

PROPOSED RULEMAKING

PENNSYLVANIA PUBLIC UTILITY COMMISSION

[52 PA. CODE CH. 56]

[L-00060182/57-265]

Standards and Billing Practices for Residential Utility Services

The Pennsylvania Public Utility Commission (Commission) on September 25, 2008, adopted a proposed rulemaking order which amends Chapter 56 to comply with 66 Pa.C.S. Chapter 14 (relating to responsible utility customers protection).

Executive Summary

The purpose of this Proposed Rulemaking order is to promulgate regulations to implement Chapter 14. In particular, section 6 of Act 201 of 2004 requires the Commission to amend Chapter 56 to comply with the provisions of Chapter 14 and, if necessary, promulgate other regulations to administer and enforce Chapter 14.

To facilitate the completion of our responsibility under that Act, we issued an Advanced Notice of Proposed Rulemaking Order on December 4, 2006. This Advance Notice enabled us to gather input from the industry, consumer groups, and advocates before drafting the proposed revisions and provides us the opportunity to conduct a general review of this chapter to identify, modify, or rescind certain provisions of Chapter 56. We have offered all parties the opportunity to address other issues as well. The Advanced Notice was published at 36 Pa.B. 7614 (December 16, 2006). The Commission sought comments on the most controversial and complex provisions of Chapter 14. Comments were received by 22 parties.

Public Meeting held
September 25, 2008

Commissioners Present: James H. Cawley, Chairperson; Tyrone J. Christy, Vice Chairperson; Robert F. Powelson; Kim Pizzigrilli; Wayne E. Gardner

Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 56 to Comply with the Provisions of 66 Pa.C.S. Chapter 14; General Review of Regulations;
Doc. No. L-00060182

Proposed Rulemaking Order

By the Commission:

On November 30, 2004, the Governor signed into law SB 677, or Act 201. This law went into effect on December 14, 2004. Act 201 amended Title 66 by adding Chapter 14 (66 Pa.C.S. §§ 1401—1418), *Responsible Utility Customer Protection*. Act 201 is intended to protect responsible bill paying customers from rate increases attributable to the uncollectible accounts of customers that can afford to pay their bills, but choose not to pay. The legislation is applicable to electric distribution companies, water distribution companies and larger natural gas distribution companies (those having an annual operating income in excess of \$6,000,000).¹ Steam, wastewater utilities and victims under a protection from abuse (PFA) order are not covered by Chapter 14.

¹ Small natural gas companies may voluntarily "opt in" to Chapter 14. 66 Pa.C.S. § 1403.

The purpose of this proposed rulemaking order is to promulgate regulations to implement Chapter 14. In particular, section 6 of the act requires the Commission to amend Chapter 56 to comply with the provisions of Chapter 14 and, if necessary, promulgate other regulations to administer and enforce Chapter 14.² Complying with this obligation imposed by the Act is the main purpose of this rulemaking. In addition, we shall take this opportunity to review the entire Chapter 56 and make revisions when necessary given our experience and the technological advances in the industries.

Background

This legislation seeks to eliminate opportunities for customers capable of paying to avoid paying their utility bills, and to provide utilities with the means to reduce their uncollectible accounts by modifying the procedures for delinquent account collections. The goal of these changes is to increase timely collections while ensuring that service is available to all customers based on equitable terms and conditions. 66 Pa.C.S. § 1402.

Chapter 14 supersedes certain Chapter 56 regulations, all ordinances of the City of Philadelphia and any other regulations that impose inconsistent requirements on the utilities. Chapter 14 expires on December 31, 2014, unless re-enacted. Two years after the effective date and every 2 years thereafter, the Commission must report to the General Assembly regarding the implementation and effectiveness of the Act.³

On January 28, 2005, the Commission issued a Secretarial Letter identifying general subject areas for discussion and encouraged interested parties to file written comments. In addition, on February 3, 2005, the Commission held a "Roundtable Forum" to address the implementation and application of Chapter 14.

Written comments were filed by the following interested parties: Energy Association of Pennsylvania (EAP), PECO Energy Company (PECO Energy), PPL Electric Utilities Corporation and PPL Gas Utilities Corporation (PPL), Philadelphia Gas Works (PGW), Aqua Pennsylvania, Inc. (Aqua), Pennsylvania-American Water Company (PAWC), Office of Consumer Advocate (OCA), Community Legal Services (CLS), Pennsylvania Utility Law Project (PULP), Pennsylvania Coalition Against Domestic Violence (PCADV), Pennsylvania Apartment Association, Housing Alliance of Pennsylvania and American Association of Retired Persons (AARP).

Based upon our review of the comments filed by interested parties pursuant to our January 28, 2005 Secretarial Letter and the oral comments expressed at the Roundtable Forum, we issued an *Implementation Order* on March 4, 2005 that addressed seven threshold issues. Although we considered these issues to be the most fundamental, we understood that this is an ongoing process and that other implementation issues will need to be resolved in the future.

Therefore, by Secretarial Letter issued June 27, 2005, we informed interested parties of the next Chapter 14 Roundtable, July 1, 2005, and established agenda items for this meeting. At this second Chapter 14 Roundtable, we again sought to engage in a discussion that promoted

² Section 6 further provides that "promulgation of any such regulation shall not act to delay the implementation or effectiveness of this chapter."

³ On December 14, 2006, the Commission issued the *First Biennial Report to the General Assembly and the Governor pursuant to Section 1415*.

an exchange of ideas and views so that all interested parties would better understand differing positions and the rationales underlying them. It was intended that the parties would benefit from this discussion of the issues and assist in the effective development of procedures, interim guidelines and subsequent regulations necessary to implement the new requirements of Chapter 14.

Written comments were again submitted by the EAP, PECO Energy, PGW, OCA, CLS and PULP. The comments were also intended to supplement oral representations at the July 1, 2005, Roundtable. Another Roundtable discussion was held on July 21, 2005, to discuss PGW-Specific Chapter 14 issues, and written comments were filed by PGW, the OCA, CLS, and PULP. On September 12, 2005, we issued the *Second Implementation Order* addressing unresolved issues identified for review and disposition as follows:

- Section I—Termination/Reconnection
- Section II—Payment Arrangements (PARS)
- Section III—Applications—Deposits
- Section IV—Protection from Abuse (PFA)/Consumer Education
- Section V—PGW-Specific Issues

Thereafter, we continued to address issues at this docket number. On August 24, 2005, we issued a *Section 703(g) Order Seeking Comments* on one of these threshold issues—the interpretation of the payment agreement restrictions in Section 1405(d). On October 31, 2005, we issued the *Reconsideration of Implementation Order* (page 23) amending the *Implementation Order* by concluding “that § 1405(d) permits the Commission (in addition to instances where there has been a change of income) to establish one payment agreement that meets the terms of Chapter 14 before the prohibition against a second payment agreement in § 1405(d) applies.” Finally, on November 21, 2005, we issued a *Declaratory Order* pursuant to 66 Pa.C.S. § 331(f) that Chapter 14 does not authorize public utilities to require upfront payments greater than those amounts specified in § 1407(c)(2).

At this point in our implementation process, we have addressed and resolved numerous issues involving the application of Chapter 14 provisions. However, as indicated previously, we are required by the legislation to open a rulemaking proceeding. To facilitate the completion of our responsibility under the Act, we issued an *Advance Notice of Proposed Rulemaking Order* on December 4, 2006. This *Advance Notice* enabled us to gather input from the industry, consumer groups, and advocates before drafting the proposed revisions and provides us the opportunity to conduct a general review of this Chapter to identify, modify, and/or rescind certain provisions of Chapter 56. *See, e.g., General Review of Regulations; Advance Notice of Proposed Rulemaking*, Docket No. L-00950103, adopted April 27, 1995, 25 Pa.B. 2188 (June 3, 1995). We have offered all parties the opportunity to address other issues as well.

For example, we explained in the *Advance Notice* that since the most recent revision of Chapter 56, there have been technological advances including electronic billing and payment, e-mail, the internet, and the like. Parties were invited to comment as to how these technological advances should be addressed in the regulations, especially the billing and payment sections. Furthermore, we asserted that the rulemaking proceeding will also review all of our outstanding ad hoc reporting requirements for the same purpose.

In the *Advance Notice*, we recognized that Chapter 14 will necessitate significant changes to the winter termina-

tion rules at § 56.100; this is an area of crucial importance and is central to the Commission's obligation to protect the health and safety of all citizens of the Commonwealth.

Chapter 14 also changes the procedures utilities may use when screening applicants for service and credit worthiness. Related to these are provisions in Chapter 14 that expand a utility's ability to assign liability for account balances that may have accrued under the name of someone other than the customer or applicant. The Commission requested comments on these procedures of winter terminations and screening and asked for the assistance of all parties in formulating regulations to address these important areas.

The Commission sought comments on the most controversial and complex provisions of Chapter 14 identified in questions set forth in Appendix A to the *Advance Notice*. Comments were received from the following 22 parties: EAP, PECO Energy, Allegheny Power, PPL, Duquesne Light Company (DLC), the FirstEnergy Companies (FirstEnergy), PGW, Columbia Gas of Pennsylvania, Inc. (Columbia), TW Phillips Gas Company (TWP), NFG, Equitable Gas Company Division of Equitable Resources, Inc. (Equitable), The National Association of Water Companies (NAWC), PAWC, Aqua, OCA, PULP, Action Alliance of Senior Citizens, Tenant Union Representative Network and ACORN (Action Alliance), AARP, PCADV, Women's Law Project (WLP), Women Against Abuse (WAA), and Consumer Advisory Council (CAC). As indicated previously, we encouraged the commentators to raise any matters or issues that they feel we have overlooked or missed, including the need to revise Chapter 56 sections unrelated to Chapter 14. A summary of the comments along with discussion of such are attached to this order as Attachment One.

Conclusion

Upon consideration of the new requirements of Chapter 14 and all of the comments received to date, we propose adoption of the amendments set forth in Annex A. This action here today continues the process of revising our Chapter 56 regulations. As provided for under law, the Commission now seeks comments on the proposed amendments. Persons submitting comments are requested to provide supporting justification for requested revisions, and to propose suggested regulatory language for incorporation into the final-form regulations.

Accordingly, under sections 501, 504 and 1401—1418 of the Public Utility Code, 66 Pa.C.S. §§ 501, 504 and 1401—1418; sections 201 and 202 of the act of July 31, 1968 (P. L. 769, No. 240) (45 P. S. §§ 1201 and 1202), and the regulations promulgated thereunder in 1 Pa. Code §§ 7.1, 7.2 and 7.5; section 204(b) of the Commonwealth Attorneys Act (71 P. S. § 732.204(b)); section 5 of the Regulatory Review Act (71 P. S. § 745.5); and section 612 of The Administrative Code of 1929 (71 P. S. § 232) and the regulations promulgated thereunder in 4 Pa. Code §§ 7.231—7.234, we are considering adopting the proposed amendments set forth in Annex A, attached hereto; *Therefore,*

It Is Ordered that:

1. A proposed rulemaking be opened to consider the proposed amendments set forth in Annex A.
2. The Secretary shall submit this order, Attachment One and Annex A to the Office of Attorney General for review as to form and legality and to the Governor's Budget Office for review for fiscal impact.

3. The Secretary shall submit this Order, Attachment One and Annex A for review and comment to the Independent Regulatory Review Commission and Legislative Standing Committees.

4. The Secretary shall certify this Order and Annex A, and deposit them with the Legislative Reference Bureau to be published in the *Pennsylvania Bulletin*.

5. Interested parties may submit written comments, original and 15 copies, by April 20, 2009, to James McNulty, Secretary of the Commission, Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, PA 17105-3265. The comments should reference the docket number of the proposed rulemaking. In addition, one copy in electronic format (Microsoft Word® 2002 or readable equivalent) on diskette shall be provided to the Secretary and copies shall be e-mailed to Terrence J. Buda (tbuda@state.pa.us), Patti Wiedt (pwiedt@state.pa.us), Cyndi Page (cypage@state.pa.us), and Daniel Mumford (dmumfordstate.pa.us). Comments shall be posted on the Commission web site.

6. That copies of this order shall be served upon all jurisdictional electric utilities, gas, water and wastewater utilities, the Office of Consumer Advocate, the Office of Small Business Advocate and those parties who already submitted comments at this Docket. Attachment One and Annex A shall be posted on the Commission's web site.

7. The contact persons for this matter are Daniel Mumford in the Bureau of Consumer Services (717) 783-1957, and Terrence J. Buda in the Law Bureau (717) 783-3459.

By the Commission

JAMES J. MCNULTY,
Secretary

Fiscal Note: 57-265. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 52. PUBLIC UTILITIES

PART I. PUBLIC UTILITY COMMISSION

Subpart C. FIXED SERVICE UTILITIES

CHAPTER 56. STANDARDS AND BILLING PRACTICES FOR RESIDENTIAL UTILITY SERVICE

Subchapter A. PRELIMINARY PROVISIONS FOR UTILITIES AND CUSTOMERS SUBJECT TO CHAPTER 14 OF THE PUBLIC UTILITY CODE

§ 56.1. Statement of purpose and policy.

(a) This chapter establishes and enforces uniform, fair and equitable residential **public** utility service standards governing eligibility criteria, credit and deposit practices, and account billing, termination and customer complaint procedures. This chapter assures adequate provision of residential **public** utility service, to restrict unreasonable termination of or refusal to provide that service and to provide functional alternatives to termination or refusal to provide that service, **while eliminating opportunities for customers capable of paying to avoid the timely payment of public utility bills and protecting against rate increases for timely paying customers resulting from other customers' delinquencies. Public utilities shall utilize the procedures in this chapter to effectively manage customer accounts to prevent the accumulation of large, unmanageable arrearages.** Every privilege conferred or duty required by this chapter imposes an obligation of good faith,

honesty and fair dealing in its performance and enforcement. This chapter will be liberally construed to fulfill its purpose and policy and to insure justice for all concerned.

(b) This subchapter and Subchapters B—K apply to electric distribution utilities, natural gas distribution utilities and water distribution utilities. Subchapters L—V apply to wastewater utilities, steam heat utilities, small natural gas utilities and to all customers who have been granted a Protection From Abuse (PFA) order from a court of competent jurisdiction.

§ 56.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

AMR (Automatic meter reading)—

(i) Metering using technologies that automatically read and collect data from metering devices and transfer that data to a central database for billing and other purposes.

(ii) The term does not include remote meter reading devices as defined by this section.

Applicant—[A person who applies for residential utility service.] (i) A natural person not currently receiving service who applies for residential service provided by a public utility or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential public utility service is requested.

(ii) The term does not include a person who [, within 60 days after termination or discontinuance of service,] seeks to transfer service within the service territory of the same public utility or to reinstate service at the same address provided that the final bill for service is not due and payable.

Basic services—Services necessary for the physical delivery of residential public utility service.

Billing month—A period of not less than 26 and not more than 35 days except in the following circumstances:

(i) An initial bill for a new [ratepayer] customer may be less than 26 days or greater than 35 days. However, if an initial bill exceeds 60 days, the [ratepayer] customer shall be given the opportunity to amortize the amount over a period equal to the period covered by the initial bill without penalty.

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(iii) [In addition, bills] Bills for less than 26 days or more than 35 days shall be permitted if they result from a rebilling initiated by the company or customer dispute to correct a billing problem.

Billing period—In the case of public utilities supplying gas, electric and steam heating service, the billing period [shall] must conform to the definition of a billing month; in the case of water and wastewater service, a billing period may be monthly, bimonthly or quarterly as provided in the tariff of the public utility. [Ratepayers] Customers shall be permitted to receive bills monthly and shall be notified of their rights thereto.

Class A water utility—A water utility with annual revenues greater than \$ 1 million.

Customer—A natural person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service or an adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential public utility service is requested. A natural person remains a customer after discontinuance or termination until the final bill for service is past due.

Customer assistance program—A plan or program sponsored by a public utility for the purpose of providing universal service and energy conservation, as defined in 66 Pa.C.S. § 2202 or 2803 (relating to definitions), in which customers make monthly payments based on household income and household size and under which customers shall comply with certain responsibilities and restrictions to remain eligible for the program.

Cycle billing—A system of billing employed by a public utility which results in the normal rendition of bills for public utility service to a group or portion of [ratepayers] customers on different or specified days of one billing period.

Delinquent account—Charges for public utility service which have not been paid in full by the due date stated on the bill or otherwise agreed upon; provided that an account may not be deemed delinquent if: prior to the due date, a payment [or settlement] agreement with the public utility has been entered into by the [ratepayer] customer, a timely filed notice of dispute is pending before the public utility, or, under time limits provided in this chapter, an informal or formal complaint is timely filed with and is pending before the Commission.

Discontinuance of service—The cessation of service with the consent of the [ratepayer] customer and otherwise in accordance with § 56.72 (relating to discontinuance of service).

Dispute—A grievance of an applicant, [ratepayer] customer or occupant about a public utility's application of a provision covered by this chapter, including subjects such as credit determinations, deposit requirements, the accuracy of meter readings or bill amounts or the proper party to be charged. If, at the conclusion of an initial contact or, when applicable, a follow-up response, the applicant, [ratepayer] customer or occupant indicates satisfaction with the resulting resolution or explanation, the contact will not be considered a dispute.

Electric distribution utility—An entity providing facilities for the jurisdictional transmission and distribution of electricity to retail customers, except building or facility owners or operators that manage the internal distribution system serving the building or facility and that supply electric power and other related electric power services to occupants of the building or facility.

Electronic billing—

(i) The electronic delivery and presentation of bills and related information sent by a public utility to its customers.

(ii) The term also includes any process that permits customers to pay their bills electronically.

Electronic notification of payment—A notification generated by the electronic payment system upon receipt of a payment. The notification will inform

the customer of successful receipt and amount of payment and the date and time the payment was received.

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Formal complaint—A complaint filed before the Commission requesting a legal proceeding before a Commission administrative law judge or a mediation under the management of a Commission administrative law judge.

Household income—

(i) The combined gross income of all adults in a residential household who benefit from the public utility service.

(ii) The term does not include income intended for the use of a minor. Examples of a minor's income include Social Security, child support, SSI, earnings and grants from the Department of Public Welfare.

Informal complaint—A complaint filed with the Commission by a customer that does not involve a legal proceeding before a Commission administrative law judge or a mediation under the management of a Commission administrative law judge.

Informal dispute settlement agreements—A mutually agreeable statement of a claim or dispute by a customer or applicant including a proposed resolution of the claim or dispute. An informal dispute settlement agreement is a written document that is provided to the parties or their representatives. An informal dispute settlement agreement offered by a utility must contain the following statement: "If you are not satisfied with this agreement, immediately notify the utility that you are not satisfied. You may file either an informal complaint or a formal complaint before the Public Utility Commission without making yourself subject to retaliation by the Utility." The informal dispute settlement agreement must also contain the information necessary to contact the Commission either in writing or by telephone.

Initial inquiry—A concern or question of an applicant, [ratepayer] customer or occupant about a public utility's application of a provision covered by this chapter, including subjects such as credit determinations, deposit requirements, the accuracy of meter readings or bill amounts or the proper party to be charged. If a public utility, with the consent of the applicant, [ratepayer] customer or occupant, offers to review pertinent records and call back the applicant, [ratepayer] customer or occupant within 3 business days with a response, the contact will be considered an initial inquiry pending a determination of satisfaction by the applicant, [ratepayer] customer or occupant with the company's response. If the company cannot reach the customer to convey the information obtained through a review of company records, a letter shall be sent which summarizes the information and informs the customer to contact the company within 5 business days if the customer disagrees with the company position, or has additional questions or concerns about the matter.

LIHEAP—Low Income Heating Energy Assistance Program—A Federally funded program that provides financial assistance in the form of cash and crisis grants to low-income households for home energy bills and is administered by the Department of Public Welfare.

Natural gas distribution service—The delivery of natural gas to retail gas customers utilizing the jurisdictional facilities of a natural gas distribution utility.

Natural gas distribution utility—

(i) A city natural gas distribution operation or entity that provides natural gas distribution services and may provide natural gas supply services and other services.

(ii) The term does not include the following:

(A) A public utility providing natural gas distribution services subject to the jurisdiction of the Commission that has annual gas operating revenues of less than \$6,000,000 per year, except when the public utility voluntarily petitions the Commission to be included within this definition or when the public utility seeks to provide natural gas supply services to retail gas customers outside its service territory.

(B) A public utility providing natural gas distribution services subject to the jurisdiction of the Commission that is not connected to an interstate gas pipeline by means of a direct connection or an indirect connection through the distribution system of another natural gas public utility or through a natural gas gathering system.

Natural gas supply services—

(i) The sale or arrangement of the sale of natural gas to retail gas customers and services that may be unbundled by the Commission under section 66 Pa.C.S. § 2203(3) (relating to standards for restructuring of natural gas utility industry).

(ii) The term does not include natural gas distribution service.

Nonbasic services—Optional recurring services which are distinctly separate and clearly not required for the physical delivery of public utility service.

[**Notice or termination notice**—A written statement which, in conspicuous print, clearly and fully includes the following information when applicable:

(i) The reason for the proposed termination.

(ii) An itemized statement of accounts currently due, including any required deposit.

(iii) A statement that a specific reconnection fee will be required to have service restored after it has been terminated if a reconnection fee is a part of the tariff of the utility on file with the Commission.

(iv) The date on or after which service will be terminated unless: payment in full is received, the grounds for termination are otherwise eliminated, a settlement or payment agreement is entered or a dispute is filed with the utility or the Commission.

(v) A statement that the ratepayer should immediately contact the utility to attempt to resolve the matter, including the address and telephone number where questions may be filed and payment and settlement agreements entered into with the utility.

(vi) The following statement: "If, AFTER discussing your problem with the Utility you remain dissatisfied, you may file an informal complaint with

the Public Utility Commission. TO AVOID TERMINATION OF SERVICE PENDING RESOLUTION OF A DISPUTE THIS INFORMAL COMPLAINT MUST BE FILED BEFORE THE PROPOSED DATE FOR TERMINATION OF YOUR SERVICE. You may file an informal complaint by telephoning the Public Utility Commission at 1 (800) 692-7380 or by writing to the following address Public Utility Commission, Box 3265, Harrisburg, Pennsylvania 17120."

(vii) A serious illness notice substantially in compliance with the form as set forth in Appendix A (relating to medical emergency notice) except that, for the purpose of § 56.96 (relating to post-termination notice), the notice shall substantially comply with the form as set forth in Appendix B (relating to medical emergency notice).]

