair Kimberly Barrow noted in her dissenting statement, the Commission’s approach to adopt the lapsed provisions of Chapter 14 “is not in the public interest, and is frankly a disservice.”⁶

All or almost all of the non-utility parties support this view and the Commission should particularly heed the perspective of parties who have no vested financial interest in maintaining the status quo.

On the other hand, the utilities offer fairly uniform support for the Commission’s proposal to incorporate the now-defunct provisions of Chapter 14 or argue that the Commission should further restrict the rights of consumers and adopt reforms that, if implemented, would significantly curtail consumer protections.

The initial Comments received in this proceeding demonstrate that the Commission has not struck the appropriate balance between utility and consumer interests and that its proposed regulations are neither just nor reasonable. Critically, the Regulatory Review Act (RRA) places the onus on the Commission when exercising its rulemaking authority, stating that “[t]o the greatest extent possible, this act is intended to encourage the resolution of objections to a regulation and the reaching of consensus among the commission, the standing committees, interested parties and the agency.”⁷ The submitted comments make clear that the Commission’s proposed regulations incorporating the now-defunct provisions of Chapter 14 are not in the public interest, but rather inure solely to the benefit of the private interests of utilities, moving collections more

⁶ Statement of Vice Chair Kimberly Barrow, Rulemaking to Further Amend the Provisions of 52 Pa. Code Chapter 56, Public Meeting (Feb. 19, 2026).

⁷ 71 P.S. §745.2(a).

quickly to write-offs without providing a reasonable opportunity for consumers to catch up – at the expense of the health, safety, and economic stability of consumers and the public.

Pennsylvania is in a drastically different landscape for utility affordability than it was when Chapter 14 was initially passed in 2004 or when it was reauthorized in 2014. The deep concern expressed through the Comments of non-utility stakeholders demonstrates that the Commission must do more through this proceeding than simply codify former Chapter 14 through regulation. To meet this moment, the Commission must address the critical issues emphasized by the non-utility Commenters. This requires the Commission to take on the challenging yet urgently necessary work of using its newly restored authority to regulate utility billing, collections, and termination practices without the constraints of former Chapter 14. The Commission cannot avoid this duty by merely reinstating expired law through regulation, especially without providing any facts or data demonstrating that the proposed regulations produce just and reasonable outcomes.

The Low Income Advocates renew their call on the Commission to use the Advance Notice of Final Rulemaking (ANFR) procedure to solicit further input from stakeholders on the broad scope of issues identified by non-utility stakeholders who filed initial Comments. As the Low Income Advocates explained in initial Comments, the ANFR procedure would enable the Commission to comply with the requirements of the RRA and gather additional input from stakeholders on changes made to proposed regulations between the issuance of the NOPR and the publication of final rules without impacting the timeline for review or delaying finalization.

The Low Income Advocates submit the following Reply Comments in response to the comments of other parties. The Low Income Advocates will not reiterate the comprehensive arguments and recommendations raised in their initial Comments but incorporate those arguments and recommendations by reference herein. The positions and recommendations set forth in the

Low Income Advocates’ initial Comments have not changed after reviewing other parties’ Comments. The absence of an express response to any arguments raised in the initial Comments of other parties does not indicate the Low Income Advocates’ agreement with or opposition to those arguments.

II. REPLY COMMENTS

The Low Income Advocates’ Reply Comments are presented in two subsections below. The first subsection includes replies to Comments other parties provided in response to the specific regulatory text amendments the Commission proposed in the NOPR’s Annex. The second subsection includes replies to additional issues and proposals advanced by other parties.

A. Reply to Comments of Other Parties Addressing Annex Text Amendments

The Reply Comments in this subsection are organized in the order that they appeared in the NOPR’s Annex. The order in which each section is addressed is not an indication of its relative importance.

i. § 56.2 Definitions: Significant change in circumstance.

In its NOPR, the Commission proposed to amend section 56.2 to include definitions for certain terms that were defined in former Chapter 14, proposing to adopt definitions from the expired statute verbatim.⁸

In initial Comments, PAWC and PPL suggested changes to various components of the proposed definition of “significant change in circumstance.” The Low Income Advocates oppose the unduly restrictive amendments offered by PAWC and PPL, and will respond to each of their proposals in turn.

⁸ NOPR at 14.

At the outset, it is essential to recognize that the goal of all payment arrangements is that they are successfully fulfilled. This benefits everyone. The customer benefits because they reduce debt and maintain utility service. The utility benefits because it has a paying customer who is paying towards the shared costs of the system. Other customers benefit because the debt is not included as an uncollectible cost. The term “significant change in circumstance” is deeply consequential for consumers, as it defines the circumstances when a consumer is able to obtain a new or revised payment arrangement in order to maintain essential utility service to their home due to a change in their situation. The Commission proposes to define this term in Section 56.2 and it effects a utility consumer’s rights as outlined in Section 56.182. Section 56.182, if adopted as proposed by the Commission, would restrict the Commission’s ability to issue a *Commission-ordered* payment arrangement – it does not in any way impact the regulatory standards for utility-issued payment arrangements, which require utilities, in the context of threatened termination of service, to “exercise good faith and fair judgment in attempting to enter a reasonable payment arrangement or otherwise equitably resolve the matter” based on the facts and circumstances.⁹ Utilities do not need to consider the existence of a “significant change in circumstances,” only the Commission does.