Nurse practitioner—A registered nurse licensed in this Commonwealth who is certified by the State Board of Nursing in a particular clinical specialty area and who, while functioning in the expanded role as a professional nurse, performs acts of medical diagnosis or prescription of medical therapeutic or corrective measures in collaboration with and under the direction of a physician licensed to practice medicine in this Commonwealth.

Occupant—A person who resides in the premises to which public utility service is provided.

Payment agreement—[A mutually satisfactory written agreement whereby a ratepayer or applicant who admits liability for billed service is permitted to amortize or pay the unpaid balance of the account in one or more payments over a reasonable period of time.] An agreement in which a customer who admits liability for billed service is permitted to amortize or pay the unpaid balance of the account in one or more payments.

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Physician—An individual licensed [under the laws of the Commonwealth] to engage in the practice of medicine and surgery in all of its branches [within the scope of the Medical Practice Act of 1974 (63 P. S. §§ 421.1—421.18) relating to medicine and surgery as amended], or in the practice of osteopathy or osteopathic surgery [within the scope of the Osteopathic Medical Practice Act (63 P. S. §§ 271.1—271.18)] by a jurisdiction within the United States of America.

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Public utility—An electric distribution utility, natural gas distribution utility or water distribution utility in this Commonwealth that is within the jurisdiction of the Commission.

[**Ratepayer**—A person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service. For the purposes of establishing credit, this term includes a transfer of service from a residence or dwelling within the service area of the utility or a reinstatement of service at the same location within 60 days following termination or discontinuance of service.]

Residential service—

(i) [Utility] Public utility service supplied to a dwelling, including service provided to a commercial establishment if concurrent service is provided to a residential dwelling attached thereto.

(ii) [Utility] The term does not include public utility service provided to a hotel or motel [is not considered residential service].

[Settlement agreements—A mutually satisfactory settlement of a claim or dispute, reduced to writing and signed by the parties or their representatives. The settlement agreement offered by a utility shall state, immediately preceding the space provided for the name of the ratepayer and in boldface print at least two point sizes larger than any other used thereon: “If you are not satisfied with this agreement, do not sign it. You may file an informal complaint before the Public Utility Commission without making yourself subject to retaliation by the Utility. If you do sign this agreement, you may give up your right to a hearing before the Commission on any matter involved in this dispute except the utility’s failure to follow the terms of this agreement.”]

*Termination of service—*Cessation of service, whether temporary or permanent, without the consent of the [ratepayer] customer.

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*User without contract—*Taking or acceptance of public utility service without the knowledge or approval of the public utility, other than unauthorized use of service as defined in this section.

[Utility—A public utility or a municipality, subject to Commission jurisdiction, which provides electric, gas, steam heat, wastewater or water service.]

*Water distribution utility—*An entity owning or operating equipment or facilities for diverting, developing, pumping, impounding, distributing or furnishing water to or for the public for compensation.

Subchapter B. BILLING AND PAYMENT STANDARDS
BILLING

§ 56.11. Billing frequency.

(a) A public utility shall render a bill once every billing period to every residential [ratepayer] customer in accordance with approved rate schedules.

(b) A public utility may utilize electronic billing in lieu of mailed paper bills. Electronic billing programs must include the following requirements:

(1) The electronic billing option is voluntary and the customer retains the option of continuing to receive a paper bill if desired. The customer retains the right to revert to conventional paper billings upon request. The customer shall provide the public utility with a 1 month notice of a request to revert to paper billing.

(2) A customer shall receive a visual presentation of an electronic bill in the same format as the paper bill issued by the public utility.

(3) The electronic bill must include the same disclosures and required educational messages that are required for paper bills. The electronic transmission of termination notices may not be permitted.

(4) The electronic bill must include required bill inserts in an easily accessed and easily readable format.

(5) The electronic bill must include the option for the customer to contribute to the public utility’s hardship fund.

(6) A customer may not be required to pay an additional fee to receive an electronic bill.

(7) The public utility shall maintain a system to ensure delivery of electronic bills if the bill is emailed to a customer.

(8) The public utility shall maintain sufficient system security to assure customer privacy.

§ 56.12. Meter reading; estimated billing; [ratepayer] customer readings.

Except as provided in this section, a public utility shall render bills based on actual meter readings by public utility company personnel.

(1) *Inapplicability to seasonally billed [ratepayers] customers.* This section does not apply to [ratepayers] customers billed on a seasonal basis under terms included in the tariff of the public utility.

(2) *Estimates for bills rendered on a monthly basis.* If a public utility bills on a monthly basis, it may estimate usage of service every other billing month, so long as the public utility provides a [ratepayer] customer with the opportunity to read the meter and report the quantity of usage in lieu of the estimated bill. The resulting bills shall be based on the information provided, except for an account where it is apparent that the information is erroneous.

(i) Upon the request of the [ratepayer] customer, the public utility shall, at least annually, provide preaddressed postcards on which the [ratepayer] customer may [note] report the reading. The public utility shall provide additional preaddressed postcards on request. The public utility may choose to make available electronic and telephonic methods for customers to report meter reading information.

(ii) The public utility may establish due dates by which the postcards shall be received for a bill to be based upon the meter reading of the [ratepayer] customer or occupant. If the reading of a [ratepayer] customer or occupant is not received by that due date, the public utility may estimate the quantity of usage. The public utility may establish due dates for submitting a meter reading when the customer or occupant utilizes an electronic method for reporting meter readings.

(3) *Estimates permitted under exigent circumstances.* A public utility may estimate the bill of a [ratepayer] customer if extreme weather conditions, emergencies, equipment failure, work stoppages or other circumstances prevent actual meter reading.

(4) *Estimates when public utility personnel are unable to gain access.* A public utility may estimate the bill of a [ratepayer] customer if public utility personnel are

unable to gain access to obtain an actual meter reading, as long as the following apply:

(i) The **public** utility has undertaken reasonable alternative measures to obtain a meter reading, including, but not limited to, the provision of preaddressed postcards upon which the **[ratepayer] customer** may **[note]** report the reading or the telephone reporting of the reading.

(ii) The **public** utility, at least every 6 months, or every four billing periods for **public** utilities permitted to bill for periods in excess of 1 month, obtains an actual meter reading or **[ratepayer] customer** supplied reading to verify the accuracy of the estimated readings.

(iii) The **public** utility, at least once every 12 months, obtains an actual meter reading to verify the accuracy of the readings, either estimated or **[ratepayer] customer** read.

(5) *Remote reading devices for water, gas and electric utilities. All readings by an AMR device shall be deemed actual readings for the purposes of this subsection.* A **public** utility may render a bill on the basis of readings from a remote reading device under the following conditions:

(i) When a gas, electric or water **public** utility uses readings from a remote reading device to render bills, the **public** utility shall obtain an actual meter reading at least once every 5 years to verify the accuracy of the remote reading device. If the **[ratepayer] customer** of record at the dwelling changes during the 5-year period between actual meter readings, the **public** utility shall make a bona fide attempt to schedule an appointment with the departing **[ratepayer] customer** and, if necessary, the new occupant, to secure an actual meter reading.

(ii) When the actual meter reading establishes that the customer was underbilled due to an error in the registration of the remote reading device, the **public** utility may render a bill for the uncollected amount. If the rebilling exceeds the otherwise normal estimated bill for the **billing period during which the bill is issued** by at least 50% **[and]** or at least \$50, the **public** utility shall comply with § 56.14 (relating to previously unbilled **public** utility service).

(iii) When the actual meter reading establishes that the customer was overbilled due to an error in the readings of the remote reading device, the **public** utility shall credit or refund to the customer the amount overbilled plus interest calculated under § 56.181(3) (relating to duties of parties; disputing party's duty to pay undisputed portion of bills; **public** utility's duty to pay interest whenever overpayment found).

* * * * *

(6) *Limitation of liability.* If a water company has estimated bills and if the **[ratepayer] customer** or occupant during that period has consumed an amount of water in excess of normal seasonal usage because of a verified leak that could not reasonably have been detected or other unknown loss of water, the **[ratepayer] customer** is not liable for more than 150% of the average amount of water consumed for the corresponding period during the previous year. This section does not apply when the water **public** utility was unable to gain access and has complied with paragraph (4).

(7) **[Equal monthly] Budget billing.** A gas, electric and steam heating utility shall provide its residential

[ratepayers] customers, on a year-round rolling enrollment basis, with an optional billing procedure which averages estimated **public** utility service costs over a 10-month, 11-month or 12-month period to eliminate, to the extent possible, seasonal fluctuations in utility bills. The **public** utility shall review accounts at least three times during the optional billing period. **A resulting reconciliation amount exceeding \$25 shall be amortized over a 3–12 month period. Payment agreements for heating customers shall be based upon equal monthly billing.**

(8) *Notice.* The **public** utility shall inform existing **[ratepayers] customers** of their rights under this section and under 66 Pa.C.S. § 1509 (relating to billing procedures).

§ 56.13. **[Separate billings] Billings** for merchandise, appliances and nonrecurring **and recurring** services.

Charges for other than basic service—that is, merchandise, appliances and special services, including merchandise and appliance installation, sales, rental and repair costs; meter testing fees; line extension costs; special construction charges, and other nonrecurring charges, except as provided in this chapter—shall appear **[on a separate bill] after charges for basic services and appear distinctly separate. This includes charges for optional recurring services which are distinctly separate and clearly not required for the physical delivery of service. Examples include line repair programs and appliance warranty programs.**

§ 56.14. Previously unbilled **public** utility service.

When a **public** utility renders a make-up bill for previously unbilled **public** utility service **which accrued within the past 4 years** resulting from **public** utility billing error, meter failure, leakage that could not reasonably have been detected or loss of service, or four or more consecutive estimated bills and the make-up bill exceeds the otherwise normal estimated bill for the **billing period during which the make up bill is issued** by at least 50% **[and]** or at least \$50, **whichever is greater:**

(1) The **public** utility shall review the bill with the **[ratepayer] customer** and make a reasonable attempt to enter into a payment agreement.

(2) The period of the payment agreement may, at the option of the **[ratepayer] customer**, extend at least as long as:

* * * * *

§ 56.15. **Billing information.**

A bill rendered by a **public** utility for metered residential **public** utility service **[shall] must** state clearly the following information:

* * * * *

(8) The amount of late payment charges, designated as such, which have accrued to the account of the **[ratepayer] customer** for failure to pay bills by the due date of the bill and which are authorized under § 56.22 (relating to accrual of late payment charges).

* * * * *

(11) A statement directing the **[ratepayer] customer** to “register any question or complaint about the bill prior to the due date,” with the address and telephone number where the **[ratepayer] customer** may initiate the inquiry or complaint with the **public** utility.

(12) A statement that a rate schedule, an explanation of how to verify the accuracy of a bill and an explanation of the various charges, if applicable, is available for inspection in the local business office of the **public utility**.

(13) A designation of the applicable rate schedule as denoted in the officially filed tariff of the **public utility**.

(14) Electric distribution utilities and natural gas distribution utilities shall incorporate the requirements of §§ 54.4 and 62.74 (relating to bill format for residential and small business customers).

(15) The Plain Language Policy Guidelines in § 69.251 (relating to plain language—statement of policy) shall be incorporated to the extent practical.

§ 56.16. Transfer of accounts.

(a) A **[ratepayer] customer** who is about to vacate premises supplied with **public utility service** or who wishes to have service discontinued shall give at least 7 days notice to the **public utility** and a **[nonratepayer] noncustomer** occupant, specifying the date on which it is desired that service be discontinued. In the absence of a notice, the **[ratepayer] customer** shall be responsible for services rendered. **If the public utility is not able to access the meter for discontinuance, service shall be discontinued with an estimated meter reading upon which the final bill will be based. The resulting final bill is subject to adjustment once the public utility has obtained an actual meter reading and can determine the actual consumption used by the customer.**

(b) In the event of discontinuance or termination of service at a residence or dwelling in accordance with this chapter, a **public utility** may transfer an unpaid balance to a new residential service account of the same **[ratepayer] customer**.

(c) If a termination notice has been issued in accordance with § 56.91 (relating to general notice provisions and contents of termination notice) and subsequent to the mailing or delivery of a notice, a **[ratepayer] customer** requests a transfer of service to a new location, the termination process as set forth in §§ 56.91—56.99 may continue at the new location.

(1) In the event that notifications set forth under § 56.91 and § 56.95 (relating to deferred termination when no prior contact) have been rendered and service has not been terminated due to a denial of access to the premises, the **public utility** may deny service at a new location when a service transfer is requested.

(2) Nothing in this section shall be construed to limit the right of a **[ratepayer] customer** to dispute a bill within the meaning of §§ 56.141—56.143 (relating to dispute procedures; time for filing a termination dispute or informal complaints; and effect of failure to timely file an informal complaint).

(d) In the event of a termination of service to a residential **[ratepayer] customer**, a **public utility** may transfer to the account of a third-party guarantor any portion of the unpaid balance which is equivalent to the cash deposit requirement of the **[ratepayer] customer**.

§ 56.17. Advance payments.

Payments may be required in advance of furnishing any of the following services:

* * * * *

(3) Gas and electric rendered through prepayment meters provided:

(i) The **[ratepayer] customer** is nonlow income; for purposes of this section, nonlow income is defined as an individual who has an annual household gross income greater than 150% of the Federal poverty income guidelines, and has a delinquency for which the individual is requesting a payment agreement but offering terms that the **public utility**, after consideration of the factors at § 56.97(b) (relating to procedures upon **[ratepayer] customer** or occupant contact prior to termination), finds unacceptable.

(ii) The service is being rendered to an individually-metered residential dwelling, and the **[ratepayer] customer** and occupants are the only individuals affected by the installation of a prepayment meter.

(iii) The **[ratepayer] customer** and **public utility** enter into **[a settlement] an informal dispute settlement agreement or payment agreement** which includes, but is not limited to, the following terms:

(A) The **[ratepayer] customer** voluntarily agrees to the installation of a prepayment meter.

(B) The **[ratepayer] customer** agrees to purchase prepayment cards to maintain service until the total balance is retired and the **public utility** agrees to make new cards available to the **[ratepayer] customer** within 5 days of receipt of prepayment.

(C) The **public utility** agrees to furnish the **[ratepayer] customer** an emergency backup card for additional usage of at least 5 days.

(D) The **[ratepayer] customer** agrees that failure to renew the card by making prepayment for additional service constitutes a request for discontinuance under § 56.72(1) (relating to discontinuation of service), except during a medical emergency, and that discontinuance will occur when the additional usage on the emergency backup card runs out.

(iv) **[During the first 2 years of use of prepayment meters, the utility thoroughly and objectively evaluates the use of prepayment meters in accordance with the following:**

(A) **Content.** The evaluation should include both process and impact components. Process evaluation should focus on whether the use of prepayment meters conforms to the program design and should assess the degree to which the program operates efficiently. The impact evaluation should focus on the degree to which the program achieves the continuation of utility service to participants at reasonable cost levels. The evaluation should include an analysis of the costs and benefits of traditional collections or alternative collections versus the costs and benefits of handling nonlow income positive ability to pay customers through prepayment metering. This analysis should include comparisons of customer payment behavior, energy consumption, administrative costs and actual collection costs.

(B) **Time frame.** The process evaluation should be undertaken during the middle of the first year; the impact evaluation at least by the end of the second year.]

The public utility develops a written plan for a prepayment meter program, consistent with the criteria established in this section, and submits the plan to the Commission at least 30 days in advance of the effective date of the program.

(v) [The utility develops a written plan for a prepayment meter program, consistent with the criteria established in this section, and submits the plan to the Commission at least 30 days in advance of the effective date of the program.]

During the first 2 years of use of prepayment meters, the public utility thoroughly and objectively evaluates the use of prepayment meters in accordance with the following:

(A) *Content.* The evaluation should include both process and impact components. Process evaluation should focus on whether the use of prepayment meters conforms to the program design and should assess the degree to which the program operates efficiently. The impact evaluation should focus on the degree to which the program achieves the continuation of utility service to participants at reasonable cost levels. The evaluation should include an analysis of the costs and benefits of traditional collections or alternative collections versus the costs and benefits of handling nonlow income positive ability to pay customers through prepayment metering. This analysis should include comparisons of customer payment behavior, energy consumption, administrative costs and actual collection costs.

(B) *Time frame.* The process evaluation should be undertaken during the middle of the first year; the impact evaluation at least by the end of the second year.

* * * * *

PAYMENTS

§ 56.21. Payment.

The due date for payment of a bill may be no less than 20 days from the date of transmittal; that is, the date of mailing or [physical] delivery of the bill by the public utility to the [ratepayer] customer.

(1) *Extension of due date to next business day.* If the last day for payment falls on a Saturday, Sunday, bank holiday or other day when the offices of the public utility which regularly receive payments are not open to the general public, the due date shall be extended to the next business day.

(2) *Date of payment by mail.* For a remittance by mail, one or more of the following applies:

* * * * *

(ii) The public utility may not impose a late payment charge unless payment is received more than 5 days after the due date.

* * * * *

(4) *Electronic transmission.* The effective date of a payment electronically transmitted to a public utility is the date of actual receipt of the electronic notification of payment.

(5) *Fees.* Fees or charges assessed and collected by the public utility for utilizing a payment option shall be included in the public utility's tariff on file at the Commission.

(6) *Multiple notifications.* When a public utility advises a [ratepayer] customer of a balance owed by multiple notices or contacts, which contain different due dates, the date on or before which payment is due shall be the last date contained in any of the notices.

§ 56.22. Accrual of late payment charges.

(a) Every public utility subject to this chapter is prohibited from levying or assessing a late charge or penalty on any overdue public utility bill, as defined in § 56.21 (relating to payment), in an amount which exceeds 1.5% interest per month on the [full unpaid and] overdue balance of the bill. These charges are to be calculated on the overdue portions of the bill only. The interest rate, when annualized, may not exceed 18% simple interest per annum.

(b) An additional charge or fixed fee designed to recover the cost of a subsequent rebilling may not be charged by a regulated public utility.

(c) Late payment charges may not be imposed on disputed estimated bills, unless the estimated bill was required because public utility personnel were willfully denied access to the affected premises to obtain an actual meter reading.

(d) A public utility may waive a late payment charge on any customer accounts. The Commission may direct the waiver of late payment charges for customers with a gross income less than or equal to 150% of the Federal poverty level. See 66 Pa.C.S. § 1409 (relating to late payment charge waiver).

(e) Additional late payment charges may not be assessed on account balances once the account is no longer actively billed by the public utility.

§ 56.23. Application of partial payments between public utility and other service.

Payments received by a public utility without written instructions that they be applied to merchandise, appliances, special services, meter testing fees or other nonbasic charges and which are insufficient to pay the balance due for the items plus amounts billed for basic utility service shall first be applied to the basic charges for residential public utility service.

§ 56.24. Application of partial payments among several bills for public utility service.

In the absence of written instructions, a disputed bill or [an amortization] payment agreement, payments received by a public utility which are insufficient to pay a balance due both for prior service and for service billed during the current billing period shall first be applied to the balance due for prior service.

§ 56.25. Electronic bill payment.

A public utility may offer electronic payment options. Electronic payment programs must include the following requirements:

(1) Electronic bill payment shall be voluntary and may not be required in conjunction with electronic billing.

(2) For electronic bill payment through a charge to a customer's credit card or automatic withdrawal from a customer's checking account, the program must set forth the date (or number of days after issuance of the bill) when the automatic payment shall be made.

(3) The terms of the payment procedures shall be fully disclosed to the customer in writing before the customer enters the program. Program changes shall be conveyed to the customer in writing and the customer shall be given an opportunity to withdraw from the program if the customer does not wish to continue under the new terms.

(4) The public utility shall provide a receipt, either electronically or on paper, to the customer upon payment through the electronic method.

(5) The public utility shall maintain sufficient system security to protect customer information and access to customer accounts.

Subchapter C. CREDIT AND DEPOSITS STANDARDS POLICY

PROCEDURES FOR NEW APPLICANTS

§ 56.31. Policy statement.

An essential ingredient of the credit and deposit policies of each public utility shall be the equitable and nondiscriminatory application of those precepts to potential and actual [ratepayers] customers throughout the service area without regard to the economic character of the area or any part thereof. Deposit policies [shall] must be based upon the credit risk of the individual applicant or [ratepayer] customer rather than the credit history of the affected premises or the collective credit reputation or experience in the area in which [he] the applicant or customer lives and without regard to race, sex, age over 18, national origin or marital status.

§ 56.32. [Credit standards] Security and cash deposits.

[A utility shall provide residential service without requiring a deposit when the applicant satisfies one of the following requirements:

(1) *Prior utility payment history.* The applicant has been a recipient of utility service of a similar type within a period of 24 consecutive months preceding the date of the application and was primarily responsible for payment for such service, so long as:

(i) The average periodic bill for the service was equal to at least 50% of that estimated for new service.

(ii) The service of the applicant was not terminated for nonpayment during the last 12 consecutive months of that prior service.

(iii) The applicant does not have an unpaid balance from that prior service.

(2) *Ownership of real property.* The applicant owns or has entered into an agreement to purchase real property located in the area served by the utility or is renting his place of residence under a lease of one year or longer in duration, unless the applicant has an otherwise unsatisfactory credit history as an utility customer within 2 years prior to the application for service.

(3) *Credit information.* The applicant provides information demonstrating that he is not an unsatisfactory credit risk.

(i) The absence of prior credit history does not, of itself, indicate an unsatisfactory risk.

(ii) The utility may request and consider information including but not limited to: the name of the employer of the applicant, place and length of employment, residences during the previous 5 years, letters of reference, credit cards and any significant source of income other than from employment.]

(a) A public utility may require a cash deposit in an amount that is equal to 1/6 of an applicant's estimated annual bill at the time the public utility determines a deposit is required, based upon the following:

(1) An applicant who previously received utility distribution services and was a customer of the public utility and whose service was terminated for any of the following reasons:

(i) Nonpayment of an undisputed delinquent account.

(ii) Failure to complete payment of a deposit, provide a guarantee or establish credit.

(iii) Failure to permit access to meters, service connections or other property of the public utility for the purpose of replacement, maintenance, repair or meter reading.

(iv) Unauthorized use of the public utility service delivered on or about the affected dwelling.

(v) Failure to comply with the material terms of an informal dispute settlement agreement or payment agreement.

(vi) Fraud or material misrepresentation of identity for the purpose of obtaining public utility service.

(vii) Tampering with meters, including bypassing a meter or removal of an automatic meter reading device or other public utility equipment.

(viii) Violating tariff provisions on file with the Commission which endanger the safety of a person or the integrity of the delivery system of the public utility.

(2) An applicant or customer who is unable to establish creditworthiness to the satisfaction of the public utility through the use of a generally accepted credit scoring methodology which employs standards for using the methodology that fall within the range of general industry practice. The credit scoring methodology utilized for this purpose must specifically assess the risk of utility bill payment.

(b) Except for applicants who are subject to a deposit under subsection (a), a city natural gas distribution operation may require a deposit from the applicant as follows:

(1) When an applicant has household income above 300% of the Federal poverty level, a deposit of 1/6 of the applicant's estimated annual bill shall be paid in full at the time the city natural gas distribution operation determines a deposit is required.

(2) When an applicant has household income no greater than 300% of the Federal poverty level, 1/12 of the applicant's estimated annual bill shall be paid in full at the time the city natural gas distribution operation determines a deposit is required. Applicants who enroll into the customer assistance

program made available by the city natural gas distribution operation are not subject to this paragraph.

(3) The Commission will permit a city natural gas distribution operation to refuse to provide service to an applicant when the applicant has a pending lien or civil judgment by the city natural gas distribution operation outstanding against the applicant or against property owned in whole or in part by the applicant unless the applicant enters into a payment arrangement for the payment of the amount associated with the lien or judgment that remains outstanding at the time of the application.

(c) Prior to providing public utility service, a public utility may require the applicant to provide the names of each adult occupant residing at the location and proof of their identity. For purposes of this section, valid identification consists of one government issued photo identification. If one government issued photo identification is not available, the public utility may require the applicant to present two alternative forms of identification, as long as one of the identifications includes a photo of the individual. In lieu of requiring identification, the public utility may ask, but may not require, the individual to provide the individual's Social Security Number. Public utilities shall take all appropriate actions needed to ensure the privacy and confidentiality of identification information provided by their applicants and customers.

§ 56.33. [Cash deposits; third] Third-party guarantors.

If an applicant does not establish [his] credit under § 56.32 (relating to [credit standards] security and cash deposits), the public utility shall provide residential service when one of the following requirements is satisfied:

* * * * *

(2) *Third-party guarantor.* [The applicant furnishes a written guarantee from a responsible ratepayer which, for the purposes of this section, shall mean a ratepayer who has or can establish credit, under § 56.32, to secure payment in an amount equal to that required for cash deposits.

(i) A guarantee shall be in writing and shall state the terms of the guarantee.

(ii) The guarantor shall be discharged when the applicant has met the terms and conditions which apply under §§ 56.52—56.57.]

This section does not preclude an applicant from furnishing a third-party guarantor in lieu of a cash deposit. The guaranty must be in writing and state the terms of the guaranty. The guarantor shall be responsible for all missed payments owed to the public utility.

§ 56.35. Payment of outstanding balance.

(a) A public utility may require, as a condition of the furnishing of residential service to an applicant, the payment of any outstanding residential account with the public utility which accrued within the past 4 years for which the applicant is legally responsible and for which the applicant was billed properly. [However, any such]

(b) A public utility may not require, as a condition of the furnishing of residential service, pay-

ment for residential service previously furnished under an account in the name of a person other than the applicant.

(1) A public utility may require the payment of an outstanding balance or portion of an outstanding balance if the applicant resided at the property for which service is requested during the time the outstanding balance accrued and for the time the applicant resided there, not exceeding 4 years.

(2) A public utility may establish that an applicant previously resided at a property for which residential service is requested through the use of mortgage, deed or lease information, a commercially available consumer credit reporting service or other methods approved as valid by the Commission.

(3) Public utilities shall include in their tariffs filed with the Commission the procedures and standards used to determine the applicant's liability for any outstanding balance. Any outstanding residential account with the public utility may be amortized [over a reasonable period of time. Factors to be taken into account include but are not limited to the size of the unpaid balance, the ability of the applicant to pay, the payment history of the applicant, and the length of time over which the bill accumulated. A utility may not require, as a condition of the furnishing of residential service, payment for residential service previously furnished under an account in the name of a person other than the applicant unless a court, district justice or administrative agency has determined that the applicant is legally obligated to pay for the service previously furnished. Examples of situations include a separated spouse or a cotenant] in accordance with § 56.191 (relating to the general rule).

(c) This section does not affect the creditor rights and remedies of a public utility otherwise permitted by law.

§ 56.36. Written procedures.

(a) Public utilities shall include in their tariffs filed with the Commission their credit and application procedures along with their credit scoring methodology and standards.

(b) A public utility shall establish written procedures for determining the credit status of an applicant and for determining responsibility for unpaid balances in accordance with § 56.35 (relating to payment of outstanding balance). The written procedures must specify that there are separate procedures and standards for victims with a protection from abuse order. A public utility [employe] employee processing applications or determining the credit status of applicants shall be supplied with or have ready access to a copy of the written procedures of the public utility. A copy of these procedures shall be maintained on file in each of the business offices of the public utility and made available, upon request, for inspection by members of the public and the Commission and be included on the public utility's web site.

(1) *Reasons for denial of credit.* If credit is denied, the public utility shall inform the [ratepayer] customer or applicant orally and in writing of the reasons for the denial within 3 business days of the denial. The written denial statement must include the applicant or customer's credit score, the provider of the credit score, information on the customer or appli-

cant's ability to challenge the accuracy of the credit score, and how to contact the credit score provider. If the public utility is requiring payment of an unpaid balance in accordance with § 56.35, the public utility shall specify in writing the amount of the unpaid balance, the dates during which the balance accrued and the location and customer name at which the balance accrued. The statement must inform the applicant of the right to furnish a third party guarantor in accordance with § 56.33 (relating to third-party guarantors) and the right to contact the Commission. The statement must include information informing victims of domestic violence with a Protection from Abuse Order that more lenient credit and liability standards may be available.

(2) *Informing applicants of procedures.* [Utility] Public utility personnel shall fully explain the credit and deposit procedures of the public utility to each [ratepayer] customer or applicant for service.

(3) *Third-party requests for service.* Requests from third parties to establish public utility service, on behalf of an applicant, will not be honored until the public utility has verified the legitimacy of the request. Verification may be accomplished by any means appropriate to confirm that the applicant consents to service being established or that the third party is authorized to act on the applicant's behalf.

§ 56.37. General rule.

Once an applicant's application for service is accepted by the public utility, the public utility shall provide service within 3 days, provided that the applicant has met all requirements. A longer time frame is permissible with the consent of the applicant. If the investigation and determination of credit status is expected to take or in fact takes longer than 3 business days commencing the date after the application is made, the public utility shall provide service pending completion of the investigation.

§ 56.38. Payment period for deposits by applicants.

An applicant may elect to pay any required deposits in three installments: 50% payable upon the determination by the public utility that the deposit is required, 25% payable 30 days after the determination, and 25% payable 60 days after the determination. A public utility shall advise an applicant of the option to pay the requested security deposit in installments at the time the deposit is requested.

PROCEDURES FOR EXISTING [RATEPAYERS] CUSTOMERS

§ 56.41. General rule.

A public utility may require an existing [ratepayer] customer to post a deposit to reestablish credit under the following circumstances:

(1) *Delinquent accounts.* Whenever a [ratepayer] customer has been delinquent in the payment of any two consecutive bills or three or more bills within the preceding 12 months.

(i) Prior to requesting a deposit under this section, the public utility shall give the [ratepayer] customer written notification of its intent to request a cash deposit if current and future bills continue to be paid after the due date.

(A) Notification [shall] must clearly indicate that a deposit is not required at this time but that if bills continue to be paid after the due date a deposit will be required.

(B) Notification may be mailed or delivered to the [ratepayer] customer together with a bill for public utility service.

(C) Notification [shall] must set forth the address and phone number of the public utility office where complaints or questions may be registered.

(D) A subsequent request for deposit [shall] must clearly indicate that a [ratepayer] customer should register any question or complaint about that matter prior to the date the deposit is due [in order] to avoid having service terminated pending resolution of a dispute. The request [shall] must also include the address and telephone number of the public utility office where questions or complaints may be registered.

(ii) Except in the case of adjustments to equal monthly billing plans, a public utility may issue a notification or subsequent request for a deposit based, in whole or in part, on a delinquent account arising out of a make-up bill as defined in § 56.14 (relating to previously unbilled public utility services), under the following conditions:

(A) The public utility has complied with [the requirements of] § 56.14. Compliance with a payment agreement or [settlement agreement] informal dispute settlement agreement by the [ratepayer] customer discharges the delinquency, and a notification or request for deposit [shall] may not thereafter be issued based on the make-up bill.

(B) If a make-up bill exceeds the otherwise normal estimated bill by at least 50% and if the [ratepayer] customer makes payment in full after the bill is delinquent but before a notification of intent to request a deposit is given to the [ratepayer] customer, such a notification or request for deposit [shall] may not thereafter be issued based on the make-up bill.

(2) *Condition to the reconnection of service.* A public utility may require a deposit as a condition to reconnection of service following a termination in accordance with § 56.191 (relating to the general rule).

(3) *Failure to comply with [settlement] informal dispute settlement agreement or payment agreement.* A public utility may require a deposit, whether or not service has been terminated, when a [ratepayer] customer fails to comply with a material term or condition of a [settlement] informal dispute settlement agreement or payment agreement.

§ 56.42. Payment period for deposits.

The due date for payment of a deposit other than a deposit required as a condition for the reconnection of service under § 56.41[(b)] (2) (relating to general rule) may not be less than 21 days from the date of mailing or service on the [ratepayer] customer of notification of the amount due. A [ratepayer] customer may elect to pay a required deposit in three installments: 50% payable upon the determination by the public utility that the deposit is required, 25% payable 30 days after the determination and 25% payable 60 days after the determination. A customer paying a deposit based on the

grounds in § 56.41(2) may be required to pay 50% as part of the conditions for restoration, with 25% payable 60 days later and 25% payable 90 days later.

§ 56.43. [Deposit method; cash deposit or composite group] (Reserved).

[Whenever a ratepayer is required to make a deposit, the requirement may be satisfied either by posting a cash deposit or becoming a member in good standing of a composite group.]

CASH DEPOSITS

§ 56.51. Amount of cash deposit.

(a) *Applicants.* A public utility may [not] require a cash deposit [from an applicant in excess of the average estimated bill of the applicant for a period equal to one billing period plus 1 additional month's service, not to exceed 4 months in the case of water and sewage utilities and 2 months in the case of gas, electric and steam heat utilities, with a minimum deposit of \$5] equal to 1/6 of the applicant's estimated annual bill under the following circumstances:

(1) An applicant who previously received utility distribution services and was a customer of the public utility and whose service was terminated for any of the following reasons:

(i) Nonpayment of an undisputed delinquent account.

(ii) Failure to complete payment of a deposit, provide a guarantee or establish credit.

(iii) Failure to permit access to meters, service connections or other property of the public utility for the purpose of replacement, maintenance, repair or meter reading.

(iv) Unauthorized use of the utility service delivered on or about the affected dwelling.

(v) Failure to comply with the material terms of a settlement or payment agreement.

(vi) Fraud or material misrepresentation of identity for the purpose of obtaining utility service.

(vii) Tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other public utility equipment.

(viii) Violating tariff provisions on file with the Commission to endanger the safety of a person or the integrity of the delivery system of the public utility.

(2) An applicant or customer who is unable to establish creditworthiness to the satisfaction of the public utility through the use of a generally accepted credit scoring methodology which employs standards for using the methodology that fall within the range of general industry practice.

(3) A customer who fails to comply with a material term or condition of a settlement or payment agreement.

(b) *City natural gas operation.* A city natural gas distribution operation may require a cash deposit from an applicant with a household income no greater than 300% of the Federal poverty level in an amount not in excess of 1/12 of the applicant's

estimated annual bill. A city natural gas operation may require a cash deposit from an applicant with a household income level above 300% of the Federal poverty level in the amount of 1/6 of the applicant's estimated annual bill. An estimated annual bill shall be calculated on the basis of the annual bill to the dwelling at which service is being requested for the prior 12 months, or, if unavailable, a similar dwelling in close proximity.

(c) *Existing [ratepayers] customers.* For an existing [ratepayer] customer, the cash deposit may not exceed the estimated charges for service based on the prior consumption of that [ratepayer] customer for the class of service involved for a period equal to one average billing period plus 1 average month, not to exceed 4 months in the case of water [and sewage] utilities and 2 months in the case of gas [,] and electric [and steam heat] utilities, with a minimum of \$5.

[(c)] (d) *Adjustment of deposits.* The amount of a cash deposit may be adjusted at the request of the [ratepayer] customer or the public utility whenever the character or degree of the usage of the [ratepayer] customer has materially changed or when it is clearly established that the character or degree of service will materially change in the immediate future.

§ 56.53. [Refund of deposit] Deposit hold period and refund.

[A cash deposit shall be refunded under the following conditions:

(1) *Termination or discontinuance of service.* Upon termination or discontinuance of service, the utility shall promptly apply the deposit of the ratepayer, including accrued interest, to any outstanding balance for utility service and refund or apply to the ratepayer's account, the remainder to the ratepayer. A transfer of service from one location to another within a service area may not be deemed discontinuance within the meaning of this chapter.

(2) *Credit established.* When a ratepayer establishes credit under § 56.32 (relating to credit standards), the utility shall refund or apply to the ratepayer's account, any cash deposit plus accrued interest.

(3) *Third-party guarantor.* When a ratepayer substitutes a third-party guarantor in accordance with § 56.33(3) (relating to composite group; cash deposits; third-party guarantor), the utility shall refund any cash deposit, plus accrued interest, up to the limits of the guarantee.

(4) *Prompt payment of bills.* After a ratepayer has paid bills for service for 12-consecutive months without having service terminated and without having paid his bill subsequent to the due date or other permissible period as stated in this chapter on more than two occasions, the utility shall refund any cash deposit, plus accrued interest, so long as the customer currently is not delinquent.

(5) *Optional refund.* At the option of the utility, a cash deposit, including accrued interest, may be refunded in whole or in part, at any time earlier than the time stated in this section.]

(a) A public utility may hold a deposit until a timely payment history is established or for a maximum period of 24 months.

(b) A timely payment history is established when a customer has paid in full and on time for 12 consecutive months.

(c) At the end of the deposit holding period as established in subsection (a), the public utility shall deduct the outstanding balance from the deposit and return or credit any positive difference to the customer. At the option of the utility, a cash deposit, including accrued interest, may be refunded in whole or in part, at any time earlier than the time stated in this section.

(d) If service is terminated before the end of the deposit holding period as established in subsection (a), the public utility shall deduct the outstanding balance from the deposit and return any positive difference to the customer within 60 days of the termination.

(e) If a customer becomes delinquent before the end of the deposit holding period as established in subsection (a), the public utility may deduct the outstanding balance from the deposit.

§ 56.54. Application of deposit to bills.

The [ratepayer] customer may elect to have a deposit applied to reduce bills for public utility service or to receive a cash refund.

§ 56.55. [Periodic review] (Reserved).

[If a ratepayer is not entitled to refund under § 56.53 (relating to refund of deposit), the utility shall review the account of the ratepayer each succeeding billing period and shall make appropriate disposition of the deposit in accordance with § 56.53 and § 56.54 (relating to application of deposit to bills).]

§ 56.56. Refund statement.

If a cash deposit is applied or refunded, the public utility shall mail or deliver to the [ratepayer] customer a written statement showing the amount of the original deposit plus accrued interest, the application of the deposit to a bill which had previously accrued, the amount of unpaid bills liquidated by the deposit and the remaining balance.

§ 56.57. Interest rate.

[Interest at the rate of the average of 1-year Treasury Bills for September, October and November of the previous year is payable on deposits without deductions for taxes thereon unless otherwise required by law.] The public utility shall accrue interest on the deposit until it is returned or credited the legal rate of interest under section 202 of the act of January 30, 1974 (P. L. 13, No. 6) (41 P. S. § 202), referred to as the Loan Interest and Protection Law, and return the interest with the deposit.

§ 56.58. Application of interest.

Interest shall be paid annually to the [ratepayer] customer, or, at the option of either the public utility or the [ratepayer] customer, shall be applied to service bills.

Subchapter D. INTERRUPTION AND DISCONTINUANCE OF SERVICE

§ 56.71. Interruption of service.

A public utility may temporarily interrupt service where necessary to effect repairs or maintenance; to eliminate an imminent threat to life, health, safety or substantial property damage; or for reasons of local, State or [national] National emergency.

(1) *Interruption with prior notice.* [Where] When the public utility knows in advance of the circumstances requiring the service interruption, prior notice of the cause and expected duration of the interruption shall be given to [ratepayers] customers and occupants who may be affected.

(2) *Interruption without prior notice.* [Where] When service is interrupted due to unforeseen circumstances, notice of the cause and expected duration of the interruption shall be given as soon as possible to [ratepayers] customers and occupants who may be affected.

(3) *Notification procedures.* [Where ratepayers] When customers and occupants are to be notified under this section, the public utility shall take reasonable steps, such as personal contact, phone contact and use of the mass media, to notify affected [ratepayers] customers and occupants of the cause and expected duration of the interruption.

* * * * *

§ 56.72. Discontinuation of service.

A public utility may discontinue service without prior written notice under the following circumstances:

(1) *[Ratepayer's] Customer's residence.* When a [ratepayer] customer requests a discontinuance at his residence, when the [ratepayer] customer and members of his household are the only occupants. If the account is listed in multiple customer names and the public utility receives a request for discontinuance from just one or more of the customers listed, but not all the customers listed, the customer requesting discontinuance shall state that all the occupants meeting the definition of customer consent to the cessation of service. If consent is not provided, the public utility, at least 3 days prior to the proposed discontinuance, shall conspicuously post notice of termination at the affected premises.

(2) *Other premises or dwellings.* Other premises or dwellings [shall be] as follows:

(i) When a [ratepayer] customer requests discontinuance at a dwelling other than his residence or at a single meter multifamily residence, whether or not his residence but, in either case, only under either of the following conditions:

(A) The [ratepayer] customer states in writing that the premises are unoccupied. The statement [shall] must be on a form conspicuously bearing notice that information provided by the [ratepayer] customer will be relied upon by the Commission in administering a system of uniform service standards for public utilities and that any false statements are punishable criminally. When the [ratepayer] customer fails to provide a notice, or when the [ratepayer] customer has falsely stated the premises are unoccupied, the [ratepayer]

customer shall be responsible for payment of utility bills until the **public utility** [**terminates**] **discontinues** service.

(B) The occupants affected by the proposed cessation inform the **public utility** orally or in writing of their consent to the discontinuation.

(ii) [**Where**] **When** the conditions set forth in subparagraph (i) have not been met, the **public utility**, at least [**10**] **3** days prior to the proposed [**termination**] **discontinuance**, shall conspicuously post notice of termination at the affected premises.

* * * * *

(B) Notices [**shall**] **must**, at a minimum, state: the date on or after which [**termination**] **discontinuance** will occur; the name and address of the **public utility**; and the requirements necessary for the occupant to obtain **public utility** service in the occupant's name. Further termination provisions of this chapter except § 56.97 (relating to procedures upon [**ratepayer**] **customer** or occupant contact prior to termination) do not apply in these circumstances.

(C) This section does not apply when the [**ratepayer**] **customer** is a landlord **ratepayer**. See [§§ 56.121—56.126 (Reserved).] 66 Pa.C.S. §§ 1521—1533 (relating to discontinuance of service to leased premises).

**Subchapter E. TERMINATION OF SERVICE
GROUNDS FOR TERMINATION**

§ 56.81. Authorized termination of service.

[**Utility service to a dwelling may be terminated for one or more of the following reasons:**] **A public utility may notify a customer and terminate service provided to a customer after notice as provided in §§ 56.91—56.100 (relating to notice procedures prior to termination) for any of the following actions by the customer:**

* * * * *

(2) **Failure to [post a deposit, provide a guarantee or establish credit] to complete payment of a deposit, provide a guarantee of payment or establish credit.**

(3) [**Unreasonable refusal to permit access to meters, service connections and other property of the utility for the purpose of maintenance, repair or meter reading**] **Failure to permit access to meters, service connections or other property of the public utility for the purpose of replacement, maintenance, repair or meter reading.**

(4) [**Unauthorized use of the utility service delivered on or about the affected dwelling.**

(5)] **Failure to comply with the material terms of a [settlement] informal dispute settlement agreement or payment agreement.**

[(6) **Fraud or material misrepresentation of identity for the purpose of obtaining utility service.**

(7) **Tampering with meters or other utility equipment.**

(8) **Violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the energy delivery system of the utility.]**

§ 56.82. [Days termination of service is prohibited] Timing of termination.

[**Except in emergencies—which include unauthorized use of utility service—service shall not be terminated, for nonpayment of charges or for any other reason, during the following periods:**

(1) **On Friday, Saturday, or Sunday.**

(2) **On a bank holiday or on the day preceding a bank holiday.**

(3) **On a holiday observed by the utility or on the day preceding such holiday. A holiday observed by a utility shall mean any day on which the business office of the utility is closed to observe a legal holiday, to attend utility meetings or functions, or for any other reason.**

(4) **On a holiday observed by the Commission or on the day preceding such holiday.]**

A public utility may terminate service for the reasons in § 56.81 (relating to authorized termination of service) from Monday through Friday as long as the public utility has offices open on the following day during regular business hours and personnel on duty who can negotiate conditions to restore service, accept emergency medical certificates, accept payment to restore service and can restore service, consistent with § 56.191 (relating to the general rule).

§ 56.83. Unauthorized termination of service.

Unless expressly and specifically authorized by the Commission, service may not be terminated nor will a termination notice be sent for any of the following reasons:

(1) **Nonpayment for concurrent service of the same class received at a separate dwelling. This does not include concurrent service periods of 90 days or less accrued during the transfer of service from one location to another.**

(2) **Nonpayment for a different class of service received at the same or a different location. Service may be terminated, however, when, under the tariff of the public utility, a change in classification is necessitated upon the completion of construction work previously billed at a different rate applicable during construction.**

(3) **Nonpayment, in whole or in part: of nonbasic charges for leased or purchased merchandise, appliances or special services including, but not limited to, merchandise and appliance installation fees, rental and repair costs; of meter testing fees; of special construction charges; and of other nonrecurring or recurring charges that are not essential to delivery or metering of service, except as provided in this chapter.**

(4) **Nonpayment of bills for delinquent accounts of the prior [ratepayer] customer at the same address unless the public utility has, under § 56.35 (relating to payment of outstanding balance), established that the applicant or customer was an occupant at the same address during the time period the delinquent amount accrued.**

(5) Nonpayment of a deposit which is based, in whole or in part, on a delinquent account arising out of a make-up bill as defined in § 56.14 (relating to previously unbilled public utility service) and the [ratepayer] customer has complied with [the requirements of] § 56.41(1)(ii)(A) or (B) (relating to general rule).