In its Comments, PPL expresses concern that the proposed definition of “significant change in circumstance” would put the *utility* in the position of determining whether a customer’s circumstances have changed sufficiently to meet the definition of a significant change.¹⁰ The Low Income Advocates agree that a utility should not be in the position of determining when the Commission can extend a Commission-ordered payment arrangement. Because this definition

⁹ NOPR at 20-22; 52 Pa. Code § 56.97(b).

¹⁰ Comments of PPL at 3.

relates to Commission-ordered payment arrangements, it is the Commission – not the utility – that should be exercising its discretion to determine whether a customer has experienced a significant change in circumstances. As set forth in initial Comments, the Low Income Advocates recommend the Commission strike the language “verified by the public utility” from the definition to properly place the Commission in the position of determining whether a customer’s circumstances have changed significantly, warranting extension of a Commission-ordered payment arrangement.¹¹

a) Catastrophic Damage

PAWC suggested that “catastrophic damage” be replaced with “verifiable damage” to reduce subjectivity in determining whether damage to a customer’s residence is sufficiently “catastrophic” to qualify as a significant change in circumstance.¹² PPL in turn suggested amendments that would require damage to a customer's residence to result in expenses of 10% or more of the property’s value or render the home uninhabitable for 30 days or more.¹³

Regarding PAWC’s concern about subjectivity in the word “catastrophic” with respect to damage to a customer’s home, the Low Income Advocates restate their recommendation that the Commission strike the word “catastrophic” from the definition, rather than replace it as PAWC suggests.¹⁴ Eliminating this qualifier would remove subjectivity from the determination of whether damage to a customer’s home qualifies as a significant change in circumstances. This change would allay PAWC’s concern about subjectivity while recognizing that damage to a customer’s home, even if not “catastrophic,” can result in expenses that inhibit a customer’s ability to make payments on a payment arrangement. This would give the Commission necessary flexibility to

¹¹ Comments of Low Income Advocates at 32-33.

¹² Comments of PAWC at 2.

¹³ Comments of PPL at 3.

¹⁴ Comments of Low Income Advocates at 32.

extend Commission-ordered payment arrangements by accounting for customers' specific circumstances, improving the likelihood of successfully catching up on arrears.

PPL's recommendation that damage to a customer's residence must result in costs of at least 10% of the property's value or render the home uninhabitable for 30 days or more would place arbitrary and unreasonable restrictions on the Commission's discretion to extend a payment arrangement. Whether the damage to a customer's residence results in expenses of at least 10% of the property's value is an arbitrary threshold that is not at all connected to whether the expense impairs a customer's ability to stay current on their payment arrangement, which should be at the core of the Commission's consideration of whether to order an extension. Requiring in the alternative that damage renders a customer's residence uninhabitable for at least 30 days would unreasonably delay the ability of customers experiencing a crisis to access relief from the Commission. When a customer's residence is uninhabitable for even a brief period, it can result in substantial, destabilizing expenses on top of the cost of any repairs. Introducing this kind of time based habitability requirement for any length of time is an unreasonable restriction of the Commission's discretion to make an individual, fact-based assessment of whether extension of a Commission-ordered payment arrangement is warranted. The Commission should reject these unreasonable and arbitrary restrictions on its authority.

b) Onset of Illness

PPL recommended that the Commission further restrict the ability of consumers to obtain a revised payment arrangement following the onset of a chronic or acute illness. Specifically, PPL proposes to require the onset of a chronic or acute illness be accompanied by a loss of income

greater than 25%, based on the customer's annual adjusted gross income.¹⁵ This proposal is unreasonable, would be detrimental to medically vulnerable households, places arbitrary restrictions on the Commission's discretion, and would introduce unnecessary administrative complexity.

First, the onset of a chronic or severe illness can impact a household's ability to stay current on a payment arrangement by resulting in a sudden increase in medical expenses and other related expenses – even if the household has not otherwise experienced a loss of income.¹⁶ Certain chronic or severe illnesses may impede actual payment as well, for example due to hospitalization or incapacitation.

Second, requiring the Commission to make a determination based on annual adjusted gross income would require an assessment of income tax deductions that would complicate what should be a straightforward assessment of whether the onset of a chronic or acute illness has impaired a customer's ability to stay current on their payment arrangement.

It is also noteworthy that PPL's recommendation to impose a 25% change in income for medically vulnerable households is also misaligned with the Commission's proposed definition of "change in income" – which is based on a decrease of 10% or 20%, depending on household income.¹⁷ As discussed in the Low Income Advocates' initial Comments, the Commission's proposal to maintain the Chapter 14 definition of "change in income" is already divorced from the practicalities of life for low income household.¹⁸ Even a small change in income can and often does have a destabilizing impact on a low income household.

¹⁵ Comments of PPL at 3.

¹⁶ Comments of Low Income Advocates at 32-33.

¹⁷ Comments of PPL at 3.

¹⁸ Comments of Low Income Advocates at 28-31.

The Low Income Advocates reiterate their recommendation that the Commission strike “resulting in a significant loss of the customer’s household income” to account for any situation in which a household’s ability to stay current on a payment arrangement is inhibited due to the onset of illness, providing the Commission with necessary flexibility to more accurately account for customers’ real-life circumstances.

c) Increase in Dependents

PPL asserted that the language “increase in the customer’s number of dependents in the household” is vague and should be clarified by defining “dependents” per the Internal Revenue Service (IRS) definition of “dependent.”¹⁹

PPL’s suggestion that the Commission define “dependent” in line with the IRS definition would introduce an administratively burdensome interrogation of a customer’s tax filing that may not match their current household composition and is irrelevant to their ability to stay current on a payment arrangement. Qualifying for dependent status for IRS purposes requires an examination of family relationship, filing status, income, and residency (not all qualifying relatives who are “dependents” for tax purposes are required to reside with the taxpayer, and minor children can only be claimed by one parent, even when custody is shared).²⁰

Ultimately, PPL has not demonstrated that the term “dependent” is vague or unworkable in the context of this rule. It is important to contextualize what the rule is trying to accomplish: it is setting a standard whereby if there are additional people added to the household that are

¹⁹ Comments of PPL at 3.

²⁰ See IRS, Dependents: General Rules for Dependents; <https://www.irs.gov/credits-deductions/individuals/dependents>.

dependent on the customer for support, this complicates the ability of the household to maintain their payment arrangement and, thus, may require modification by the Commission.

PPL's proposed definition should be rejected as it is overly rigid and would undermine the Commission's ability to make a fact-based determination of whether a change of household composition has impacted a customer's ability to stay current on a payment arrangement. The Commission should retain its discretion to determine whether the number of dependents in a customer's household has increased, warranting an adjustment to the customer's payment arrangement terms.

ii. § 56.22. Accrual of Late Payment Charges.

The Commission proposed adding language to Chapter 56 to require waiver of improperly assessed late payment charges.²¹ Columbia opposed the addition of this language, stating that it is redundant of the existing framework at Section 56.22.²² However, the language at Section 56.22 is merely permissive, providing that: "A public utility *may* waive late payment charges on any customer accounts."²³ The mandatory language the Commission proposes would help ensure that improperly assessed late fees are waived. As the Low Income Advocates stated in initial Comments, requiring waiver of improperly assessed late fees is common sense policy that promotes fairness in billing.²⁴ The Commission should adopt the language as proposed in the NOPR.

²¹ NOPR at 15.

²² Comments of Columbia at 3.

²³ 52 Pa. Code § 56.22(d) (emphasis added).

²⁴ Comments of Low Income Advocates at 34-35.

iii. § 56.153. Public utility duties.

The Commission’s proposed addition of Section 56.153 includes a requirement that when a customer or applicant contacts a utility for a payment arrangement, the utility must refer the customer or applicant to their universal service program administrator.²⁵

Through comments, PECO indicated support for the “inclusion of a universal service referral requirement,” but requested that utilities continue to have flexibility in referral processes.²⁶

In response to PECO’s request, the Low Income Advocates reemphasize the current under-enrollment in CAPs, and the need for enforceable standards to meaningfully improve access to rate assistance, arrearage management, usage reduction, and hardship fund assistance. In 2024, the CAP participation rate for customers already confirmed by the utility to have low income was just 47.7% for electric utilities and 35% for gas utilities, and even lower, 23.9% for electric and 22.7% for gas, when using census data to provide a more accurate count of low income customers.²⁷ These enrollment levels are unreasonably low and results in needless hardship for eligible customers, needless accrual of arrears, and increased utility termination.

The undersubscription of CAP not only increases the accumulation of high arrearages for low income customers, it also means that a majority of low income customers are not receiving an affordable bill under the Commission’s CAP Policy statement and are not being billed at the most advantageous rate.²⁸ The Public Utility Code requires that “[a]ny public utility, having more than

²⁵ NOPR at 16-17.

²⁶ Comments of PECO at 6.

²⁷ Pa. PUC, Universal Service Programs & Collections Performance 2024 Report at 7, 56 (Jan. 2026), <https://www.puc.pa.gov/media/3771/2024-universal-service-report-final.pdf>; Pa. PUC, Universal Service Programs & Collections Performance 2024 Report at 7, 56 (Jan. 2026), <https://www.puc.pa.gov/media/3771/2024-universal-service-report-final.pdf>. See Comments of Low Income Advocates at 39-40.