* * * * *

(7) Nonpayment of charges for public utility service furnished more than 4 years prior to the date the bill is rendered.

(8) Nonpayment for residential service already furnished in the names of persons other than the [ratepayer] customer unless a court, district justice or administrative agency has determined that the [ratepayer] customer is legally obligated to pay for the service previously furnished or unless the public utility has, under § 56.35, established that the applicant or customer was an occupant at the same address during the time period the delinquent amount accrued. This paragraph does not affect the creditor rights and remedies of a public utility otherwise permitted by law.

(9) Nonpayment of charges calculated on the basis of estimated billings, unless the estimated bill was required because public utility personnel were unable to gain access to the affected premises to obtain an actual meter reading on two occasions and have made a reasonable effort to schedule a meter reading at a time convenient to the [ratepayer] customer or occupant, or a subsequent actual reading has been obtained as a verification of the estimate prior to the initiation of termination procedures.

* * * * *

(11) Nonpayment of delinquent accounts when the amount of the deposit presently held by the public utility is within \$25 of account balance.

NOTICE PROCEDURES PRIOR TO TERMINATION

§ 56.91. General notice provisions and contents of termination notice.

(a) Prior to [a termination of service, the utility shall mail or deliver written notice to the ratepayer at least 10 days prior to the date of the proposed termination] terminating service for grounds authorized by § 56.81 (relating to authorized termination of service), a public utility shall provide written notice of the termination to the customer at least 10 days prior to the date of the proposed termination. The termination notice must remain effective for 60 days. In the event of [any taking or acceptance of utility service without the knowledge or approval of the utility, other than unauthorized use of service] user without contract as defined in § 56.2 (relating to definitions), the public utility shall comply with §§ 56.93–56.97, but need not otherwise provide notice 10 days prior to termination.

(b) A notice of termination must include, in conspicuous print, clearly and fully the following information when applicable:

- (1) The reason for the proposed termination.
- (2) An itemized statement of accounts currently due, including any required deposit.
- (3) A statement that a specific reconnection fee will be required to have service restored after it

has been terminated if a reconnection fee is a part of the tariff of the public utility on file with the Commission.

(4) The date on or after which service will be terminated unless:

- (i) Payment in full is received.
- (ii) The grounds for termination are otherwise eliminated.
- (iii) A payment agreement or informal dispute settlement agreement is entered.
- (iv) Enrollment is made in a universal service program.
- (v) A dispute is filed with the public utility or the Commission.

(5) A statement that specifies that the notice is valid for 60 days.

(6) A statement that the customer shall immediately contact the public utility to attempt to resolve the matter, including the address and telephone number where questions may be filed, payment agreements entered into with the public utility, and questions and applications can be found for the public utility's universal service programs, if these programs are offered by the public utility.

(7) The following statement: "If, AFTER discussing your problem with the utility you remain dissatisfied, you may file an informal complaint with the Public Utility Commission. TO AVOID TERMINATION OF SERVICE PENDING RESOLUTION OF A DISPUTE, THIS INFORMAL COMPLAINT MUST BE FILED BEFORE THE PROPOSED DATE FOR TERMINATION OF YOUR SERVICE. You may file an informal complaint by telephoning the Public Utility Commission at 1 (800) 692-7380 or by writing to the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, Pennsylvania 17105-3265."

(8) A serious illness notice in compliance with the form in Appendix A (relating to medical emergency notice) except that, for the purpose of § 56.96 (relating to posttermination notice), the notice must comply with the form in Appendix B (relating to medical emergency notice).

(9) When the public utility has universal service programs, information indicating that special assistance programs are available and how to contact the public utility for information and enrollment, and that enrollment in the program is a method of avoiding the termination of service.

(10) Notices sent by electric and gas utilities threatening termination in the months of December, January, February and March must include information on the Federal poverty guidelines by household size, the protections available to customers at or below 250% of the Federal poverty line, and the required documentation or information the customer shall supply to avoid termination.

(11) Information indicating that special protections are available for victims under a Protection From Abuse Order and how to contact the public utility to obtain more information on these protections.

(12) Information indicating that special protections are available for tenants if the landlord is

responsible for paying the public utility bill and how to contact the public utility to obtain more information on these protections.

(13) Information indicating that all adult occupants of the premise whose names appear on the mortgage, deed or lease are considered 'customers' and are responsible for payment of the bill.

(14) Information indicating that if service is shut off, any adult occupant who has been living at the premise may have to pay all or portions of the bill to have service restored.

(15) Information indicating that if service is shut off, the customer may be required to pay more than the amount listed on the notice to have service turned back on.

(16) Information indicating that if service is shut off, the customer shall contact the public utility after payment has been made to arrange reconnection of the service and that it may take up to 7 days to have the service restored.

(17) Information in Spanish, directing Spanish-speaking customers to the numbers to call for information and translation assistance. Similar information shall be included in other languages when census data indicates a significant population using that language resides in the public utility's service territory.

(18) Contact information for customers with disabilities that need assistance.

(19) Notices must reflect to the extent practical the Plain Language Guidelines found in § 69.251 (relating to plain language—statement of policy).

§ 56.92. Notice when dispute pending.

A public utility may not mail or deliver a notice of termination if a notice of dispute has been filed and is unresolved and if the subject matter of the dispute forms the grounds for the proposed termination. A notice mailed or delivered in contravention of this section is void.

§ 56.93. Personal contact.

(a) Except when authorized by §§ 56.71, 56.72 or 56.98 (relating to interruption of service; discontinuation of service; and [exception for terminations based on occurrences harmful to person or property] immediate termination for unauthorized use, fraud, tampering or tariff violations), a public utility may not interrupt, discontinue or terminate service without [personally contacting the ratepayer or a responsible adult occupant at least 3 days prior to the interruption, discontinuance or termination, in addition to providing other notice as specified by the properly filed tariff of the utility or as required by this chapter or other Commission directive. For purposes of this section, "personal contact" means:

(1) Contacting the ratepayer or responsible adult occupant in person or by telephone.

(2) Contacting another person whom the ratepayer has designated to receive a copy of a notice of termination, other than a member or employee of the Commission.

(3) If the ratepayer has not made the designation noted in paragraph (2), contacting a community interest group or other entity, including a local police department, which previously shall have

agreed to receive a copy of the notice of termination and to attempt to contact the ratepayer.

(4) If the ratepayer has not made the designation noted in paragraph (2) and if there is no community interest group or other entity which previously has agreed to receive a copy of the notice of termination, contacting the Commission in writing [attempting to contact the customer or responsible adult occupant, either in person or by telephone, to provide notice of the proposed termination at least 3 days prior to the scheduled termination. If personal contact by one method is not possible, the public utility is obligated to attempt the other method.

(b) Phone contact shall be deemed complete upon attempted calls on 2 separate days to the residence between the hours of 7 a.m. and 9 p.m. if the calls were made at various times each day, with the various times of the day being daytime before 5 p.m. and evening after 5 p.m. and at least 2 hours apart.

(c) If contact is attempted in person by a home visit, only one attempt is required, but the public utility shall conspicuously post a written termination notice at the residence if it is unsuccessful in attempting to personally contact a responsible adult occupant.

(d) The content of the 3-day personal contact notice must comply with § 56.91 (relating to general notice provisions and contents of termination notice).

§ 56.94. Procedures immediately prior to termination.

Immediately preceding the termination of service, a public utility [employee] employee, who may be the public utility [employee] employee designated to perform the termination, shall attempt to make personal contact with a responsible [person] adult occupant at the residence of the [ratepayer and shall attempt to make personal contact with a responsible person at the affected dwelling] customer.

(1) *Termination prohibited in certain cases.* If evidence is presented which indicates that payment has been made, a serious illness or medical condition exists, or a dispute or complaint is properly pending or if the [employee] employee is authorized to receive payment and payment in full is tendered in any reasonable manner, then termination [shall] may not occur. However, if the disputing party does not pay all undisputed portions of the bill, termination may occur.

(2) *Methods of payment.* Payment in any reasonable manner includes payment by personal check unless the [ratepayer] customer within the past year has tendered a check which has been returned for insufficient funds or for which payment has been stopped.

(3) *Dishonorable tender of payment after receiving termination notice.* After a public utility has provided a written termination notice under § 56.91 (relating to general notice provisions and contents of termination notice) and attempted telephone contact as provided in § 56.93 (relating to personal contact), termination of service may proceed without additional notice when:

(i) A customer tenders payment which is subsequently dishonored under 13 Pa.C.S. § 3502 (relating to dishonor).

(ii) A customer tenders payment with an access device, as defined in 18 Pa.C.S. § 4106(d) (relating to access device fraud), which is unauthorized, revoked or canceled.

§ 56.95. Deferred termination when no prior contact.

[If a prior contact has not been made with a responsible adult either at the residence of the ratepayer, as required by § 56.94 (relating to procedures immediately prior to termination) or at the affected dwelling, the employe may not terminate service but shall conspicuously post a termination notice at the residence of the ratepayer and the affected dwelling, advising that service will be disconnected not less than 48 hours from the time and date of posting] During the months of December through March, unless personal contact has been made with the customer or responsible adult by personally visiting the customer's residence, a public utility shall, within 48 hours of the scheduled date of termination, post a notice of the proposed termination at the service location.

§ 56.96. [Post-termination] notice.

When service is actually terminated, notice [or a written statement which contains the address and telephone number of the utility where the ratepayer or occupant may arrange to have service restored] that substantially reflects the requirements of § 56.91 (relating to the general notice provisions and contents of a termination notice) as well as a medical emergency notice substantially in the form which [is attached to this chapter as] appears in Appendix B (relating to medical emergency notice) shall be conspicuously posted or delivered to a responsible person at the residence of the [ratepayer] customer and at the affected premises.

§ 56.97. Procedures upon [ratepayer] customer or occupant contact prior to termination.

(a) If, after the issuance of the initial termination notice and prior to the actual termination of service, a [ratepayer] customer or occupant contacts the public utility concerning a proposed termination, an authorized public utility [employe] employee shall fully explain:

* * * * *

(2) All available methods for avoiding a termination, including the following:

* * * * *

(ii) Entering a [settlement] informal dispute settlement agreement or payment agreement.

(iii) Paying what is past-due on the most recent previous company negotiated or Commission payment agreement.

(iv) Enrolling in the public utility's customer assistance program or universal service program, if the public utility has these programs.

* * * * *

(b) The public utility, through its [employes] employees, shall exercise good faith and fair judgment in

attempting to enter a reasonable [settlement] informal dispute settlement agreement or payment agreement or otherwise equitably resolve the matter. Factors to be taken into account when attempting to enter into a reasonable [settlement] informal dispute settlement agreement or payment agreement include the size of the unpaid balance, the ability of the [ratepayer] customer to pay, the payment history of the [ratepayer] customer and the length of time over which the bill accumulated. If [a settlement] an informal dispute settlement agreement or payment agreement is not established, the company shall further explain the following:

(1) The right of the [ratepayer] customer to file a dispute with the public utility and, thereafter, an informal complaint with the Commission.

* * * * *

(3) The duty of the [ratepayer] customer to pay any portion of a bill which the [ratepayer] customer does not honestly dispute.

§ 56.98. [Exception for terminations based on occurrences harmful to person or property] Immediate termination for unauthorized use, fraud, tampering or tariff violations.

[Notwithstanding any other provision of this chapter, when a service termination is based on an occurrence which endangers the safety of any person or may prove harmful to the energy delivery system of the utility, the utility may terminate service without written notice so long as the utility honestly and reasonably believes grounds to exist. At the time of termination, the utility shall make a bona fide attempt to deliver a notice of termination to a responsible person at the affected premises and, in the case of a single meter, multiunit dwelling, shall conspicuously post the notice at the dwelling, including common areas when permissible.]

(a) A public utility may immediately terminate service for any of the following actions by the customer:

(1) Unauthorized use of the service delivered on or about the affected dwelling.

(2) Fraud or material misrepresentation of the customer's identity for the purpose of obtaining service.

(3) Tampering with meters or other public utility equipment.

(4) Violating tariff provisions on file with the Commission which endanger the safety of a person or the integrity of the public utility's delivery system.

(b) Upon termination, the public utility shall make a good faith attempt to provide a post-termination notice to the customer or a responsible person at the affected premises, and, in the case of a single meter, multiunit dwelling, the public utility shall conspicuously post the notice at the dwelling, including in common areas when possible.

§ 56.99. Use of termination notice solely as collection device prohibited.

A public utility may not threaten to terminate service when it has no present intent to terminate service or

when actual termination is prohibited under this chapter [; notice] of the intent to terminate shall be used only as a warning that service will in fact be terminated in accordance with the procedures [set forth by] in under this chapter, unless the [ratepayer] customer or occupant remedies the situation which gave rise to the enforcement efforts of the public utility.

§ 56.100. Winter termination procedures.

(a) *Water distribution utilities.* Notwithstanding another provision of this chapter, during the period of December 1 through March 31, water distribution utilities subject to this chapter [shall conform to the provisions of this section. The covered utilities may] are not [be] permitted to terminate heat related service between December 1 and March 31 except as provided in this section or in § 56.98 (relating to [exception for terminations based on occurrences harmful to person or property] immediate termination for unauthorized use, fraud, tampering or tariff violations).

(b) *Electric distribution and natural gas distribution utilities.* Unless otherwise authorized by the Commission, during the period of December 1 through March 31, an electric distribution utility or natural gas distribution utility may not terminate heat related service to customers with household incomes at or below 250% of the Federal poverty level except as provided in this section or in § 56.98. The Commission will not prohibit an electric distribution utility or natural gas distribution utility from terminating heat related service in accordance with this section to customers with household incomes exceeding 250% of the Federal poverty level.

(c) *City natural gas distribution utility.* In addition to the winter termination authority in subsection (b), a city natural gas distribution operation may terminate service after January 1 and before April 1 to a customer whose household income exceeds 150% of the Federal poverty level but does not exceed 250% of the Federal poverty level, and starting January 1, has not paid at least 50% of charges for each of the prior 2 months unless the customer has done one of the following:

(1) Proven in accordance with Commission rules, that the household contains one or more persons who are 65 years of age or over.

(2) Proven in accordance with Commission rules, that the household contains one or more persons 12 years of age or younger.

(3) Obtained a medical certification, in accordance with Commission rules.

(4) Paid to the city natural gas distribution operation an amount representing at least 15% of the customer's monthly household income for each of the last 2 months.

(d) *Notice to the Commission.* At the time that the notice of termination required by § 56.91 (relating to general notice provisions and contents of termination notice) is provided to the customer, the city natural gas distribution operation shall provide notice to the Commission. The Commission will not stay the termination of service unless the Commission finds that the customer meets the criteria in subsection (c)(1), (2), (3) or (4).

(e) *Identification of accounts protected during the winter.* Public utilities shall determine the eligibility of an account for termination during the period of December 1 through March 31 under the criteria in subsections (b) and (c) before terminating service. Public utilities are to use household income and size information they have on record provided by customers to identify accounts that are not to be terminated during the period of December 1 through March 31. Public utilities are expected to solicit from customers, who contact the utility in response to notices of termination, household size and income information and to use this information to determine eligibility for termination.

(f) *Landlord ratepayer accounts.* During the period of December 1 through March 31, a public utility may not terminate service to a premise when the account is in the name of a landlord ratepayer as defined in 66 Pa.C.S. § 1521 (relating to definitions) except for the grounds in § 56.98.

(g) *Right of public utility to petition the Commission for permission to terminate service to a customer protected by the prohibitions in this section.*

(1) The public utility shall comply with §§ 56.91—56.95 including personal contact, as defined in § 56.93 [(1)] (relating to personal contact), at the premises if occupied.

(2) If at the conclusion of the notification process defined in §§ 56.91—56.95, a reasonable agreement cannot be reached between the public utility and the [ratepayer] customer, the public utility shall register with the Commission, in writing, a request for permission to terminate service, accompanied by a utility report as defined in § 56.152 (relating to contents of the utility company report).

(3) If the [ratepayer] customer has filed an informal complaint or if the Commission has acted upon the public utility's written request, the matter shall proceed under §§ 56.161—56.165. Nothing in this section may be construed to limit the right of a public utility or [ratepayer] customer to appeal a decision by the [mediation unit] Bureau of Consumer Services (BCS) under 66 Pa.C.S. § 701 (relating to complaints) and §§ 56.171—56.173 and 56.211.

[(4)] (h) *Survey of terminated heat-related accounts.* For premises where heat related service has been terminated within the past year for any of the grounds in § 56.81 (relating to authorized termination of services) or § 56.98 prior to December 1 of each year, [covered] electric distribution utilities, natural gas distribution utilities and Class A water distribution utilities shall, within 90 days prior to December 1, survey and attempt to make [post-termination] posttermination personal contact with the occupant or a responsible adult at the premises and in good faith attempt to reach an agreement regarding payment of any arrearages and restoration of service.

[(5) Companies] (i) *Reporting of survey results.* Electric distribution utilities, natural gas distribution utilities and Class A water distribution utilities shall file a brief report outlining their pre-December 1 survey and personal contact results with the Bureau of Consumer Services on or before December 15 of each year. The filing must categorize the accounts by the first three digits of the customer's postal code. Each

utility shall update the survey and report the results to the Bureau of Consumer Services on January 15 and February 15 of each year to reflect any change in the status of the accounts subsequent to the December 15 filing. The utility shall attempt to contact by telephone, if available, a responsible occupant at each residence in a good faith attempt to reach an agreement regarding payment of any arrearages and restoration of service.

(j) *Reporting of deaths at locations where public utility service was previously terminated.* Throughout the year, public utilities shall report to the Commission when, in the normal course of business, they become aware of a household fire, incident of hypothermia or carbon monoxide poisoning that resulted in a death and that the utility service was off at the time of the incident. Within 1 business day of becoming aware of an incident, the public utility shall submit a telephone or electronic report to the Director of the Bureau of Consumer Services including, if available, the name, address and account number of the last customer of record, the date of the incident, a brief statement of the circumstances involved, and, if applicable, the initial findings as to the cause of the incident and the source of that information. The Bureau or Commission may request additional information on the incident and the customer's account. Information submitted to the Commission in accordance with this subsection will be treated in accordance with 66 Pa.C.S. § 1508 (relating to the reports of accidents) and may not be open for public inspection except by order of the Commission, and may not be admitted into evidence for any purpose in any suit or action for damages growing out of any matter or thing mentioned in the report.

[NOTICE PROCEDURES AFTER DISPUTE FILED]

§ 56.101. [Limited notice upon noncompliance with report or order] (Reserved).

[(a) Except during the winter period identified in § 56.100 (relating to winter termination procedures), the original grounds for terminations may be revived provided a 10-day termination notice was previously issued to the ratepayer. The original grounds for termination shall be revived and utilities may proceed with termination as provided in subsection (b) upon the failure to timely appeal from or comply with any of the following:

(1) A utility company report required by § 56.151 (relating to the general rule).

(2) An informal complaint report required by § 56.161 (relating to general rule; time for filing).

(3) An order from a formal complaint, under § 56.173 or § 56.174 (relating to formal complaint procedures other than appeals from mediation decisions of the Bureau of Consumer Services; and formal complaint procedures for appeals from mediation decisions of the Bureau of Consumer Services).

(4) A company negotiated payment or settlement agreement where a customer fails, at any time, during the first 120 days to maintain the agreement and this failure reflects payments of less than 50% of the overdue balance during this same time period.

(b) The utility may not be required to give further written notice so long as within 10 business days of the failure to appeal or comply with subsection (a):

(1) The ratepayer is personally contacted as described in § 56.93(1), (2) or (3) (relating to personal contact), at least 3 days prior to termination. If the utility is unable to make personal contact as described in § 56.93(1), (2) or (3), it shall proceed with the posting procedure described in § 56.95 (relating to deferred termination when no prior contact).

(2) At the time of termination, the utility serves personally on the ratepayer or posts conspicuously at the residence of the ratepayer and at the affected premises, including common areas where permissible, a post-termination notice complying with § 56.96 (relating to post-termination notice).]

EMERGENCY PROVISIONS

§ 56.111. General provision.

[A utility may not terminate, or refuse to restore, service to a premise when an occupant therein is certified by a physician to be seriously ill or affected with a medical condition which will be aggravated by a cessation of service or failure to restore service.] A public utility may not terminate service, or refuse to restore service, to a premises when a licensed physician or nurse practitioner has certified that the customer or an applicant seeking restoration of service under § 56.191 (relating to the general rule) or a member of the customer's or applicant's household is seriously ill or afflicted with a medical condition that will be aggravated by cessation of service. The customer shall obtain a letter from a licensed physician or nurse practitioner verifying the condition and promptly forward it to the public utility. The determination of whether a medical condition qualifies for the purposes of this section resides entirely with the physician or nurse practitioner and not with the public utility. A public utility may not impose any qualification standards for medical certificates other than those specified in this section.

§ 56.112. Postponement of termination pending receipt of certificate.

If, prior to termination of service, the public utility [employe] employee is informed that an occupant is seriously ill or is affected with a medical condition which will be aggravated by a cessation of service and that a medical certification will be procured, termination may not occur for at least 3 days. [Service may be terminated if] If no certification is produced within that 3-day period, the public utility may resume the termination process at the point where it was suspended.

§ 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 to require written confirmation within 7 days. Certifications, whether written or oral, [shall] must include [all of] the following:

(1) The name and address of the [ratepayer] customer or applicant in whose name the account is registered.

(2) The name and address of the afflicted person and [his] relationship to the [ratepayer] customer or applicant.

* * * * *

(5) The name, office address and telephone number of the certifying physician or nurse practitioner.

§ 56.114. Length of postponement; renewals.

Service may not be terminated for the time period specified in a medical certification; the maximum length of the certification shall be 30 days.

* * * * *

(2) Renewals. Certifications may be renewed in the same manner and for the same time period as provided in §§ 56.112 and 56.113 (relating to postponement of termination pending receipt of certificate; and medical certifications) and this section if the [ratepayer] customer has met the obligation under § 56.116 (relating to duty of [ratepayer] customer to pay bills). In instances [where] when a [ratepayer] customer has not met the obligation in § 56.116 to equitably make payments on all bills, the number of renewals for the customer's household is limited to two 30-day certifications that concern medical certificates filed for the same set of arrearages and same termination action. When the customer eliminates these arrearages, the customer is eligible to file new medical certificates. [If a utility wishes to contest the renewal, it shall follow § 56.118(3) (relating to the right of utility to petition the Commission).] In these instances the public utility is not required to honor a third medical certificate and is not required to follow § 56.118(3) (relating to the right of public utility to petition the Commission). The public utility shall apply the dispute procedures in §§ 56.151 and 56.152 (relating to public utility company dispute procedures).

§ 56.115. Restoration of service.

When service is required to be restored under this section and §§ 56.111, 56.114 and 56.116—56.118, the public utility shall make a diligent effort to have service restored on the day of receipt of the medical certification. In any case, service shall be [restored before the end of the next working day] reconnected within 24 hours. Each public utility shall have [employees] employees available or on call to restore service in emergencies.

§ 56.116. Duty of [ratepayer] customer to pay bills.

Whenever service is restored or termination postponed under the medical emergency procedures, the [ratepayer] customer shall retain a duty [to equitably arrange] to make payment on all [bills] current undisputed bills or equal monthly billing amount as determined by § 56.12(7) (relating to meter reading; estimated billing; ratepayer readings).

§ 56.117. Termination upon expiration of medical certification.

When the initial and renewal certifications have expired, the original ground for termination shall be revived and the public utility may terminate service without additional written notice, if notice previously has been mailed or delivered under § 56.91 (relating to general

notice provisions and contents of termination notice). The public utility shall comply with §§ 56.93—56.96.

§ 56.118. Right of public utility to petition the Commission.

(a) A public utility may petition the Commission for waiver from the medical certification procedures for the following purposes:

(1) Contest the validity of a certification. To request an investigation and hearing by the Commission or its designee when the public utility wishes to contest the validity of the certification.

(2) Terminate service prior to expiration of certification. To request permission to terminate service for the failure of the [ratepayer] customer to [equitably arrange to] make payments on current undisputed bills.

(3) Contest the renewal of a certification. To request permission to terminate service, under this section and §§ 56.81—56.83 and 56.91—56.99 when the [ratepayer] customer has not met [his] the duty under § 56.116 (relating to duty of [ratepayer] customer to pay bills), provided that the public utility has informed the [ratepayer] customer of that duty under § 56.116.

(b) A public utility shall continue to provide service while a final Commission adjudication on the petition is pending. A petition under this section shall be accompanied by a utility report described in § 56.152 (relating to contents of the utility company report) and shall be filed with the Secretary of the Commission with a copy served to the customer.

* * * * *

THIRD-PARTY NOTIFICATION

§ 56.131. Third-party notification.

Each public utility shall permit its [ratepayers] customers to designate a consenting individual or agency which is to be sent, by the public utility, a duplicate copy of reminder notices, past due notices, delinquent account notices or termination notices of whatever kind issued by that public utility. When contact with a third party is made, the public utility shall advise the third party of the pending action and the efforts which shall be taken to avoid termination. A public utility shall institute and maintain a program:

(1) To allow [ratepayers] customers to designate third parties to receive copies of a [ratepayer's] customer's or group of [ratepayers'] customers' notices of termination of service.

(2) To advise [ratepayers] customers at least annually of the availability of a third-party notification program and to encourage their use thereof. The public utility shall emphasize that the third party is not responsible for the payment of the customer's bills.

* * * * *

(4) Making available a standard enrollment form substantially in compliance with the form as set forth in Appendix E (relating to third party notification).

Subchapter F. DISPUTES; TERMINATION DISPUTES; INFORMAL AND FORMAL COMPLAINTS

GENERAL PROVISIONS

§ 56.140. Follow-up response to inquiry.

When a customer is waiting for a follow-up response to an inquiry under § 56.2 (relating to the definition of initial inquiry), termination or threatening termination of service for the subject matter in question shall be prohibited until the follow-up response, and when applicable, subsequent dispute resolution is completed by the **public** utility.

§ 56.141. Dispute procedures.

A notice of dispute, including termination disputes, **[shall] must** proceed in the first instance, according to this section:

(1) *Attempted resolution.* If, at any time prior to the actual termination of service, a **[ratepayer] customer** advises the **public** utility that he disputes any matter covered by this chapter, including, but not limited to, credit determinations, deposit requirements, the accuracy of **public** utility metering or billing or the proper party to be charged, the **public** utility shall attempt to resolve the dispute in accordance with § 56.151 (relating to general rule).

(2) *Termination stayed.* Except as otherwise provided in this chapter, **[where] when** a termination dispute or complaint has been properly filed in accordance with this subchapter, termination shall be prohibited until resolution of the dispute or complaint; however, the disputing party shall pay undisputed portions of the bill.

§ 56.142. Time for filing [a termination dispute or] informal complaints.

To be timely filed, **[a termination dispute] an informal complaint**—which may not include disputes under §§ 56.35 and 56.191 (relating to payment of outstanding balance; and general rule)—and informal complaints shall be filed prior to the day on which the **public** utility arrives to terminate service. If the **public** utility arrives to terminate service and posts a deferred termination notice in lieu of termination or otherwise fails to terminate service, the time for filing **[a termination dispute or] an** informal complaint shall be extended until the end of the business day prior to the **public** utility again arriving to terminate service.

§ 56.143. Effect of failure to timely file [a termination dispute] an informal complaint.

Failure to timely file **[a notice of dispute] an informal complaint**, except for good cause, shall constitute a waiver of applicable rights to retain service without complying with the termination notice or conference report of the **public** utility **[and may constitute a waiver of rights to file an informal complaint in accordance with this chapter]**.

PUBLIC UTILITY COMPANY DISPUTE PROCEDURES

§ 56.151. General rule.

Upon initiation of a dispute covered by this section, the **public** utility shall:

* * * * *

(2) Investigate the matter using methods reasonable under the circumstances, which may include telephone or personal conferences, or both, with the **[ratepayer] customer** or occupant.

(3) Make a diligent attempt to negotiate a reasonable payment agreement if the **[ratepayer] customer** or occupant claims a temporary inability to pay an undisputed bill. Factors which shall be considered in the negotiation of a payment agreement **[shall]** include, but **are** not be limited to:

* * * * *

(ii) The ability of the **[ratepayer] customer** to pay.

(iii) The payment history of the **[ratepayer] customer**.

* * * * *

(4) Provide the **[ratepayer] customer** or occupant with the information necessary for an informed judgment, including, but not limited to, relevant portions of tariffs, statements of account and results of meter tests.

(5) Within 30 days of the initiation of the dispute, issue its report to the complaining party. The **public** utility shall inform the complaining party that the report is available upon request.

(i) If the complainant is not satisfied with the dispute resolution, the utility company report **[shall] must** be in writing and conform to § 56.152 (relating to contents of the utility company report). Further, in these instances, the written report shall be sent to the complaining party if requested or if the **public** utility deems it necessary.

* * * * *

(iv) The information and documents required by this subsection may be electronically provided to the complaining party as long as the complaining party has the ability to accept electronic documents and consents to receiving them.

§ 56.152. Contents of the utility company report.

A utility company report **[shall] must** include the following:

(1) A statement of the claim or dispute of the **[ratepayer] customer** and a copy thereof if the claim or notice of dispute was made in writing.

(2) The position of the **public** utility regarding that claim.

* * * * *

(4) A statement that if the complaining party does not agree with the utility company report, an informal complaint shall be filed with the Commission within 10 days of the mailing date of the report to insure the preservation of all of **[his] the complaining party's** rights.

(5) The office where payment may be made or information obtained listing the appropriate telephone number and address of the **public** utility.

(6) A full and complete explanation of procedures for filing an informal complaint with the Commission (see § 56.162 (relating to informal complaint filing procedures)). If a written report is not requested by the complaining party or deemed necessary by the **public** utility, the **public** utility shall provide the information in § 56.162(1), (2) and (5). In addition, the **public** utility

should always provide the telephone number and address of the office of the Commission where an informal complaint may be filed.

(7) If the matter in dispute involves a billing dispute, the report [**shall**] **must** include the following:

(i) An itemized statement of the account of the complaining [**ratepayer**] **customer** specifying the amount of credit, if any, and the proper amount due.

(ii) The date on or after which the account will become delinquent unless a [**settlement**] **informal dispute settlement agreement** or payment agreement is entered into or an informal complaint is filed with the Commission. This date may not be earlier than the due date of the bill or 15 days after the issuance of a utility company report, whichever is later.

(8) If the matter involves a dispute other than a billing dispute, the report [**shall**] **must** also state the following:

* * * * *

(ii) The date on or after which [**service will be terminated**] **the utility will commence termination action in accordance with the applicable requirements** unless the report is complied with, [**settlement**] **informal dispute settlement agreement or payment agreement** entered or an informal complaint filed. This date may not be earlier than the original date for compliance with the matter which gave rise to the dispute or 10 days from the date of issuance of the utility report, whichever is later. **If the utility report is in writing, the information in this paragraph must be presented in a bold font that is at least two font sizes larger than the font used in other sections of the utility report.**

INFORMAL COMPLAINT PROCEDURES

§ 56.161. [**General rule; time for filing**] (Reserved).

[**Within 10 days of notification or mailing of a utility company report and not thereafter except for failure to receive notice or other good cause, an informal complaint may be filed with the Commission.**]

§ 56.162. **Informal complaint filing procedures.**

An informal complaint may be filed orally or in writing and [**shall**] **must** include the following information:

(1) The name and address of the [**ratepayer**] **complainant** and, if different, the address at which service is provided.

(2) The telephone number of the [**ratepayer**] **complainant**.

(3) The account number of the [**ratepayer**] **complainant**, if applicable.

(4) The name of the **public** utility.

* * * * *

(6) Whether the dispute formerly has been the subject of a **public** utility company investigation and report.

* * * * *

§ 56.163. **Commission informal complaint procedure.**

Upon the filing of an informal complaint, which shall be [**docketed**] **captioned** as "(Complainant) v. (**public**

utility)," Commission staff will immediately notify the **public** utility; review the dispute; and, within a reasonable period of time, issue to the **public** utility and the complaining party an informal report with findings and a decision. Parties may represent themselves or be represented by counsel or other person of their choice, and may bring witnesses to appear on their behalf. The reports [**shall**] **will** be in writing and a summary [**shall**] **will** be sent to the parties if a party requests it or if the Commission staff finds that a summary is necessary.

(1) *Review techniques.* Review will be by an appropriate means, including, but not limited to, utility company reports, telephone calls, conferences, written statements, research, inquiry and investigation. Procedures [**shall**] **will** be designed to insure a fair and reasonable opportunity to present pertinent evidence and to challenge evidence submitted by the other party to the dispute, to examine a list of witnesses who will testify and documents, records, files, account data, records of meter tests and other material that the Commission staff will determine may be relevant to the issues, and to question witnesses appearing on behalf of other parties. **Information and documents requested by Commission staff as part of the review process shall be provided by the public utility within 30 days of the request. If the complainant is without public utility service, or in other emergency situations as identified by Commission staff, the information requested by Commission staff shall be provided by the public utility within 5 days of the request.**

(2) *Settlement.* Prior to the issuance of [**its report**] **an informal decision**, Commission staff may [**negotiate with**] **facilitate discussions between** the parties in an [**attempt**] **effort** to settle the [**matters in**] **dispute.** [**Upon reaching**] **If a settlement is reached**, Commission staff will [**prepare, when advisable, a settlement agreement which shall be signed by the parties and will make the provisions for the obtaining of signatures reasonable under the circumstances**] **that all parties understand the terms of the settlement and mark the informal complaint as closed.**

(3) *Resolution.* **Commission staff resolution of informal complaints is binding upon the parties unless formal proceedings are initiated under §§ 56.171—56.174 (relating to formal complaints).**

§ 56.164. **Termination pending resolution of the dispute.**

In any case alleging unauthorized use of **public** utility service, as defined in § 56.2 (relating to definitions), a **public** utility may terminate service after giving proper notice in accordance with §§ 56.91—56.98, whether or not a dispute is pending.

§ 56.165. **Conference procedures.**

Conferences held under §§ 56.161—56.164 and this section will be informal and may be held by conference telephone call, [**where**] **when** appropriate. If the parties are to be present, the conferences will take place within reasonable proximity to the situs of the complaint. The parties will be advised that false information intended to mislead a public servant in performing [**his**] **an official function may be punishable criminally.**

§ 56.166. **Informal complaints.**

The Commission delegates to the Bureau of Consumer Services (BCS) the primary authority to

resolve customer, applicant or occupant complaints arising under this chapter. The BCS, through its Director and with the concurrence of the Commission, will establish appropriate internal procedures to implement this chapter.

(1) The Commission will accept complaints only from customers who affirm that they have first contacted the public utility for the purpose of resolving the problem about which the customer wishes to file a complaint. If the customer has not contacted the public utility, the Commission will direct the customer to the public utility.

(2) Only after the customer and the public utility have failed to resolve the dispute will BCS initiate an investigation.

FORMAL COMPLAINTS

§ 56.172. [Time for filing] Filing.

[Within 20 days of notification or mailing of the informal complaint report and not thereafter except for good cause, an appeal from the report of the Consumer Service Representative may be initiated by means of a written intention to appeal. Upon receipt of this written intention, the Secretary's Bureau will determine whether the appeal is from a mediation decision of the Bureau of Consumer Services—to be docketed with the prefix "Z"—or another type of appeal. Thereafter, formal complaint forms shall be filed by the party taking the appeal.

(1) Appeal from mediation decisions where the issue is solely ability to pay shall proceed in accord with § 56.174 (relating to formal complaint procedures for appeals from mediation decisions of the Bureau of Consumer Services).

(2) Other appeals shall proceed in accord with § 56.173 (relating to formal complaint procedures other than appeals from mediation decisions of the Bureau of Consumer Services.)

(a) A request for review of the decision of the Bureau of Consumer Services (BCS) must be initiated in writing within 20 days of issuance.

(b) Upon receipt of a request for review of the decision of the BCS, the Secretary will mail a formal complaint form to the requesting person.

(c) Within 30 days of the mailing of the formal complaint form, the party requesting review of decision of the BCS shall file the completed complaint form with the Secretary.

(d) Upon the filing of a formal complaint within the 30 day period and not thereafter except for good cause shown, there will be an automatic stay of the informal complaint decision.

(e) The failure to request review of the BCS decision by filing a formal complaint within the 30 day period does not foreclose a party from filing a formal complaint at a later time except as otherwise may be provided in 66 Pa.C.S. (relating to public utility code).

§ 56.173. [Formal complaint procedures other than appeals] Review from [mediation] informal complaint decisions of the Bureau of Consumer Services.

(a) Assignment. [Appeals from] Review of informal complaint [reports] decisions will be heard [de

novo by the Commission, a Commissioner or] by an [Administrative Law Judge] law judge or special agent [:].

[(1)] (b) *Filing and docketing.* [Appeals] Complaints will be filed and docketed as a formal Commission complaint, under §§ [5.22 and 5.61 (relating to contents of formal complaint; and answers to complaints, petitions and motions)] 1.31—1.38 (relating to requirements for documentary filings).

[(2)] (c) *Captions.* The parties to [an appeal] a review will be stated in the caption as they stood upon the record of the informal complaint proceeding[, with]. If the party requesting review is a public utility, the [addition of the] phrase [of] "Complaint Appellant" will be added after [the] its name [of the party taking the appeal].

[(3)] *Hearings.* Hearings conducted by a Commissioner or administrative law judge will be held within a reasonable period of time after the filing of the answer. The parties may incorporate portions of the conference report or informal complaint report that they shall agree upon.

(4) *Formal complaint report.* The Commissioner or administrative law judge assigned to the formal complaint will file his report with the Commission within a reasonable period of time after the receipt of the transcribed testimony. Included in the report will be a description of the matter, findings of fact, conclusions of law and other discussion and opinion as is appropriate.

(5) [(d)] *Commission review.* The Commission will review the [report] decision of the assigned administrative law judge or [Commissioner] special agent, commit it to advisory staff for further analysis, remand it to an administrative law judge or [Commissioner] special agent for further development of the record or issue a final order. The burden of proof remains with the party filing the formal complaint.

§ 56.174. [Formal complaint procedures for appeals from mediation decisions of the Bureau of Consumer Services] Ability to pay proceedings.

[Appeals from mediation decisions of the Bureau of Consumer Services, and any other case in which the issue is solely ability to pay, including ability to pay according to payment agreements, shall be assigned to a special agent for review. Where there are issues involved other than ability to pay, any party or the Office of Administrative Law Judge sua sponte, can remove or seek removal of the appeal to an administrative law judge.

(1) *Filing and docketing.* Appeals shall be filed as a formal complaint under this title and shall be docketed. with the prefix "Z."

(2) *Caption.* Parties will be stated in the caption as in the informal complaint proceeding, with the addition of the designation "Appellant" after the name of the party taking the appeal.]

(a) *Assignments.* Requests for review of decisions of the Bureau of Consumer Services (BCS) and any other case in which the issue is solely ability to pay may be assigned to a special agent.

[(3)] (b) *Stay of informal complaint decision.* Upon [appeal] the filing of a formal complaint in a case seeking review from the [mediation] decision of the [Bureau of Consumer Services] BCS, there shall be an automatic stay of payment arrangements ordered in that decision, other than current bills not at issue. The public utility may request that the [special agent] presiding officer remove the stay and order payment of amounts set forth in the [mediation] informal complaint decision. When current bills are not at issue, the [ratepayer will] customer shall be responsible for payment of current, undisputed bills pending [review] issuance of a final Commission order.

[(4)] (c) *Hearings.* The [special agent shall] presiding officer will conduct hearings within a reasonable period after filing of the [appeal] review and answer. [The] If the presiding officer is a special agent [shall], the special agent will have all powers of an administrative law judge [or presiding officer]. Subject to any valid evidentiary objections raised by the parties, the presiding officer will enter into the record BCSs documents on the complainant's income, the utility report to the BCSs from the utility, and the BCSs decision when the formal complaint was the subject matter of a BCSs informal decision.

(i) The [special agent shall] presiding officer will attempt to hold hearings by telephone, [subject to the approval of the] unless one or more parties object. Hearings [shall] will be held [within 25 days] after [receipt of appellee's] the filing of an answer.

(ii) The [special agent shall] presiding officer will hear the [appeals] case de novo, but may request a stipulation of the parties as to undisputed facts.

(iii) Hearings [shall] will be tape recorded and [may] will not be transcribed, unless the parties request the use of a stenographer or a transcription of the tape [recording] or other circumstances warranting transcription exist. Unless objected to, parties may make their own tape recording of the proceedings, but the only official record shall be that [sanctioned] made by the [special agent] presiding officer.

[(5)] (d) *Proposed findings of fact and conclusions of law or briefs.* The parties shall have the opportunity of submitting proposed findings of fact and conclusions of law or briefs to the [special agent, with supporting reasons therefor. If proposed findings and conclusions have not been submitted at or before hearing, notice] presiding officer. Notice of intent to submit [them] findings of fact and conclusions of law or briefs shall be given at the hearing and they shall be submitted within 10 days of the hearing.

[(6) *Formal complaint report*] (e) *Initial decision.* The [special agent shall] presiding officer will render a written decision [within 25 days] after the hearings or [25 days] after the receipt of proposed findings of fact and conclusions of law or briefs, if they are filed. The initial decision [shall] will be in writing and [shall] contain a brief description of the matter, findings of fact and conclusions of law. The initial decision shall be subject to the filing of exceptions

under the procedures set forth in Chapters 1 and 5 (relating to rules of administrative practice and procedure; and formal proceedings).

[(7) *Post hearing procedures.* A party to a proceeding referred to a special agent may file exceptions to the decision of the special agent within 15 days after the decision is issued, in a form and manner to be prescribed by the Commission. The special agent shall rule upon the exceptions within 30 days after filing. A party to the proceeding may appeal to the Commission from the ruling of the special agent on the exceptions within 15 days after the ruling is issued. If no exceptions are filed or if no appeal is taken from the ruling on the exceptions within 15 days after the decision or ruling is issued, the decision or ruling shall become final, without further Commission action, unless two or more commissioners within 15 days after the decision or ruling on the exceptions request that the Commission review the decision and make the other order, within 90 days of the request, as it shall determine.]

PAYMENT OF BILLS PENDING RESOLUTION OF DISPUTES AND COMPLAINTS

§ 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.

Pending resolution of a dispute, including a termination dispute, the disputing party shall be required to pay the undisputed portion of bills, as described in this section [:].

* * * * *

(2) *Pending formal complaint.* Prior to the hearing on a formal complaint or prior to the issuance of a Commission order when no hearing is to be held in a formal complaint proceeding, the [ratepayer] customer shall be required to pay that amount which the [Consumer Services Representative] consumer services representative determines is not reasonably disputed.

* * * * *

(4) *Effect of offer of payment.* An offer by a [ratepayer] customer to pay all or any portion of a bill may not be deemed a waiver of a right to reimbursement for amounts subsequently deemed, by the parties or the Commission, to have been overpaid.

(5) *Effect of acceptance of partial payment.* The acceptance by a public utility of a partial payment for a bill pending final outcome of a dispute may not be deemed an accord and satisfaction or waiver of the right of the public utility to payment in full as subsequently agreed to by the parties or decided by the Commission.

Subchapter G. RESTORATION OF SERVICE

§ 56.191. General rule.

[When service to a dwelling has been terminated, the utility shall reconnect service by the end of the first full working day after receiving one of the following:

(1) Full payment of an outstanding charge plus a reasonable reconnection fee. Outstanding charges and the reconnection fee may be amortized over a reasonable period of time. Factors to be taken into account shall include, but are not be limited to:

- (i) The size of the unpaid balance.
- (ii) The ability of the ratepayer to pay.
- (iii) The payment history of the ratepayer.
- (iv) The length of time over which the bill accumulated.

(2) Payment of amounts currently due according to a settlement or payment agreement, plus a reasonable reconnection fee, which may be a part of the settlement or payment agreement. The utility may apply the procedure in paragraph (1), if the payment history indicates that the ratepayer has defaulted on at least two payment agreements, or an informal complaint decision, or a formal complaint order.

(3) Adequate assurances that any unauthorized use or practice will cease, plus full payment of the reasonable reconnection fee of the utility, which may be subject to a payment agreement and compliance or adequate assurance of compliance with an applicable provision for the establishment of credit or the posting of deposits or guarantees.]

(a) *Fee.* A public utility may require a reconnection fee based upon the public utility's cost as approved by the Commission prior to reconnection of service following lawful termination of the service. The amount of this fee shall be specified in the public utility's tariff on file with the Commission.