²⁸ See 52 Pa. Code § 69.265; 66 Pa. C.S. § 1303.

one rate applicable to service rendered to a patron, shall, after notice of service conditions, compute bills under the rate most advantageous to the patron.”²⁹ It is essential, both to prevent the accumulation of high arrearages and to ensure adherence to a statutory obligation, that public utilities ensure eligible customers are informed of and able to enroll in CAP and other universal service programs.

While the Low Income Advocates understand that different utilities may have different internal procedures for universal services referrals, the Commission must require universal service program referrals that proactively and effectively connect eligible customers and applicants to programs before they fall behind or face termination.

iv. § 56.171. General rule for formal complaints.

The Commission proposed to add language requiring that, to file a formal complaint, customers must affirm that they have first contacted the public utility for purposes of resolving the problem about which they wish to file a complaint.³⁰ In initial Comments, PAWC supported the addition of this language into Chapter 56, but suggested replacing the word “problem” with “dispute,” asserting this language better aligns with existing language in other Chapter 56 regulations.³¹ However, use of the word “problem” aligns with existing language, particularly the language regarding informal complaint filing procedures at Sections 56.162 and 56.166 which similarly require that the complainant affirm they first contacted the public utility for purposes of resolving the “problem.” Importantly, because “dispute” is a defined term in Chapter 56,³² with specific dispute procedures set forth at Section 56.151, replacing the word “problem” with “dispute”

²⁹ 66 Pa. C.S. § 1303.

³⁰ NOPR at 18.

³¹ Comments of PAWC at 4.

³² 52 Pa. Code § 56.2.

would alter the meaning of the proposed requirement by potentially restricting customers' ability to file a formal complaint to situations where the customer previously raised a dispute with the utility. Customers have a right to go through the utility's internal dispute process prior to filing a formal complaint, but they are not currently required to. In practice, a utility does not always initiate dispute proceedings when a customer raises a problem. Changing "problem" to "dispute" has the potential of introducing a procedural requirement that does not currently exist before a customer can file a formal complaint. The Commission should reject PAWC's proposed amendment to preserve parity with the language regarding informal complaint procedures and avoid introducing an unnecessary additional procedural requirement to filing a formal complaint.

v. ***§ 56.181. Duties of parties; disputing party's duty to pay undisputed portion of bills; public utility's duty to pay interest whenever overpayment found.***

In line with Section 1410 of former Chapter 14, the Commission proposed adding the phrase "and subsequent bills which are not in dispute" to Section 56.181.³³ This language would require that, pending the outcome of an informal or formal complaint, customers would be obligated to pay the portion of subsequent bills that are not in dispute.

Through initial Comments, Columbia opposed the inclusion of this language and argued that it would create the unintended consequence of enabling customers to continually dispute every bill rendered during the pendency of a complaint, which would result in accumulation of arrears.³⁴ Columbia recommends the Commission decline to adopt the phrase "and subsequent bills which are not in dispute," and instead require that subsequent bills remain payable in full pending resolution of a complaint subject to refund of any charges determined to be incorrectly rendered

³³ NOPR at 19-20.

³⁴ Comments of Columbia at 2-3.

upon complaint resolution.³⁵ Columbia's position is objectively unreasonable and implies that customers readily and frequently dispute their bills without reason and in bad faith. Columbia's proposal should be rejected because its proposed language would not create the consequence Columbia describes. The proposed language accounts for situations where a customer has an ongoing dispute regarding their charges that recurs with each subsequent bill and would require customers to pay the undisputed portion of their subsequent bills pending resolution of a complaint. It would not, as Columbia describes, enable customers to avoid payment of their entire bills by disputing charges based on the problem that is the subject of their informal or formal complaint. Customers should retain the ability to dispute ongoing billing problems that recur with each subsequent bill and should not be required to pay the disputed portion of their bills pending resolution of a complaint. It would be unjust and unreasonable to require customers facing a recurring billing error to pay erroneous charges on subsequent bills while awaiting complaint resolution. Such a requirement would be especially burdensome for low income households, who, as described extensively in the Low Income Advocates' initial Comments, face difficult choices month after month between paying for utility costs, food, and medical care.³⁶

Columbia's proposed resolution of issuing a refund to the customer for any charges ultimately determined to be erroneous is not adequate relief for low income customers who have no margin in their budgets to cover the cost of erroneous utility charges that are the subject of a Commission complaint proceeding. Forcing low income customers to pay erroneous utility charges while awaiting resolution of a complaint would deprive them of income needed to pay for food, medicine, and other necessary expenses, causing harm that cannot be resolved after the fact

³⁵ Id.

³⁶ Comments of Low Income Advocates at 9-10.

through a refund. Upon resolution of the complaint, should any disputed charges be determined to have been validly assessed, those charges would become payable by the customer, but the customer would have been required to make payments on the undisputed portion of their bills during the pendency of the complaint. The Commission's proposed language strikes the appropriate balance between maintaining customers' responsibility to pay undisputed charges while providing relief from disputed charges pending the resolution of a complaint.

vi. § 56.225. Surcharges for uncollectible expenses prohibited.