(b) *Timing.* When service to a dwelling has been terminated, provided the applicant has met all applicable conditions, the public utility shall reconnect service as follows:

(1) Within 24 hours for erroneous terminations or upon receipt by the public utility of a valid medical certification. Erroneous terminations include instances when the grounds for termination were removed by the customer paying the amount needed to avoid termination prior to the termination of the service.

(2) Within 24 hours for terminations and reconnections occurring after November 30 and before April 1.

(3) Within 3 calendar days for erroneous terminations requiring street or sidewalk digging.

(4) Within 3 calendar days from April 1 to November 30 for proper terminations.

(5) Within 7 calendar days for proper terminations requiring street or sidewalk digging.

(c) *Payment to restore service.*

(1) A public utility shall provide for and inform the applicant or customer of a location where the customer can make payment to restore service. A public utility shall inform the applicant or customer that conditions for restoration of service may differ if someone in the household is a victim of domestic violence with a protection from abuse order.

(2) A public utility may require:

(i) Full payment of any outstanding balance incurred together with any reconnection fees by the customer or applicant prior to reconnection of service if the customer or applicant has an income exceeding 300% of the Federal poverty level or has defaulted on two or more payment agreements. For

purposes of this section, neither a payment agreement intended to amortize a make-up bill under § 56.14 (relating to previously unbilled utility service) or the definition of "billing month" in § 56.2 (relating to definitions), nor a payment agreement that has been paid in full by the customer, are to be considered.

(ii) If a customer or applicant with household income exceeding 300% of the Federal poverty level experiences a life event, the customer shall be permitted a period of not more than 3 months to pay the outstanding balance required for reconnection. For purposes of this paragraph, a life event is:

(A) A job loss that extends beyond 9 months.

(B) A serious illness that extends beyond 9 months.

(C) Death of the primary wage earner.

(iii) Full payment of any reconnection fees together with repayment over 12 months of any outstanding balance incurred by the customer or applicant, if the customer or applicant has an income exceeding 150% of the Federal poverty level but not greater than 300% of the Federal poverty level. The initial payment toward the outstanding balance required as a condition of restoration cannot exceed 1/12 of the outstanding balance.

(iv) Full payment of any reconnection fees together with payment over 24 months of any outstanding balance incurred by the customer or applicant if the customer or applicant has an income not exceeding 150% of the Federal poverty level. The initial payment toward the outstanding balance required as a condition of restoration cannot exceed 1/24 of the outstanding balance. A customer or applicant of a city natural gas distribution operation whose household income does not exceed 135% of the Federal poverty level shall be reinstated under this subsection only if the customer or applicant enrolls in the customer assistance program of the city natural gas distribution operation. This requirement may not apply if the financial benefits to the customer or applicant are greater if served outside of that assistance program.

(d) *Payment of outstanding balance at premises.* A public utility may require the payment of any outstanding balance or portion of an outstanding balance if the applicant resided at the property for which service is requested during the time the outstanding balance accrued and for the time the applicant resided there, not exceeding 4 years, except for instances of fraud and theft.

(e) *Approval.* A public utility may establish that an applicant previously resided at a property for which residential service is requested through the use of mortgage, deed or lease information, a commercially available consumer credit reporting service or other methods approved as valid by the Commission. Public utilities shall include in their tariffs filed with the Commission the procedures and standards used to determine liability for outstanding balances.

§ 56.192. Personnel available to restore service.

A public utility shall have adequate personnel available between 9 a.m. and 5 p.m. on each working day or for a commensurate period of 8 consecutive hours to restore service when required under this [subchapter]

chapter, specifically in §§ 56.82 and 56.191 (relating to timing of termination; and the general rule).

Subchapter H. PUBLIC INFORMATION PROCEDURES; RECORD MAINTENANCE

§ 56.201. Public information.

In addition to the notice requirements [set forth] in this chapter, the Commission will, within 6 months of the effective date of a change to a regulation in this chapter, prepare a summary of the rights and responsibilities of the public utility and its [ratepayers] customers affected by the change. Summaries [shall] will be mailed by the public utility to each [ratepayer] customer of the public utility affected by the change. These summaries, as well as a summary of the rights and responsibilities of the public utility and its [ratepayers] customers in accordance with this chapter, be in writing, shall be reproduced by the public utility, shall be displayed prominently, and shall be available at all public utility office locations open to the general public. This information be delivered or mailed to each new [ratepayer] customer of the public utility upon the commencement of service and be available at all times upon request. A public utility which serves a substantial number of Spanish-speaking [ratepayers] customers shall provide billing information in English and in Spanish. The written information [shall] must indicate conspicuously that it is being provided in accordance with [the regulations of the Commission] this title and [shall] contain information concerning, but not limited to, the following:

* * * * *

(8) Explanation of meter reading procedures which would enable a [ratepayer] customer or occupant to read his own meter.

(9) Procedure whereby [ratepayers] customers or occupants may avoid discontinuance of service during extended periods of absence.

* * * * *

(11) Telephone numbers and addresses of the public utility and of the nearest regional office of the Commission where further inquiries may be made.

(12) Definitions of terms or abbreviations used by the public utility on its bills.

(13) Information indicating that additional consumer protections are available for victims of domestic violence.

§ 56.202. Record maintenance.

A public utility shall preserve for a minimum of 4 years written or recorded disputes and complaints, [shall] keep the records within this Commonwealth at an office located in the territory served by it, and [shall] make the records available for examination by the Commission or its staff. Information to be maintained [shall include] includes the following:

(1) The payment performance of each of its [ratepayers] customers.

(2) The number of [settlement] informal dispute settlement agreements and payment agreements

made by the public utility company and a synopsis of the terms, conditions and standards upon which agreements were made.

* * * * *

(4) Communications to or from individual [ratepayers] customers regarding interruptions, discontinuances, terminations and reconnections of service, including the name and address of the [ratepayer] customer, the date and character of the dispute or complaint and the adjustment or disposal made of the matter.

Subchapter I. INFORMAL COMPLAINTS

§ 56.211. [Informal complaints] (Reserved).

[The Bureau of Consumer Services (BCS) will have primary jurisdiction over ratepayer, applicant or occupant complaints arising under this chapter. The BCS, through its Director and with the concurrence of the Commission, will establish appropriate internal procedures to implement the provisions of this chapter.

(1) Absent good cause, the BCS will handle only Chapter 56 informal complaints in which the customer first attempted to resolve the matter with the utility.

(2) Only after the customer and the utility have failed to resolve the dispute will BCS initiate an investigation.]

Subchapter J. GENERAL PROVISIONS

§ 56.221. Availability of normal Commission procedures.

Nothing in this chapter [is deemed to prevent] prevents a person or a public utility from pursuing other Commission procedures in a case not described in this chapter.

§ 56.222. Applications for modification or exception.

(a) If unreasonable hardship to a person or to a public utility results from compliance with a section in this chapter, application may be made to the Commission for modification of the section or for temporary exemption from its requirements. The adoption of this chapter by the Commission will in no way preclude it from altering or amending it under the applicable statutory procedures, nor will the adoption of this chapter preclude the Commission from granting temporary exemptions in exceptional cases.

(b) A person or public utility that files an application under this section shall provide notice to persons who may be affected by the modification or temporary exemption. Notice may be made by a bill insert or in another reasonable manner.

Subchapter K. [MONTHLY] PUBLIC UTILITY REPORTING REQUIREMENTS

§ 56.231. Reporting requirements.

(a) Within 15 days after the end of each month, each electric[, gas] distribution utility, natural gas distribution utility, class A water distribution utility and steam heat utility shall file with the Commission a report containing the following information concerning residential accounts for that month:

(1) [Total number of accounts, categorized as follows:

(i) By classification—residential, residential multi-unit dwellings.

(ii) By usage—heating, nonheating.

(2) Number of overdue accounts, categorized as follows:

(i) By usage—heating, nonheating.

(ii) By amount overdue—\$25 or less, \$26—\$50, \$51—\$150, \$151—\$250, \$251—\$500, \$501—\$1,000 and over \$1,000.

(iii) By time overdue in days—30 days or less, 31—60 days, 61—90 days, 91—120 days, and over 120 days.

(3) Dollar amount overdue, categorized as follows:

(i) Total amount of arrearages.

(ii) By usage—heating, nonheating.

(iii) By time overdue in days—30 days or less, 31—60 days, 61—90 days, 91—120 days, and over 120 days.

(4) Total number of ten-day termination notices sent out by company.

(5) Total number of dwellings which receive notices sent to ratepayers other than occupants.

(6) Number of completed personal contacts categorized as follows:

(i) In person.

(ii) By telephone.

(iii) By third-party notification to a person designated by the customer.

(iv) By third-party notification to a community interest group.

(v) By third-party notification to the Commission or its designee.

(7) Total number of 48-hour notices posted.

(8) Number of terminations completed by the company, categorized as follows:

(i) Number of nonpayment of undisputed delinquent accounts, failure to satisfy credit requirements, noncompliance in the settlement of amortization agreement.

(ii) Others.

(9) Number of terminations completed, categorized as follows:

(i) By usage—heating, nonheating.

(ii) By amount overdue—\$25 or less, \$26—\$50, \$51—\$150, \$151—\$250, \$251—\$500, \$501—\$1,000 and over \$1,000.

(iii) By length of time overdue—30 days or less, 31—60 days, 61—90 days, 91—120 days, and over 120 days.

(iv) By first three digits of each account's zip code.

(10) Reconnections, categorized as follows:

(i) By usage—heating, nonheating.

(ii) By whether amortization settlement agreement was achieved:

(A) With involvement of the Commission.

(B) Between the customer and utility.

(iii) By total number of the reconnections due to medical certification.

(iv) By total number of reconnections due to full payment of arrearage.]

The total number of residential heating customers.

(2) The total number of residential nonheating customers.

(3) The total number of active residential accounts in arrears not on a payment agreement.

(4) The total dollar amount in arrears for active residential accounts in arrears and not on a payment agreement.

(5) The total number of active residential accounts in arrears and on a payment agreement.

(6) The total dollar amount in arrears for active residential accounts in arrears and on a payment agreement.

(7) The total number of inactive residential accounts in arrears.

(8) The total dollar amount of inactive residential accounts in arrears.

(9) The total number of 10-day termination notices sent out by company.

(10) The total number of dwellings receiving termination notices sent to occupants other than the customer.

(11) The total number of 3-day termination notices completed by personal contact in person.

(12) The total number of 3-day termination notices completed by telephone.

(13) The total number of 48-hour termination notices posted.

(14) The total number of terminations for nonpayment.

(15) The total number of terminations for reasons other than nonpayment.

(16) The total number of terminations for nonpayment and reasons other than nonpayment categorized by the first three digits of each account's postal code.

(17) The total number of reconnections for full customer payment. Categorize into one of five groups based upon the customer's relation to the Federal poverty guidelines:

(i) Less than 150% of the Federal poverty guideline.

(ii) Between 151—250% of the Federal poverty guideline.

(iii) Between 251—300% of the Federal poverty guideline.

(iv) Greater than 300% of the Federal poverty guideline.

(v) Not available.

(18) The total number of reconnections for partial customer payment or payment agreement. Categorize into one of five groups based upon the customer's relation to the Federal poverty guidelines:

(i) Less than 150% of the Federal poverty guideline.

(ii) Between 151—250% of the Federal poverty guideline.

(iii) Between 251—300% of the Federal poverty guideline.

(iv) Greater than 300% of the Federal poverty guideline.

(v) Not available.

(19) The total number of reconnections for customer submission of medical certification. Categorize into one of five groups based upon the customer's relation to the Federal poverty guidelines:

(i) Less than 150% of the Federal poverty guideline.

(ii) Between 151—250% of the Federal poverty guideline.

(iii) Between 251—300% of the Federal poverty guideline.

(iv) Greater than 300% of the Federal poverty guideline.

(v) Not available.

(20) The total number of reconnections for reasons other than customer payment or medical certification. Categorize into five groups based upon the customer's relation to the Federal poverty guidelines:

(i) Less than 150% of the Federal poverty guideline.

(ii) Between 151—250% of the Federal poverty guideline.

(iii) Between 251—300% of the Federal poverty guideline.

(iv) Greater than 300% of the Federal poverty guideline.

(v) Not available.

(21) The total number of applicants that are requested or billed a security deposit.

(22) The total dollar amount in security deposits that are requested or billed to applicants.

(23) The total number of customers that are requested or billed a security deposit.

(24) The total dollar amount in security deposits that are requested or billed to customers.

(b) Within 90 days after the end of each year, each electric distribution utility, natural gas distribution utility, class A water distribution utility and steam heat utility shall file with the Commission a report containing the following information concerning residential accounts for the previous year:

(1) The total number of security deposits on hand.

(2) The total dollar amount in security deposits on hand.

(3) The total dollar amount of annual collection operating expenses.

(4) The total dollar amount of annual residential billings.

(5) The total dollar amount of annual gross residential write-offs.

(6) The total dollar amount of annual net residential write-offs.

(7) The average monthly bill for the previous year for a heating customer.

(8) The average monthly bill for the previous year for a nonheating customer.

(9) The average monthly usage for a heating customer.

(10) The average monthly usage for a nonheating customer.

(c) Public utilities shall refer to the data dictionary in Appendix C (relating to definitions (§ 56.231)) for additional guidance as to the terms used in this section.

(Editor's Note: The following subchapters are new. The text has been printed in regular print to enhance readability.)

Subchapter L. PRELIMINARY PROVISIONS FOR WASTEWATER, STEAM HEAT AND SMALL NATURAL GAS DISTRIBUTION UTILITIES AND VICTIMS OF DOMESTIC VIOLENCE WITH A PROTECTION FROM ABUSE ORDER

Sec.

56.251. Statement of purpose and policy.

56.252. Definitions.

§ 56.251. Statement of purpose and policy.

Subchapters L—V apply to victims under a Protection From Abuse Order as provided by 23 Pa.C.S. Chapter 61 (relating to protection from abuse) and 66 Pa.C.S. § 1417 (relating to nonapplicability). These subchapters also apply to wastewater, steam heating and natural gas distribution utilities with annual gas operating revenues of less than \$6,000,000 per year, except when the utility seeks to provide natural gas supply services to retail gas customers outside its service territory as provided by 66 Pa.C.S. § 1403 (relating to definitions). These subchapters establish and enforce uniform, fair and equitable residential utility service standards governing eligibility criteria, credit and deposit practices, and account billing, termination and customer complaint procedures. This chapter assures adequate provision of residential utility service, to restrict unreasonable termination of or refusal to provide that service and to provide functional alternatives to termination or refusal to provide that service. Every privilege conferred or duty required by this chapter imposes an obligation of good faith, honesty and fair dealing in its performance and enforcement. This chapter will be liberally construed to fulfill its purpose and policy and to insure justice for all concerned.

§ 56.252. Definitions.

In addition to the definitions in § 56.2 (relating to definitions), the following words and terms, when used in Subchapters L—V, have the following meanings, unless the context clearly indicates otherwise:

Applicant—

(i) A person who applies for residential utility service.

(ii) The term does not include a person who, within 60 days after termination or discontinuance of service, seeks to transfer service within the service territory of the same utility or to reinstate service at the same address.

*Basic services—*Services necessary for the physical delivery of residential utility service.

*Customer—*A person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service.

*Cycle billing—*A system of billing employed by a utility which results in the normal rendition of bills for utility service to a group or portion of customers on different or specified days of one billing period.

*Delinquent account—*Charges for utility service which have not been paid in full by the due date stated on the bill or otherwise agreed upon; provided that an account may not be deemed delinquent if: prior to the due date, a payment agreement or informal dispute settlement agreement with the utility has been entered into by the customer, a timely filed notice of dispute is pending before the utility, or, under time limits provided in this chapter, an informal or formal complaint is timely filed with and is pending before the Commission.

*Discontinuation of service—*The cessation of service with the consent of the customer and otherwise in accordance with § 56.312 (relating to discontinuation of service).

*Dispute—*A grievance of an applicant, customer or occupant about a utility's application of a provision covered by this chapter, including subjects such as credit determinations, deposit requirements, the accuracy of meter readings or bill amounts or the proper party to be charged. If, at the conclusion of an initial contact or, when applicable, a follow-up response, the applicant, customer or occupant indicates satisfaction with the resulting resolution or explanation, the contact will not be considered a dispute.

*Initial inquiry—*A concern or question of an applicant, customer or occupant about a utility's application of a provision covered by this chapter, including subjects such as credit determinations, deposit requirements, the accuracy of meter readings or bill amounts or the proper party to be charged. If a utility, with the consent of the applicant, customer or occupant, offers to review pertinent records and call back the applicant, customer or occupant within 3 business days with a response, the contact will be considered an initial inquiry pending a determination of satisfaction by the applicant, customer or occupant with the company's response. If the company cannot reach the customer to convey the information obtained through a review of company records, a letter shall be sent which summarizes the information and informs the customer to contact the company within 5 business days if the customer disagrees with the company position, or has additional questions or concerns about the matter.

*Nonbasic services—*Optional recurring services which are distinctly separate and clearly not required for the physical delivery of utility service.

*Occupant—*A person who resides in the premises to which utility service is provided.

*Payment agreement—*A mutually satisfactory written agreement whereby a customer or applicant who admits

liability for billed service is permitted to amortize or pay the unpaid balance of the account in one or more payments over a reasonable period of time.

*Physician—*An individual licensed to engage in the practice of medicine and surgery in all of its branches, or in the practice of osteopathy or osteopathic surgery.

*Remote reading device—*A device which by electrical impulse or otherwise transmits readings from a meter, excluding devices that permit direct interrogation of the meter, usually located within a residence, to a more accessible location outside of a residence.

Residential service—

(i) Utility service supplied to a dwelling, including service provided to a commercial establishment if concurrent service is provided to a residential dwelling attached thereto.

(ii) The term does not include utility service provided to a hotel or motel.

*User without contract—*Taking or acceptance of utility service without the knowledge or approval of the utility, other than unauthorized use of service as defined in this section.

Utility—

(i) A public utility or a municipality, subject to Commission jurisdiction, which provides wastewater services or steam heating services.

(ii) The term also includes natural gas distribution utilities with annual gas operating revenues of less than \$6,000,000 per year, except when the public utility seeks to provide natural gas supply services to retail gas customers outside its service territory as provided under 66 Pa.C.S. § 1403 (relating to definitions).

Subchapter M. BILLING AND PAYMENT STANDARDS

GENERAL

Sec.	
56.261.	Billing frequency.
56.262.	Meter reading; estimated billing; customer readings.
56.263.	Billings for merchandise, appliances and nonrecurring and recurring services.
56.264.	Previously unbilled utility service.
56.265.	Billing information.
56.266.	Transfer of accounts.
56.267.	Advance payments.

PAYMENTS

56.271.	Payment.
56.272.	Accrual of late payment charges.
56.273.	Application of partial payments between utility and other service.
56.274.	Application of partial payments among several bills for utility service.
56.275.	Electronic bill payment.

GENERAL

§ 56.261. Billing frequency.

(a) A utility shall render a bill once every billing period to every residential customer in accordance with approved rate schedules.

(b) A utility may utilize electronic billing in lieu of mailed paper bills. Electronic billing programs must include the following:

(1) The electronic billing option is voluntary and the customer retains the option of continuing to receive a paper bill if desired. The customer retains the right to revert to conventional paper billings upon request. The customer shall provide the utility with a 1 month notice of a request to revert to paper billing.

(2) A customer shall receive a visual presentation of an electronic bill in the same format as the paper bill issued by the utility.

(3) The electronic bill must include the same disclosures and required educational messages that are required for paper bills. The electronic transmission of termination notices may not be permitted.

(4) The electronic bill must include all required bill inserts in an easily accessed and easily readable format.

(5) The electronic bill must include the option for the customer to contribute to the utility's hardship fund.

(6) A customer may not be required to pay an additional fee to receive an electronic bill.

(7) The utility shall maintain a system to ensure delivery of electronic bills if the bill is emailed to a customer.

(8) The utility shall maintain sufficient system security to assure customer privacy.

§ 56.262. Meter reading; estimated billing; customer readings.

Except as provided in this section, a utility shall render bills based on actual meter readings by utility company personnel.

(1) *Inapplicability to seasonally billed customers.* This section does not apply to customers billed on a seasonal basis under terms included in the tariff of the utility.

(2) *Estimates for bills rendered on a monthly basis.* If a utility bills on a monthly basis, it may estimate usage of service every other billing month, so long as the utility provides a customer with the opportunity to read the meter and report the quantity of usage in lieu of the estimated bill. The resulting bills shall be based on the information provided, except for an account where it is apparent that the information is erroneous.

(i) Upon the request of the customer, the utility shall, at least annually, provide preaddressed postcards on which the customer may report the reading. The utility shall provide additional preaddressed postcards on request. The utility may choose to make available electronic and telephonic methods for customers to report meter reading information.

(ii) The utility may establish due dates by which the postcards shall be received for a bill to be based upon the meter reading of the customer or occupant. If the reading of a customer is not received by that due date, the utility may estimate the quantity of usage. The utility may establish due dates for submitting a meter reading when the customer or occupant utilizes an electronic method for reporting meter readings.

(3) *Estimates permitted under exigent circumstances.* A utility may estimate the bill of a customer if extreme weather conditions, emergencies, equipment failure, work stoppages or other circumstances prevent actual meter reading.

(4) *Estimates when utility personnel are unable to gain access.* A utility may estimate the bill of a customer if utility personnel are unable to gain access to obtain an actual meter reading, as long as the following apply:

(i) The utility has undertaken reasonable alternative measures to obtain a meter reading, including, but not limited to, the provision of preaddressed postcards upon which the customer may note the reading or the telephone reporting of the reading.

(ii) The utility, at least every 6 months, or every four billing periods for utilities permitted to bill for periods in excess of 1 month, obtains an actual meter reading or customer supplied reading to verify the accuracy of the estimated readings.

(iii) The utility, at least once every 12 months, obtains an actual meter reading to verify the accuracy of the readings, either estimated or customer read.

(5) *Remote reading devices for water, gas and electric utilities.* A utility may render a bill on the basis of readings from a remote reading device under the following conditions:

(i) When a gas, electric or water utility uses readings from a remote reading device to render bills, the utility shall obtain an actual meter reading at least once every 5 years to verify the accuracy of the remote reading device. If the customer of record at the dwelling changes during the 5-year period between actual meter readings, the utility shall make a bona fide attempt to schedule an appointment with the departing customer and, if necessary, the new occupant, to secure an actual meter reading.

(ii) When the actual meter reading establishes that the customer was underbilled due to an error in the registration of the remote reading device, the utility may render a bill for the uncollected amount. If the rebilling exceeds the otherwise normal estimated bill for the billing period during which the bill is issued by at least 50% or at least \$50, whichever is greater, the utility shall comply with § 56.264 (relating to previously unbilled utility service).

(iii) When the actual meter reading establishes that the customer was overbilled due to an error in the readings of the remote reading device, the utility shall credit or refund to the customer the amount overbilled plus interest calculated under § 56.411(3) (relating to duties of parties; disputing party's duty to pay undisputed portion of bills; utility's duty to pay interest whenever overpayment found).

(iv) Nothing in this section may be construed to limit the authority of electric, gas or water utilities to gain access to a residence for the purpose of checking or reading a meter.

(6) *Limitation of liability.* If a water company has estimated bills and if the customer or occupant during that period has consumed an amount of water in excess of normal seasonal usage because of a verified leak that could not reasonably have been detected or other unknown loss of water, the customer is not liable for more than 150% of the average amount of water consumed for the corresponding period during the previous year. This section does not apply when the water utility was unable to gain access and has complied with paragraph (4).

(7) *Budget billing.* A gas, electric and steam heating utility shall provide its residential customers, on a year-round rolling enrollment basis, with an optional billing procedure which averages estimated utility service costs over a 10-month, 11-month or 12-month period to eliminate, to the extent possible, seasonal fluctuations in utility bills. The utility shall review accounts at least three times during the optional billing period. Any resulting reconciliation amount exceeding \$25 shall be amortized over a 3—12 month period. Payment agreements for heating customers are to be based upon equal monthly billing.

(8) *Notice.* The utility shall inform existing customers of their rights under this section and under 66 Pa.C.S. § 1509 (relating to billing procedures).

§ 56.263. Billings for merchandise, appliances and nonrecurring and recurring services.

Charges for other than basic service—that is, merchandise, appliances and special services, including merchandise and appliance installation, sales, rental and repair costs; meter testing fees; line extension costs; special construction charges, and other nonrecurring charges, except as provided in this chapter—must appear after charges for basic services and appear distinctly separate. This includes charges for optional recurring services which are distinctly separate and clearly not required for the physical delivery of service. Examples include line repair programs and appliance warranty programs.

§ 56.264. Previously unbilled utility service.

When a utility renders a make-up bill for previously unbilled utility service which accrued within the past 4 years resulting from utility billing error, meter failure, leakage that could not reasonably have been detected or loss of service, or four or more consecutive estimated bills and the make-up bill exceeds the otherwise normal estimated bill for the billing period during which the make up bill is issued by at least 50% or at least \$50, whichever is greater:

(1) The utility shall review the bill with the customer and make a reasonable attempt to enter into a payment agreement.

(2) The period of the payment agreement may, at the option of the customer, extend at least as long as:

(i) The period during which the excess amount accrued.

(ii) Necessary so that the quantity of service billed in any one billing period is not greater than the normal estimated quantity for that period plus 50%.

§ 56.265. Billing information.

A bill rendered by a utility for metered residential utility service must state clearly the following information:

(1) The beginning and ending dates of the billing period.

(2) If applicable, the beginning and ending meter readings for the billing period. If a bill is estimated, it must contain a clear and conspicuous marking of the word "Estimated."

(3) The due date on or before which payment shall be made or the account will be delinquent.

(4) The amount due for service rendered during the current billing period, specifying the charge for basic service, the energy or fuel adjustment charge, State tax adjustment surcharge if other than zero, State Sales Tax if applicable and other similar charges. The bills should also indicate that a State Gross Receipts Tax is being charged and a reasonable estimate of the charge. A Class A utility shall include a statement of the dollar amount of total State taxes included in the current billing period charge. For the purpose of this paragraph, a Class A utility shall also include a Class A telephone utility as defined under § 63.31 (relating to classification of public utilities).

(5) Amounts due for reconnection charges.

(6) Amounts due for security deposits.

(7) The total amount of payments and other credits made to the account during the current billing period.

(8) The amount of late payment charges, designated as such, which have accrued to the account of the customer

for failure to pay bills by the due date of the bill and which are authorized under § 56.272 (relating to accrual of late payment charges).

(9) The total amount due.

(10) A clear and conspicuous marking of estimates.

(11) A statement directing the customer to "register any question or complaint about the bill prior to the due date," with the address and telephone number where the customer may initiate the inquiry or complaint with the utility.

(12) A statement that a rate schedule, an explanation of how to verify the accuracy of a bill and an explanation of the various charges, if applicable, is available for inspection in the local business office of the utility.

(13) A designation of the applicable rate schedule as denoted in the officially filed tariff of the utility.

(14) Utilities shall incorporate the requirements of §§ 54.4 and 62.74 (relating to bill format for residential and small business customers).

(15) The Plain Language Policy Guidelines in § 69.251 (relating to plain language—statement of policy) shall be incorporated to the extent practical.

§ 56.266. Transfer of accounts.

(a) A customer who is about to vacate premises supplied with utility service or who wishes to have service discontinued shall give at least 7 days notice to the utility and a noncustomer occupant, specifying the date on which it is desired that service be discontinued. In the absence of a notice, the customer shall be responsible for services rendered. If the utility is not able to access the meter for discontinuance, service shall be discontinued with an estimated meter reading upon which the final bill will be based. The resulting final bill is subject to adjustment once the utility has obtained an actual meter reading and can determine the actual consumption used by the customer.

(b) In the event of discontinuance or termination of service at a residence or dwelling in accordance with this chapter, a utility may transfer an unpaid balance to a new residential service account of the same customer.

(c) If a termination notice has been issued in accordance with § 56.331 (relating to general notice provisions and contents of termination notice) and subsequent to the mailing or delivery of a notice, a customer requests a transfer of service to a new location, the termination process as set forth in §§ 56.331—56.339 may continue at the new location.

(1) When notifications set forth under § 56.331 and § 56.335 (relating to deferred termination when no prior contact) have been rendered and service has not been terminated due to a denial of access to the premises, the utility may deny service at a new location when a service transfer is requested.

(2) Nothing in this section shall be construed to limit the right of a customer to dispute a bill within the meaning of §§ 56.372—56.374 (relating to dispute procedures; time for filing an informal complaint; and effect of failure to timely file an informal complaint).

(d) In the event of a termination of service to a residential customer, a utility may transfer to the account of a third-party guarantor any portion of the unpaid balance which is equivalent to the cash deposit requirement of the customer.

§ 56.267. Advance payments.

Payments may be required in advance of furnishing any of the following services:

- (1) Seasonal service.
- (2) The construction of facilities and furnishing of special equipment.

(3) Gas and electric rendered through prepayment meters provided:

(i) The customer is nonlow income; for purposes of this section, nonlow income is defined as an individual who has an annual household gross income greater than 150% of the Federal poverty income guidelines, and has a delinquency for which the individual is requesting a payment agreement but offering terms that the utility, after consideration of the factors in § 56.337(b) (relating to procedures upon customer or occupant contact prior to termination), finds unacceptable.

(ii) The service is being rendered to an individually-metered residential dwelling, and the customer and occupants are the only individuals affected by the installation of a prepayment meter.

(iii) The customer and utility enter into an informal dispute settlement agreement or payment agreement which includes, but is not limited to, the following terms:

(A) The customer voluntarily agrees to the installation of a prepayment meter.

(B) The customer agrees to purchase prepayment cards to maintain service until the total balance is retired and the utility agrees to make new cards available to the customer within 5 days of receipt of prepayment.

(C) The utility agrees to furnish the customer an emergency backup card for additional usage of at least 5 days.

(D) The customer agrees that failure to renew the card by making prepayment for additional service constitutes a request for discontinuance under § 56.312(1) (relating to discontinuation of service), except during a medical emergency, and that discontinuance will occur when the additional usage on the emergency backup card runs out.

(iv) The utility develops a written plan for a prepayment meter program, consistent with the criteria established in this section, and submits the plan to the Commission at least 30 days in advance of the effective date of the program.

(v) During the first 2 years of use of prepayment meters, the utility thoroughly and objectively evaluates the use of prepayment meters in accordance with the following:

(A) *Content.* The evaluation should include both process and impact components. Process evaluation should focus on whether the use of prepayment meters conforms to the program design and should assess the degree to which the program operates efficiently. The impact evaluation should focus on the degree to which the program achieves the continuation of utility service to participants at reasonable cost levels. The evaluation should include an analysis of the costs and benefits of traditional collections or alternative collections versus the costs and benefits of handling nonlow income positive ability to pay customers through prepayment metering. This analysis should include comparisons of customer payment behavior, energy consumption, administrative costs and actual collection costs.

(B) *Time frame.* The process evaluation should be undertaken during the middle of the first year; the impact evaluation at least by the end of the second year.

(4) Temporary service for short-term use, including installation and removal, with credit for reasonable salvage.

PAYMENTS**§ 56.271. Payment.**

The due date for payment of a bill may be no less than 20 days from the date of transmittal; that is, the date of mailing or delivery of the bill by the utility to the customer.

(1) *Extension of due date to next business day.* If the last day for payment falls on a Saturday, Sunday, bank holiday or other day when the offices of the utility which regularly receive payments are not open to the general public, the due date shall be extended to the next business day.

(2) *Date of payment by mail.* For a remittance by mail, one or more of the following applies:

(i) Payment shall be deemed to have been made on the date of the postmark.

(ii) The utility may not impose a late payment charge unless payment is received more than 5 days after the due date.

(3) *Branch offices or authorized payment agents.* The effective date of payment to a branch office or authorized payment agent, unless payment is made by mail under paragraph (2), is the date of actual receipt of payment at that location.

(4) *Electronic transmission.* The effective date of a payment electronically transmitted to a utility is the date of actual receipt of the electronic notification of payment.

(5) *Fees.* Fees or charges assessed and collected by the public utility for utilizing a payment option shall be included in the utility's tariff on file at the Commission.

(6) *Multiple notifications.* When a utility advises a customer of a balance owed by multiple notices or contacts, which contain different due dates, the date on or before which payment is due shall be the last date contained in any of the notices.

§ 56.272. Accrual of late payment charges.

(a) Every utility subject to this chapter is prohibited from levying or assessing a late charge or penalty on any overdue utility bill, as defined in § 56.271 (relating to payment), in an amount which exceeds 1.5% interest per month on the overdue balance of the bill. These charges are to be calculated on the overdue portions of the bill only. The interest rate, when annualized, may not exceed 18% simple interest per annum.

(b) An additional charge or fixed fee designed to recover the cost of a subsequent rebilling may not be charged by a regulated utility.

(c) Late payment charges may not be imposed on disputed estimated bills, unless the estimated bill was required because utility personnel were willfully denied access to the affected premises to obtain an actual meter reading.

(d) A public utility may waive late payment charges on any customer accounts.

(e) Additional late payment charges may not be assessed on account balances once the account is no longer actively billed by the utility.

§ 56.273. Application of partial payments between utility and other service.

Payments received by a utility without written instructions that they be applied to merchandise, appliances, special services, meter testing fees or other nonbasic charges and which are insufficient to pay the balance due for the items plus amounts billed for basic utility service shall first be applied to the basic charges for residential utility service.

§ 56.274. Application of partial payments among several bills for utility service.

In the absence of written instructions, a disputed bill or a informal dispute settlement agreement or payment agreement, payments received by a utility which are insufficient to pay a balance due both for prior service and for service billed during the current billing period shall first be applied to the balance due for prior service.

§ 56.275. Electronic bill payment.

A utility may offer electronic payment options. Electronic payment programs must include the following requirements:

- (1) Electronic bill payment shall be voluntary and may not be required in conjunction with electronic billing.
- (2) For electronic bill payment through a charge to a customer's credit card or automatic withdrawal from a customer's checking account, the program must set forth the date (or number of days after issuance of the bill) when the automatic payment shall be made.
- (3) The terms of the payment procedures shall be fully disclosed to the customer in writing before the customer enters the program. Program changes shall be conveyed to the customer in writing and the customer shall be given an opportunity to withdraw from the program if the customer does not wish to continue under the new terms.
- (4) The utility shall provide a receipt, either electronically or on paper, to the customer upon payment through the electronic method.
- (5) The utility shall maintain sufficient system security to protect all customer information and all access to customer accounts.

Subchapter N. CREDIT AND DEPOSITS STANDARDS POLICY

PROCEDURES FOR NEW APPLICANTS

Sec.	
56.281.	Policy statement.
56.282.	Credit standards.
56.283.	Cash deposits; third-party guarantors.
56.284.	Deposits for temporary service.
56.285.	Payment of outstanding balance.
56.286.	Written procedures.
56.287.	General rule.
56.288.	Payment period for deposits by applicants.

PROCEDURES FOR EXISTING CUSTOMERS

56.291.	General rule.
56.292.	Payment period for deposits.

CASH DEPOSITS

56.301.	Amount of cash deposit.
56.302.	Deposit hold period and refund.
56.303.	Application of deposit to bills.
56.304.	Periodic review.
56.305.	Refund statement.
56.306.	Interest rate.
56.307.	Application of interest.

PROCEDURES FOR NEW APPLICANTS

§ 56.281. Policy statement.

An essential ingredient of the credit and deposit policies of each utility shall be the equitable and nondiscriminatory application of those precepts to potential and actual customers throughout the service area without regard to the economic character of the area or any part thereof. Deposit policies must be based upon the credit risk of the individual applicant or customer rather than the credit history of the affected premises or the collective credit reputation or experience in the area in which the applicant or customer lives and without regard to race, sex, age over 18, National origin or marital status.

§ 56.282. Credit standards.

(a) A utility shall provide residential service without requiring a deposit when the applicant satisfies one of the following requirements:

(1) *Prior utility payment history.* The applicant has been a recipient of utility service of a similar type within a period of 24 consecutive months preceding the date of the application and was primarily responsible for payment for the service, so long as:

(i) The average periodic bill for the service was equal to at least 50% of that estimated for new service.

(ii) The service of the applicant was not terminated for nonpayment during the last 12 consecutive months of that prior service.

(iii) The applicant does not have an unpaid balance from that prior service.

(2) *Ownership of real property.* The applicant owns or has entered into an agreement to purchase real property located in the area served by the utility or is renting the applicant's place of residence under a lease of 1 year or longer in duration, unless the applicant has an otherwise unsatisfactory credit history as a utility customer within 2 years prior to the application for service.

(3) *Credit information.* The applicant provides information demonstrating that he is not an unsatisfactory credit risk.

(i) The absence of prior credit history does not, of itself, indicate an unsatisfactory risk.

(ii) The utility may request and consider information including:

(A) The name of the employer of the applicant.

(B) The place and length of employment.

(C) Residences during the previous 5 years.

(D) Letters of reference.

(E) Credit cards.

(F) Significant source of income other than from employment.

§ 56.283. Cash deposits; third-party guarantors.

If an applicant does not establish credit under § 56.282 (relating to credit standards), the utility shall provide residential service when one of the following requirements is satisfied:

(1) *Cash deposit.* The applicant posts a cash deposit.

(2) *Third-party guarantor.* The applicant furnishes a written guarantee from a responsible customer which, for the purposes of this section, means a customer who has

or can establish credit, under § 56.282 (relating to credit standards), to secure payment in an amount equal to that required for cash deposits.

(i) A guarantee must be in writing and state the terms of the guarantee.

(ii) The guarantor shall be discharged when the applicant has met the terms and conditions which apply under §§ 56.302 and 56.303 (relating to deposit hold period and refund; and application of deposit to bills).

§ 56.284. Deposits for temporary service.

Deposits for applicants for temporary service may be required in accordance with § 53.82(1) (relating to deposits).

§ 56.285. Payment of outstanding balance.

A utility may require, as a condition of the furnishing of residential service to an applicant, the payment of any outstanding residential account with the utility which accrued within the past 4 years for which the applicant is legally responsible and for which the applicant was billed properly. However, an outstanding residential account with the utility may be amortized over a reasonable period of time. Factors to be taken into account include the size of the unpaid balance, the ability of the applicant to pay, the payment history of the applicant and the length of time over which the bill accumulated. A utility may not require, as a condition of the furnishing of residential service, payment for residential service previously furnished under an account in the name of a person other than the applicant unless a court, district justice or administrative agency has determined that the applicant is legally obligated to pay for the service previously furnished. Examples of situations include a separated spouse or a cotenant. This section does not affect the creditor rights and remedies of a utility otherwise permitted by law.

§ 56.286. Written procedures.

A utility shall establish written procedures for determining the credit status of an applicant. A utility employee processing applications or determining the credit status of applicants shall be supplied with or have ready access to a copy of the written procedures of the utility. A copy of these procedures shall be maintained on file in each of the business offices of the utility and made available, upon request, for inspection by members of the public and the Commission and be included on the utility's web site.

(1) *Reasons for denial of credit.* If credit is denied, the utility shall inform the customer or applicant in writing of the reasons for the denial. If the utility is requiring payment of an unpaid balance in accordance with § 56.285 (relating to payment of outstanding balance), the utility shall specify in writing the amount of the unpaid balance, the dates during which the balance accrued, and the location and customer name at which the balance accrued. The statement must inform the applicant of the right to furnish a third party guarantor in accordance with § 56.283 (relating to cash deposits; third-party guarantors) and the right to contact the Commission. The statement must include information informing victims of domestic violence with a Protection from Abuse Order that more lenient credit and liability standards may be available.

(2) *Informing applicants of procedures.* Utility personnel shall fully explain the credit and deposit procedures of the utility to each customer or applicant for service.

(3) *Third party requests for service.* Requests from third parties to establish public utility service, on behalf of an applicant, will not be honored until the public utility has verified the legitimacy of the request. Verification may be accomplished by any means appropriate to confirm that the applicant consents to service being established or that the third-party is authorized to act on the applicant's behalf.

§ 56.287. General rule.

Once an applicant's application for service is accepted by the utility, the utility shall provide service within 3 days, provided that the applicant has met all requirements. A longer time frame is permissible with the consent of the applicant. If the investigation and determination of credit status is expected to take or in fact takes longer than 3 business days commencing the date after the application is made, the utility shall provide service pending completion of the investigation.

§ 56.288. Payment period for deposits by applicants.

An applicant may elect to pay any required deposits in three installments: 50% payable upon the determination by the utility that the deposit is required, 25% payable 30 days after the determination and 25% payable 60 days after the determination.

PROCEDURES FOR EXISTING CUSTOMERS

§ 56.291. General rule.

A utility may require an existing customer to post a deposit to reestablish credit under the following circumstances:

(1) *Delinquent accounts.* Whenever a customer has been delinquent in the payment of any two consecutive bills or three or more bills within the preceding 12 months.

(i) Prior to requesting a deposit under this section, the utility shall give the customer written notification of its intent to request a cash deposit if current and future bills continue to be paid after the due date.

(A) Notification must clearly indicate that a deposit is not required at this time but that if bills continue to be paid after the due date a deposit will be required.

(B) Notification may be mailed or delivered to the customer together with a bill for utility service.

(C) Notification must set forth the address and phone number of the utility office where complaints or questions may be registered.

(D) A subsequent request for deposit must clearly indicate that a customer should register any question or complaint about that matter prior to the date the deposit is due to avoid having service terminated pending resolution of a dispute. The request must also include the address and telephone number of the utility office where questions or complaints may be registered.

(ii) Except in the case of adjustments to equal monthly billing plans, a utility may issue a notification or subsequent request for a deposit based, in whole or in part, on a delinquent account arising out of a make-up bill as defined in § 56.264 (relating to previously unbilled utility services), under the following conditions:

(A) The utility has complied with § 56.264. Compliance with a payment agreement or informal dispute settlement agreement by the customer discharges the delinquency, and a notification or request for deposit may not thereafter be issued based on the make-up bill.

(B) If a make-up bill exceeds the otherwise normal estimated bill by at least 50% and if the customer makes payment in full after the bill is delinquent but before a notification of intent to request a deposit is given to the customer, a notification or request for deposit may not thereafter be issued based on the make-up bill.

(2) *Condition to the reconnection of service.* A utility may require a deposit as a condition to reconnection of service following a termination.

(3) *Failure to comply with informal dispute settlement agreement or payment agreement.* A utility may require a deposit, whether or not service has been terminated, when a customer fails to comply with a material term or condition of a informal dispute settlement agreement or payment agreement.

§ 56.292. Payment period for deposits.

The due date for payment of a deposit other than a deposit required as a condition for the reconnection of service under § 56.291(2) (relating to general rule) may not be less than 21 days from the date of mailing or service on the customer of notification of the amount due. A customer may elect to pay a required deposit in three installments: 50% payable upon the determination by the utility that the deposit is required, 25% payable 30 days after the determination and 25% payable 60 days after the determination. A public utility shall advise an applicant of the option to pay the requested security deposit in installments at the time the deposit is requested.

CASH DEPOSITS

§ 56.301. Amount of cash deposit.

(a) *Applicants.* A utility may not require a cash deposit from an applicant in excess of the average estimated bill of the applicant for a period equal to one billing period plus 1 additional month's service, not to exceed 4 months in the case of water and wastewater utilities and 2 months in the case of gas, electric and steam heat utilities, with a minimum deposit of \$5.

(b) *Existing customer.* For an existing customer, the cash deposit may not exceed the estimated charges for service based on the prior consumption of that customer for the class of service involved for a period equal to one average billing period plus 1 average month, not to exceed 4 months in the case of wastewater utilities and 2 months in the case of gas and steam heat utilities, with a minimum of \$5.

(c) *Adjustment of deposits.* The amount of a cash deposit may be adjusted at the request of the customer or the utility whenever the character or degree of the usage of the customer has materially changed or when it is clearly established that the character or degree of service will materially change in the immediate future.

§ 56.302. Deposit hold period and refund.

A cash deposit shall be refunded under the following conditions:

(1) *Termination or discontinuance of service.* Upon termination or discontinuance of service, the utility shall promptly apply the deposit of the customer, including accrued interest, to any outstanding balance for utility service and refund or apply the remainder to the customer's account. A transfer of service from one location to another within a service area may not be deemed discontinuance within the meaning of this chapter.

(2) *Credit established.* When a customer establishes credit under § 56.282 (relating to credit standards), the

utility shall refund or apply to the customer's account, any cash deposit plus accrued interest.

(3) *Third-party guarantor.* When a customer substitutes a third-party guarantor in accordance with § 56.283(2) (relating to cash deposits; third-party guarantors), the utility shall refund any cash deposit, plus accrued interest, up to the limits of the guarantee.

(4) *Prompt payment of bills.* After a customer has paid bills for service for 12-consecutive months without having service terminated and without having paid a bill subsequent to the due date or other permissible period as stated in this chapter on more than two occasions or for a maximum period of 24 months, the utility shall refund any cash deposit, plus accrued interest.