The Commission proposed to incorporate into Chapter 56 the prohibition against customer surcharges for uncollectible expenses included in former Chapter 14.³⁷ In initial Comments, PAWC³⁸ and PPL³⁹ opposed the inclusion of the prohibition. PECO joined EAP in asserting that, should this rulemaking result in significant changes to the former Chapter 14 framework, the Commission should eliminate this prohibition.⁴⁰

The Commission should retain the prohibition on surcharges for uncollectible expenses, as proposed. Uncollectible expenses are ordinarily recovered as a normalized expense through base rates which creates an incentive for utilities to collect delinquent accounts. Isolating one expense from the overall set of expenses that are normally recovered in base rates, absent specific statutory authority to do so, is not permissible and the Commission's adoption of this prohibition in regulations is an appropriate codification of this restriction.

As the Commonwealth Court has explained, absent independent statutory authorization, a surcharge for specific recovery of an individual line item expense that is traditionally requested

³⁷ NOPR at 22-23.

³⁸ Comments of PAWC at 5.

³⁹ Comments of PPL at 6-7.

⁴⁰ Comments of EAP at 3; Comments of PECO at 3.

through a rate-making procedure is prohibited single-issue ratemaking.⁴¹ Although Section 1307(a) of the Public Utility Code authorizes utilities to implement surcharge mechanisms for certain expenses, 1307(a) surcharges are only permitted where otherwise specifically authorized by statute or “for easily identifiable expenses that are beyond a utility's control, such as tax rate changes or changes in the costs of fuel.”⁴² Uncollectible expenses, unlike tax rate or fuel costs changes, are squarely within a utility’s ability to control and are responsive to a utility’s management decisions,⁴³ such as whether it deploys income screening to connect customers to universal service programs and provides customers with flexible and affordable payment arrangement terms. Thus, while the specific statutory prohibition against surcharges for uncollectible expenses may have expired, its expiration cannot be construed as independent statutory authorization to allow this recovery. Accordingly, it is appropriate for the Commission’s regulations to prohibit a surcharge for uncollectible expense notwithstanding Chapter 14’s expiration.

PAWC, PPL, PECO, and EAP call for flexibility to propose such surcharges, but it is administratively efficient to express in regulation this prohibition against rate mechanisms that are categorically prohibited as single-issue ratemaking.⁴⁴

To the substance of the issue, surcharges for uncollectible expenses are bad policy, as they would eliminate any incentive for the utility to engage in routine and meaningful collection activity and would further exacerbate the unaffordability of utility bills that are already unaffordable for

⁴¹ Pennsylvania Indus. Energy Coal. v. Pennsylvania Pub. Util. Comm'n, 653 A.2d 1336, 1350 (Pa. Commw. Ct. 1995).

⁴² Popowsky v. Pennsylvania Pub. Util. Comm'n, 869 A.2d 1144, 1160 (Pa. Commw. Ct. 2005).

⁴³ Pa. PUC v. Philadelphia Gas Works, Docket Nos. R-00049157 and P-00042090 (Order Entered Jul. 8, 2004), (noting that “uncollectible expenses are within the Company’s control.”).

⁴⁴ To the extent that any party believes it has a legal basis for such recovery, it could always file a petition for waiver of a Commission regulation and make its case why such waiver is lawful and in the public interest.

hundreds of thousands of low income Pennsylvania consumers. This vicious cycle would result in even higher surcharges that compound energy insecurity and contribute to increased payment trouble, terminations, and resultant uncollectible expenses.

The Low Income Advocates reiterate their argument set forth in initial Comments that the best way to prevent the accrual of high balances and uncollectible expenses is to ensure that utility bills are affordable before arrears accumulate – and to provide flexible and affordable payment arrangement terms if and when a customer falls behind.⁴⁵ The Low Income Advocates urge the requirement of thorough income screening and universal service referral protocols to facilitate connecting customers with utility affordability programs that help prevent arrears from accumulating.⁴⁶ Additionally, the Low Income Advocates reiterate that affordable payment arrangements are essential to ensuring that households can remain connected to vital utility services, reducing arrearages, and minimizing the transfer of uncollectible balances to other utility customers.⁴⁷

B. Reply to Comments of Other Parties Addressing Additional Chapter 56 Issues

i. Procedural Path Forward for Addressing Additional Chapter 56 Issues through this Rulemaking

In initial Comments, EAP urged the Commission to keep the scope of this rulemaking narrowly focused on the limited action of adopting regulations that would perpetuate the former Chapter 14 framework.⁴⁸ PECO and DLC acknowledged that further review of additional aspects of Chapter 56 may be necessary but suggested that any such review occur through a separate

⁴⁵ Comments of Low Income Advocates at 37-40.

⁴⁶ Comments of Low Income Advocates at 37-40.

⁴⁷ Comments of Low Income Advocates at 42-48.

⁴⁸ Comments of EAP at 2-3.

rulemaking proceeding.⁴⁹ PECO specifically asserted that a separate proceeding would enable consideration of the full range of issues implicated by a broader review of Chapter 56.⁵⁰

The Low Income Advocates submit that Chapter 56 requires urgent reform to reverse deep and inequitable outcomes for low income consumers, and strongly disagree with calls from the utilities and their trade association to keep the scope of this rulemaking narrow or to initiate a separate proceeding to consider additional reforms at some later, unspecified date. In light of the expiration of Chapter 14's strict statutory constraints and the pervasive, significant and material hardship to consumers from that paradigm as thoroughly outlined in initial comments,⁵¹ the Low Income Advocates insist that the proposed narrow scope that reinstates provisions of former Chapter 14 is both inappropriate and unreasonable. On the contrary, the Commission should act with clarity and boldness to adopt regulations that appropriately address the needs of Pennsylvania's utility consumers now, as the Commonwealth faces a severe and unrelenting utility affordability crisis – not at some future unspecified date, after substantial additional harm occurs.

As set forth in initial Comments, the Low Income Advocates strongly agree with Vice Chair Kimberly Barrow's statement⁵² and assert that the issues she outlined, as well as additional issues raised by commenters in this proceeding, must be addressed before finalization of these regulations. Chapter 14 was a failure – and the evidence proves it.⁵³ The collections framework established by Chapter 14 has resulted in record-breaking terminations year after year without a corresponding reduction in uncollectible expenses. Chapter 14 simply did not provide the right

⁴⁹ Comments of PECO at 3; Comments of DLC at 3.

⁵⁰ Comments of PECO at 3.

⁵¹ Comments of Low Income Advocates at 11-20.

⁵² Statement of Vice Chair Kimberly Barrow, Rulemaking to Further Amend the Provisions of 52 Pa. Code Chapter 56, Public Meeting (Feb. 19, 2026).

⁵³ See Comments of Low Income Advocates at 15-20.

tools for the difficult job of alleviating utility insecurity, and in many ways served to compound collections costs and write-offs that are ultimately borne by other ratepayers. Merely reinstating expired provisions of Chapter 14 through regulation without addressing these failures would be a grave miscarriage of justice for the hundreds of thousands of families ensnared by the punitive utility collections policies that former Chapter 14 authorized.

In initial Comments, numerous commenters drew attention to urgently needed reforms to the Chapter 56 framework, such as developing protections from termination in the summer months, improving the medical certificate process to better protect medically vulnerable households, and enhancing notice requirements to ensure consumers are better informed of their rights, among others. The expiration of Chapter 14 restored the Commission's authority and duty to regulate utility billing, collections, and terminations under just and reasonable service standards. As a result, the Low Income Advocates reiterate that it is incumbent on the Commission to consider these and other urgently needed reforms to Chapter 56 through this proceeding. The instant proceeding is the ideal vehicle for accomplishing the crucial task of reevaluating and modernizing Chapter 56 for the needs of utility consumers facing record high bills and record terminations of service.

As set forth in initial Comments, the Low Income Advocates call on the Commission to use the Advance Notice of Final Rulemaking (ANFR) procedure in this proceeding to advance urgently needed reforms to Chapter 56 including those discussed in Vice Chair Barrow's statement, the Comments of the Low Income Advocates, and the Comments of the numerous other parties who drew attention to critically needed reforms to help ensure that Chapter 56 appropriately protects consumers, prevents unreasonable termination, and minimizes the transfer of uncollectible balances to other customers. A separate proceeding is not necessary to ensure consideration of the full range of additional issues raised by Vice Chair Barrow and the initial Comments to this NOPR,

as PECO suggested. Developing and issuing an ANFR would enable the Commission to solicit input from stakeholders on the full range of Chapter 56 issues raised through the NOPR procedure and would ensure adequate Commission consideration, addressing PECO's concern. Importantly, the ANFR process would not impact the timeline for review, and therefore would not delay the finalization of this crucial rulemaking.

ii. Same Day Personal Contact and Written Notice Requirements

In initial Comments, PPL proposes that the Commission eliminate the same day personal contact requirement at Section 56.94, which requires a public utility employee to attempt to make personal contact with a responsible adult occupant at the customer's residence immediately prior to terminating service.⁵⁴ PPL asserts that eliminating the requirement is an opportunity to "reduce customer costs and protect utility workers" because utilities are now able to remotely terminate service with the use of smart meters.⁵⁵ Remote termination, PPL argues, is "safe."⁵⁶ In encouraging the Commission to more comprehensively review Chapter 56, DLC asserts that the Chapter contains provisions that are "significant cost drivers, including requirements for field activities that reflect outdated practices" and suggests the Commission should revisit requirements for termination notices and personal contact at Sections 56.91 and 56.93.⁵⁷ DLC similarly highlights new technologies such as smart meters and electronic communications, which it asserts can "reduce unnecessary field activity."⁵⁸

As a threshold matter, there is no such thing as "safe" termination. Utility termination is a devastating and drastic measure that is akin to eviction, and has severe and long-term impacts on the

⁵⁴ Comments of PPL at 8.

⁵⁵ Id.

⁵⁶ Id.

⁵⁷ Comments of DLC at 5-6.

⁵⁸ Id.

health, safety, and wellbeing of everyone in the home. Loss of essential utility service is particularly harmful to households with unique vulnerabilities, including seniors, young children, and medically vulnerable households that may have a chronic illness.⁵⁹ In fact, Pennsylvania law treats disconnection of utility service by a landlord as an unlawful constructive eviction.⁶⁰ Despite their similarities, eviction must be preceded by a court process – in contrast, Chapter 56 only provides basic notice-based procedural protections designed to enable the consumer to act and exercise certain rights to avoid the loss of service.

The proposals of PPL and DLC to reduce, automate, or streamline these basic notice-based protections for the purpose of reducing costs fail to grapple with the gravity of utility termination and the severe consequences it carries for customers. Through termination of service, a utility seeks to deprive a human being of a life-essential service. That deprivation *always* comes with a risk of injury or death, damage to property, and other severe consequences to the health and economic stability of the customer and their family. The creation of Chapter 56 itself was compelled by multiple instances of utility termination practices resulting in severe harm to human health, including an elderly woman who froze to death at home after her service was terminated for an overdue bill.⁶¹ Accordingly, Chapter 56 expresses a clear policy purpose to restrict unreasonable termination of service⁶² – not to maximize utility business efficiency.

The Commission must preserve the same day personal contact requirement at Section 56.94 because it accomplishes an essential public safety function that cannot be performed by remote or

⁵⁹ Comments of Low Income Advocates Comments at 64.

⁶⁰ Kuriger v. Cramer, 498 A.2d 1331, 1337 n. 14 (Pa. Super. Ct. 1985); Pollack v. Morelli, 369 A.2d 458, 460–61 (Pa. Super. Ct. 1976); Stein v. McGinley, 186 A. 231, 233 (Pa. Super. Ct. 1936); see also In re Adams, 65 B.R. 646, 649 (Bankr. E.D. Pa. 1986).

⁶¹ Comments of Low Income Advocates at 5–6.

⁶² 52 Pa. Code § 56.1(a).

electronic means. Smart meter technology may enable remote termination, but it cannot perform this essential notice function to determine whether execution of an involuntary termination will place the health and safety of an individual consumer, their household, or the community at risk of greater harm.

Critically, Section 56.94(2) prohibits a utility employee from proceeding with termination under certain circumstances after attempting same day personal contact, including if the customer presents evidence that payment has been made, if a serious illness or medical condition exists, if a dispute or complaint is properly pending, or if the customer makes payment to the employee who makes personal contact. In some instances, the same day personal contact requirement may be the first instance in which the utility learns of a customer's serious illness or medical condition, and suspending termination in such circumstances can avoid the acute risk of serious injury or death that termination poses to such customers. Further, a customer may not have received prior notification of the pending termination that the utility transmitted by other less reliable means, and the same day personal contact requirement provides an opportunity for the customer to be notified that termination will occur and act to prevent termination, such as by making a payment or accessing assistance programs or other available protections.

Similarly, the written notice requirement at Section 56.91 and the posted notice requirement at Section 56.93 perform essential notice functions that cannot be sufficiently replaced by electronic communication. The availability of electronic communication must not be used to replace written notice requirements but should instead be used only to supplement official written notice. The fundamental purpose of termination notice requirements is to apprise customers of pending termination and to give them an opportunity to take action to address arrears and avoid termination. Avoiding termination is in the best interest of customers and utilities alike. Utilities

should use all tools available to ensure customers are actually apprised of pending termination, and are informed of the tools and resources that may help.

The real-world, face-to-face field activity Chapter 56 requires is not “unnecessary” – it fulfills an essential notice function that cannot be replaced by electronic communications and smart meter remote termination. To effectuate Chapter 56’s policy purpose of restricting unreasonable termination, the Commission must preserve the personal contact and written notices requirements at Sections 56.91, 56.93, and 56.94.

iii. PPL’s Proposed Informal Resolution Mechanism Preceding Formal Complaint Filing.

PPL proposed creating a new informal resolution mechanism that customers would be required to engage in before filing a formal complaint.⁶³ In justifying its proposal, PPL pointed to conservation of administrative resources and an opportunity to decrease the number of formal complaints that the utility must answer.⁶⁴ PPL argued that because so many of the complaints PPL receives are related to payment arrangements, a new required step during which customers and utilities could agree to a more flexible payment plan would decrease administrative burden.⁶⁵

The Low Income Advocates strongly oppose this proposal. A public utility is already required to “exercise good faith and fair judgment in attempting to enter a reasonable payment arrangement.”⁶⁶ A utility can, and in fact is required to, decrease the number of customer complaints related to payment arrangements and ability to pay by offering more flexible payment arrangements when the customer first contacts the utility, before the customer has to resort to a

⁶³ Comments of PPL at 7-8.

⁶⁴ Id.

⁶⁵ Id.

⁶⁶ 52 Pa. Code § 56.97(b).

complaint. If a utility is not already taking the steps that PPL proposes, it is violating existing rules and should be investigated by the Commission for this failure. A utility does not need an additional opportunity to agree to a payment arrangement that is more flexible “than is currently permitted”⁶⁷ because the utility is required, in the context of pending terminations, to exercise good faith and fair judgement in offering the customer a reasonable payment arrangement. Even after a formal complaint process has started, a utility can still decrease administrative burden by attempting to enter a settlement with the customer by establishing a reasonable payment arrangement before it files an answer.⁶⁸ The Commission should not require customers and applicants to complete an additional procedural step before filing a formal complaint. Instead, utilities should use the processes they are already encouraged and sometimes required to use to establish reasonable payment arrangements with customers and applicants.

iv. Prepayment Meters

In initial Comments, OCA recommends elimination of subsection (3) of Section 56.17, which allows for gas and electric prepaid meters.⁶⁹ OCA argues that prepaid metering is dangerous and presents a significant risk of loss of service to consumers, leading households to resort to the use of unsafe heating, lighting, or cooling, putting the health and safety of the occupants of the household in peril.⁷⁰ The Low Income Advocates strongly agree and support the OCA’s recommendation to eliminate Section 56.17(3), for all of the reasons set forth by OCA.

⁶⁷ Comments of PPL at 7.

⁶⁸ See 52 Pa. Code §5.231.

⁶⁹ Comments of OCA at 38 – 40.

⁷⁰ *Id.* at 40.

v. ***Over-Noticing***

In initial Comments, OCA recommends adding a requirement to Section 56.91 that “No utility shall make a practice of delivering more than two consecutive notices of disconnection for past due bills without engaging in the collection identified in the notice.”⁷¹ OCA expresses concern that utilities are over-issuing termination notices without actually acting upon them.⁷² OCA explains that routinely over-issuing notices without intending to pursue disconnection is an unfair and deceptive collection practice that undermines the effectiveness of termination notices in providing clear notice of impending termination and habituates customers to ignore notices.⁷³

The Low Income Advocates share OCA’s concern about the overuse of termination notices as a collections tool when a utility does not have actual intent to pursue termination. OCA provides data from the Commission’s Seventh Report to the Governor and General Assembly Pursuant to Section 1415 that shows a dramatic imbalance between the number of termination notices issued and the number of terminations that occur.⁷⁴ Termination notices must be used as an absolute last resort to attempt to collect an overdue balance, and other efforts to encourage customers to repay balances should be used first. Although the Low Income Advocates share OCA’s concern about the over-issuing of notices, the solution to this problem should encourage utilities to *send fewer termination notices*, not to enact more frequent terminations. The over-issuing of termination notices where a utility does not have actual intent to pursue termination likely violates the state consumer protection law and should not be permitted.⁷⁵ At the very least, the Commission should

⁷¹ Comments of OCA at 59.

⁷² *Id.* at 62-63. OCA notes that this over-issuance of notices is potentially violative of 52 Pa. Code §55.105. *Id.* The Low Income Advocates note that within Chapter 56 itself, Section 56.99 prohibits the use of a termination notice solely as a collection device. 52 Pa. Code §56.99.

⁷³ *Id.* at 63-64.

⁷⁴ *Id.* at 63.

⁷⁵ *See, e.g.*, 73 P.S. § 2270.4(b)(6).

require utilities to regularly report to the Commission the number of termination notices issued, and the Commission should publish this data as part of its monthly Termination Reports and annual Universal Service Programs and Collections Performance Reports.

vi. Expanding Chapter 56 Protections to Small Business Customers

In initial Comments, OSBA made several recommendations that would expand various Chapter 56 protections and procedures to cover small business customers as well as residential customers. The Low Income Advocates are generally supportive of the OSBA's recommendations and agree that the Commission should make various Chapter 56 protections available to small business customers. As the Low Income Advocates stated in initial Comments, many low and moderate income individuals are self-employed as small or microbusiness owners or are otherwise employed by small business owners.⁷⁶ Expanding Chapter 56 protections, including access to reasonable payment arrangement terms, would help keep small businesses operating, reduce uncollectible expenses, and improve local economies.

III. CONCLUSION

As detailed throughout these Reply Comments and in initial Comments, the Low Income Advocates urge the Commission to adopt critically needed reforms and further amendments to its proposed regulatory language to better protect consumers from unreasonable termination, promote utility affordability, and promote the ability of customers to make regular payments. The Commission must take action to reverse the punitive collections policies of the past that have precipitated record termination rates without improving collections. Through this rulemaking, the Commission has an opportunity to adopt prevention-based policies that ensure consumers have

⁷⁶ Comments of Low Income Advocates at 62-63.

access to fair and reasonable payment terms that prioritize keeping consumers connected and making payments toward their debt. We urge the Commission to seize on this opportunity to better protect Pennsylvania families from harm.

Respectfully Submitted,

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