(5) *Optional refund.* At the option of the utility, a cash deposit, including accrued interest, may be refunded in whole or in part, at any time earlier than the time stated in this section.

§ 56.303. Application of deposit to bills.

The customer may elect to have a deposit applied to reduce bills for utility service or to receive a cash refund.

§ 56.304. Periodic review.

If a customer is not entitled to refund under § 56.302 (relating to deposit hold period and refund), the utility shall review the account of the customer each succeeding billing period and make appropriate disposition of the deposit in accordance with §§ 56.302 and 56.303 (relating to application of deposit to bills).

§ 56.305. Refund statement.

If a cash deposit is applied or refunded, the utility shall mail or deliver to the customer a written statement showing the amount of the original deposit plus accrued interest, the application of the deposit to a bill which had previously accrued, the amount of unpaid bills liquidated by the deposit and the remaining balance.

§ 56.306. Interest rate.

The utility shall accrue interest on the deposit until it is returned or credited the legal rate of interest under section 202 of the act of January 30, 1974 (P. L. 13, No. 6) (41 P. S. § 202), known as the Loan Interest and Protection Law, and return the interest with the deposit.

§ 56.307. Application of interest.

Interest shall be paid annually to the customer, or, at the option of either the utility or the customer, shall be applied to service bills.

Subchapter O. INTERRUPTION AND DISCONTINUANCE OF SERVICE

Sec.
56.311. Interruption of service.
56.312. Discontinuance of service.

§ 56.311. Interruption of service.

A utility may temporarily interrupt service where necessary to effect repairs or maintenance; to eliminate an imminent threat to life, health, safety or substantial property damage; or for reasons of local, State or National emergency.

(1) *Interruption with prior notice.* When the utility knows in advance of the circumstances requiring the service interruption, prior notice of the cause and expected duration of the interruption shall be given to customers and occupants who may be affected.

(2) *Interruption without prior notice.* When service is interrupted due to unforeseen circumstances, notice of the

cause and expected duration of the interruption shall be given as soon as possible to customers and occupants who may be affected.

(3) *Notification procedures.* When customers and occupants are to be notified under this section, the utility shall take reasonable steps, such as personal contact, phone contact and use of the mass media, to notify affected customers and occupants of the cause and expected duration of the interruption.

(4) *Permissible duration.* Service may be interrupted for only the periods of time necessary to protect the health and safety of the public, to protect property or to remedy the situation which necessitated the interruption; and service shall be resumed as soon as possible thereafter.

§ 56.312. Discontinuance of service.

A utility may discontinue service without prior written notice under the following circumstances:

(1) *Customer's residence.* When a customer requests a discontinuance at his residence, when the customer and members of the household are the only occupants, if the account is listed in multiple customer names and the utility receives a request for discontinuance from just one or more of the customers listed, but not all the customers listed, the customer requesting discontinuance shall state that all the occupants meeting the definition of "customer" consent to the cessation of service. If consent is not provided, the utility, at least 3 days prior to the proposed discontinuance, shall conspicuously post notice of termination at the affected premises.

(2) *Other premises or dwellings.* Other premises or dwellings shall be as follows:

(i) When a customer requests discontinuance at a dwelling other than his residence or at a single meter multifamily residence, whether or not his residence but, in either case, only under either of the following conditions:

(A) The customer states in writing that the premises are unoccupied. The statement must be on a form conspicuously bearing notice that information provided by the customer will be relied upon by the Commission in administering a system of uniform service standards for public utilities and that any false statements are punishable criminally. When the customer fails to provide a notice, or when the customer has falsely stated the premises are unoccupied, the customer shall be responsible for payment of utility bills until the utility discontinues service.

(B) The occupants affected by the proposed cessation inform the utility orally or in writing of their consent to the discontinuation.

(ii) When the conditions in subparagraph (i) have not been met, the utility, at least 10 days prior to the proposed discontinuance, shall conspicuously post notice of termination at the affected premises.

(A) When the premises is a multifamily residence, notice shall also be posted in common areas.

(B) Notices must, at a minimum, state: the date on or after which discontinuance will occur; the name and address of the utility; and the requirements necessary for the occupant to obtain utility service in the occupant's name. Further termination provisions of this chapter except § 56.337 (relating to procedures upon customer or occupant contact prior to termination) do not apply in these circumstances.

(C) This section does not apply when the customer is a landlord ratepayer. See 66 Pa.C.S. §§ 1521—1533 (relating to discontinuance of service to leased premises).

Subchapter P. TERMINATION OF SERVICE

GROUND FOR TERMINATION

- Sec.
- 56.321. Authorized termination of service.
- 56.322. Days termination of service is prohibited.
- 56.323. Unauthorized termination of service.

NOTICE PROCEDURES PRIOR TO TERMINATION

- 56.331. General notice provisions and contents of termination notice.
- 56.332. Notice when dispute pending.
- 56.333. Personal contact.
- 56.334. Procedures immediately prior to termination.
- 56.335. Deferred termination when no prior contact.
- 56.336. Post termination notice.
- 56.337. Procedures upon customer or occupant contact prior to termination.
- 56.338. Exception for terminations based on occurrences harmful to person or property.
- 56.339. Use of termination notice solely as collection device prohibited.
- 56.340. Winter termination procedures.

EMERGENCY PROVISIONS

- 56.351. General provision.
- 56.352. Postponement of termination pending receipt of certificate.
- 56.353. Medical certifications.
- 56.354. Length of postponement; renewals.
- 56.355. Restoration of service.
- 56.356. Duty of customer to pay bills.
- 56.357. Termination upon expiration of medical certification.
- 56.358. Right of utility to petition the Commission.

THIRD-PARTY NOTIFICATION

- 56.361. Third-party notification.

GROUND FOR TERMINATION

§ 56.321. Authorized termination of service.

Utility service to a dwelling may be terminated for one or more of the following reasons:

- (1) Nonpayment of an undisputed delinquent account.
- (2) Failure to post a deposit, provide a guarantee or establish credit.
- (3) Unreasonable refusal to permit access to meters, service connections and other property of the utility for the purpose of maintenance, repair or meter reading.
- (4) Unauthorized use of the utility service delivered on or about the affected dwelling.
- (5) Failure to comply with the material terms of a informal dispute settlement agreement or payment agreement.
- (6) Fraud or material misrepresentation of identity for the purpose of obtaining utility service.
- (7) Tampering with meters or other utility equipment.
- (8) Violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the energy delivery system of the utility.

§ 56.322. Days termination of service is prohibited.

Except in emergencies—which include unauthorized use of utility service—service may not be terminated, for nonpayment of charges or for any other reason, during the following periods:

- (1) On Friday, Saturday or Sunday.
- (2) On a bank holiday or on the day preceding a bank holiday.
- (3) On a holiday observed by the utility or on the day preceding the holiday. A holiday observed by a utility means any day on which the business office of the utility

is closed to observe a legal holiday, to attend utility meetings or functions or for any other reason.

(4) On a holiday observed by the Commission or on the day preceding the holiday.

§ 56.323. Unauthorized termination of service.

Unless expressly and specifically authorized by the Commission, service may not be terminated nor will a termination notice be sent for any of the following reasons:

(1) Nonpayment for concurrent service of the same class received at a separate dwelling. This does not include concurrent service periods of 90 days or less accrued during the transfer of service from one location to another.

(2) Nonpayment for a different class of service received at the same or a different location. Service may be terminated, however, when, under the tariff of the utility, a change in classification is necessitated upon the completion of construction work previously billed at a different rate applicable during construction.

(3) Nonpayment, in whole or in part of nonbasic charges for leased or purchased merchandise, appliances or special services including, but not limited to, merchandise and appliance installation fees, rental and repair costs; meter testing fees; special construction charges; and other nonrecurring charges that are not essential to delivery or metering of service, except as provided in this chapter.

(4) Nonpayment of bills for delinquent accounts of the prior customer at the same address.

(5) Nonpayment of a deposit which is based, in whole or in part, on a delinquent account arising out of a make-up bill as defined in § 56.264 (relating to previously unbilled utility service) and the customer has complied with § 56.291(1)(ii)(A) or (B) (relating to general rule).

(6) Noncompliance with a payment agreement prior to the due date of the bill which forms the basis of the agreement.

(7) Nonpayment of charges for utility service furnished more than 4 years prior to the date the bill is rendered.

(8) Nonpayment for residential service already furnished in the names of persons other than the customer unless a court, district justice or administrative agency has determined that the customer is legally obligated to pay for the service previously furnished. This paragraph does not affect the creditor rights and remedies of a utility otherwise permitted by law.

(9) Nonpayment of charges calculated on the basis of estimated billings, unless the estimated bill was required because utility personnel were unable to gain access to the affected premises to obtain an actual meter reading on two occasions and have made a reasonable effort to schedule a meter reading at a time convenient to the customer or occupant, or a subsequent actual reading has been obtained as a verification of the estimate prior to the initiation of termination procedures.

(10) Nonpayment of delinquent accounts which accrued over two billing periods or more, which remain unpaid in whole or in part for 6 months or less, and which amount to a total delinquency of less than \$25.

(11) Nonpayment of delinquent accounts when the amount of the deposit presently held by the utility is within \$25 of account balance.

NOTICE PROCEDURES PRIOR TO TERMINATION

§ 56.331. General notice provisions and contents of termination notice.

(a) Prior to a termination of service, the utility shall mail or deliver written notice to the customer at least 10 days prior to the date of the proposed termination. In the event of user without contract as defined in § 56.252 (relating to definitions), the utility shall comply with §§ 56.333—56.337, but need not otherwise provide notice 10 days prior to termination.

(b) A notice of termination must include, in conspicuous print, clearly and fully the following information when applicable:

(1) The reason for the proposed termination.

(2) An itemized statement of accounts currently due, including any required deposit.

(3) A statement that a specific reconnection fee will be required to have service restored after it has been terminated if a reconnection fee is a part of the tariff of the utility on file with the Commission.

(4) The date on or after which service will be terminated unless:

(i) Payment in full is received.

(ii) The grounds for termination are otherwise eliminated.

(iii) A payment agreement or informal dispute settlement agreement is entered.

(iv) Enrollment is made in a universal service program.

(v) A dispute is filed with the utility or the Commission.

(5) A statement that the customer shall immediately contact the utility to attempt to resolve the matter, including the address and telephone number where questions may be filed, payment agreements entered into with the utility, and questions and applications can be found for the utility's universal service programs, if these programs are offered by the utility.

(6) The following statement: "If, AFTER discussing your problem with the utility you remain dissatisfied, you may file an informal complaint with the Public Utility Commission. TO AVOID TERMINATION OF SERVICE PENDING RESOLUTION OF A DISPUTE, THIS INFORMAL COMPLAINT MUST BE FILED BEFORE THE PROPOSED DATE FOR TERMINATION OF YOUR SERVICE. You may file an informal complaint by telephoning the Public Utility Commission at (800) 692-7380 or by writing to the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, Pennsylvania 17105-3265."

(7) A serious illness notice in compliance with the form as set forth in Appendix A (relating to medical emergency notice) except that, for the purpose of § 56.336 (relating to posttermination notice), the notice must substantially comply with the form as set forth in Appendix B (relating to medical emergency notice).

(8) When the utility has universal service programs, information indicating that special assistance programs are available and how to contact the utility for information and enrollment, and that enrollment in the program is a method of avoiding the termination of service.

(9) Information indicating that special protections are available for victims under a Protection From Abuse Order and how to contact the utility to obtain more information on these protections.

(10) Information indicating that special protections are available for tenants if the landlord is responsible for paying the utility bill and how to contact the utility to obtain more information on these protections.

(11) Information indicating that if service is shut off, the customer may be required to pay more than the amount listed on the notice to have service turned back on.

(12) Information indicating that if service is shut off, the customer shall contact the utility after payment has been made to arrange reconnection of the service.

(13) Information in Spanish, directing Spanish-speaking customers to the numbers to call for information and translation assistance. Similar information shall be included in other languages when census data indicates a significant population using that language resides in the utility's service territory.

(14) Contact information for customers with disabilities that need assistance.

(15) Notices should reflect to the extent practical the plain language guidelines found in § 69.251 (relating to plain language—statement of policy).

§ 56.332. Notice when dispute pending.

A utility may not mail or deliver a notice of termination if a notice of dispute has been filed and is unresolved and if the subject matter of the dispute forms the grounds for the proposed termination. A notice mailed or delivered in contravention of this section is void.

§ 56.333. Personal contact.

(a) Except when authorized under §§ 56.311, 56.312 or 56.338 (relating to interruption of service; discontinuation of service; and exception for terminations based on occurrences harmful to person or property), a utility may not interrupt, discontinue or terminate service without personally contacting the customer or a responsible adult occupant at least 3 days prior to the interruption, discontinuance or termination, in addition to providing other notice as specified by the properly filed tariff of the utility or as required by this chapter or other Commission directive.

(b) For purposes of this section, "personal contact" means:

(1) Contacting the customer or responsible adult occupant in person or by telephone. Phone contact shall be deemed complete upon attempted calls on 2 separate days to the residence between 7 a.m. and 9 p.m. if the calls were made at various times each day, with the various times of the day being daytime before 5 p.m. and evening after 5 p.m. and at least 2 hours apart.

(2) If contact is attempted in person by a home visit, only one attempt is required, but the utility shall conspicuously post a written termination notice at the residence if it is unsuccessful in attempting to personally contact a responsible adult occupant.

(3) Contacting another person whom the customer has designated to receive a copy of a notice of termination, other than a member or employee of the Commission.

(4) If the customer has not made the designation noted in paragraph (3), contacting a community interest group or other entity, including a local police department, which previously shall have agreed to receive a copy of the notice of termination and to attempt to contact the customer.

(5) If the utility is not successful in establishing personal contact as noted in paragraphs (1) and (2) and the customer has not made the designation noted in paragraph (3) and if there is no community interest group or other entity which previously has agreed to receive a copy of the notice of termination, contacting the Commission in writing.

(c) The content of the 3-day personal contact notice must comply with § 56.331 (relating to general notice provisions and contents of termination notice).

§ 56.334. Procedures immediately prior to termination.

Immediately preceding the termination of service, a utility employee, who may be the utility employee designated to perform the termination, shall attempt to make personal contact with a responsible adult occupant at the residence of the customer.

(1) *Termination prohibited in certain cases.* If evidence is presented which indicates that payment has been made, a serious illness or medical condition exists, or a dispute or complaint is properly pending or if the employee is authorized to receive payment and payment in full is tendered in any reasonable manner, then termination may not occur. However, if the disputing party does not pay all undisputed portions of the bill, termination may occur.

(2) *Methods of payment.* Payment in any reasonable manner includes payment by personal check unless the customer within the past year has tendered a check which has been returned for insufficient funds or for which payment has been stopped.

§ 56.335. Deferred termination when no prior contact.

If a prior contact has not been made with a responsible adult either at the residence of the customer, as required by § 56.334 (relating to procedures immediately prior to termination) or at the affected dwelling, the employee may not terminate service but shall conspicuously post a termination notice at the residence of the customer and the affected dwelling, advising that service will be disconnected not less than 48 hours from the time and date of posting.

§ 56.336. Posttermination notice.

When service is actually terminated, notice that substantially reflects the requirements of § 56.331 (relating to general notice provisions and contents of termination notice) as well as a medical emergency notice substantially in the form which appears in Appendix B (relating to medical emergency notice) shall be conspicuously posted or delivered to a responsible person at the residence of the customer and at the affected premises.

§ 56.337. Procedures upon customer or occupant contact prior to termination.

(a) If, after the issuance of the initial termination notice and prior to the actual termination of service, a customer or occupant contacts the utility concerning a proposed termination, an authorized utility employee shall fully explain the following:

(1) The reasons for the proposed termination.

(2) The available methods for avoiding a termination, including the following:

(i) Tendering payment in full or otherwise eliminating the grounds for termination.

(ii) Entering a informal dispute settlement agreement or payment agreement.

(iii) Paying what is past-due on the most recent previous company negotiated or Commission payment agreement.

(iv) Enrolling in the utility's customer assistance program or universal service program, if the utility has such programs.

(3) The medical emergency procedures.

(b) The utility, through its employees, shall exercise good faith and fair judgment in attempting to enter a reasonable informal dispute settlement agreement or payment agreement or otherwise equitably resolve the matter. Factors to be taken into account when attempting to enter into a reasonable informal dispute settlement agreement or payment agreement include the size of the unpaid balance, the ability of the customer to pay, the payment history of the customer and the length of time over which the bill accumulated. If an informal dispute settlement agreement or payment agreement is not established, the company shall further explain the following:

(1) The right of the customer to file a dispute with the utility and, thereafter, an informal complaint with the Commission.

(2) The procedures for resolving disputes and informal complaints, including the address and telephone number of the Commission: Public Utility Commission, Box 3265, Harrisburg, Pennsylvania 17105-3265, (800) 692-7380.

(3) The duty of the customer to pay any portion of a bill which the customer does not honestly dispute.

§ 56.338. Exception for terminations based on occurrences harmful to person or property.

Notwithstanding any other provision of this chapter, when a service termination is based on an occurrence which endangers the safety of any person or may prove harmful to the energy delivery system of the utility, the utility may terminate service without written notice so long as the utility honestly and reasonably believes grounds to exist. At the time of termination, the utility shall make a bona fide attempt to deliver a notice of termination to a responsible person at the affected premises and, in the case of a single meter, multiunit dwelling, shall conspicuously post the notice at the dwelling, including common areas when permissible.

§ 56.339. Use of termination notice solely as collection device prohibited.

A utility may not threaten to terminate service when it has no present intent to terminate service or when actual termination is prohibited under this chapter. Notice of the intent to terminate shall be used only as a warning that service will in fact be terminated in accordance with the procedures under this chapter, unless the customer or occupant remedies the situation which gave rise to the enforcement efforts of the utility.

§ 56.340. Winter termination procedures.

Notwithstanding another provision of this chapter, during the period of December 1 through March 31, utilities subject to this chapter shall conform to the provisions of this section. The covered utilities may not be permitted to terminate heat related service between December 1 and March 31 except as provided in this section or in § 56.338 (relating to exception for terminations based on occurrences harmful to person or property).

(1) *Termination notices.* The utility shall comply with §§ 56.331—56.335 including personal contact, as defined in § 56.333 (relating to personal contact), at the premises if occupied.

(2) *Request for permission to terminate service.* If at the conclusion of the notification process defined in §§ 56.331—56.335, a reasonable agreement cannot be reached between the utility and the customer, the utility shall register with the Commission, in writing, a request for permission to terminate service, accompanied by a utility report as defined in § 56.382 (relating to contents of the utility company report).

(3) *Informal complaints.* If the customer has filed an informal complaint or if the Commission has acted upon the utility's written request, the matter shall proceed under §§ 56.391—56.394 (relating to informal complaint procedures). Nothing in this section may be construed to limit the right of a utility or customer to appeal a decision by the Bureau of Consumer Services (BCS) under 66 Pa.C.S. § 701 (relating to complaints) and §§ 56.401—56.403 and 56.441.

(4) *Survey of premises previously terminated.* For premises where heat related service has been terminated prior to December 1 of each year, covered utilities shall, within 90 days prior to December 1, survey and attempt to make posttermination personal contact with the occupant or a responsible adult at the premises and in good faith attempt to reach an agreement regarding payment of any arrearages and restoration of service.

(5) *Reporting of survey results.* Utilities subject to this chapter shall file a brief report outlining their pre-December 1 survey and personal contact results with the BCS on or before December 15 of each year. The filing must categorize the accounts by the first three digits of the customer's postal code. Each utility shall update the survey and report the results to the BCS on January 15 and February 15 of each year to reflect any change in the status of the accounts subsequent to the December 15 filing. The utility shall attempt to contact by telephone, if available, a responsible occupant at each residence in a good faith attempt to reach an agreement regarding payment of any arrearages and restoration of service.

(6) *Landlord ratepayer accounts.* During the period of December 1 through March 31, a utility subject to this chapter may not terminate service to a premise when the account is in the name of a landlord ratepayer as defined at 66 Pa.C.S. § 1521 (related to definitions) except for the grounds in § 56.338.

(7) *Reporting of deaths at locations where utility service was previously terminated.* Throughout the year, utilities subject to this chapter shall report to the Commission when, in the normal course of business, they become aware of a household fire, incident of hypothermia or carbon monoxide poisoning that resulted in a death and that the utility service was off at the time of the incident. Within 1 working day of becoming aware of an incident, the utility shall submit a telephone or electronic report to the Director of the BCS including, if available, the name, address and account number of the last customer of record, the date of the incident, a brief statement of the circumstances involved, and, if applicable, the initial findings as to the cause of the incident and the source of that information. The BCS or Commission may request additional information on the incident and the customer's account. Information submitted to the Commission in accordance with this paragraph shall be treated in accordance with 66 Pa.C.S. § 1508 (relating to the reports

of accidents) and may not be open for public inspection except by order of the Commission, and may not be admitted into evidence for any purpose in any suit or action for damages growing out of any matter or thing mentioned in the report.

EMERGENCY PROVISIONS

§ 56.351. General provision.

A utility may not terminate service, or refuse to restore service, to a premises when a licensed physician or nurse practitioner has certified that the customer or an applicant seeking restoration of service under § 56.421 (relating to general rule) or a member of the customer's or applicant's household is seriously ill or afflicted with a medical condition that will be aggravated by cessation of service. The customer shall obtain a letter from a licensed physician or nurse practitioner verifying the condition and shall promptly forward it to the utility. The determination of whether a medical condition qualifies for the purposes of this section resides entirely with the physician or nurse practitioner and not with the utility. A utility may not impose any qualification standards for medical certificates other than those listed in this section.

§ 56.352. Postponement of termination pending receipt of certificate.

If, prior to termination of service, the utility employee is informed that an occupant is seriously ill or is affected with a medical condition which will be aggravated by a cessation of service and that a medical certification will be procured, termination may not occur for at least 3 days. If no certification is produced within that 3-day period the utility may resume the termination process at the point when it was suspended.

§ 56.353. Medical certifications.

Certifications initially may be written or oral, subject to the right of the utility to verify the certification by calling the physician or nurse practitioner or to require written confirmation 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 their 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 and telephone number of the certifying physician or nurse practitioner.

§ 56.354. Length of postponement; renewals.

Service may not be terminated for the time period specified in a medical certification. The maximum length of the certification shall be 30 days.

(1) *Time period not specified.* If no length of time is specified or if the time period is not readily ascertainable, service may not be terminated for at least 30 days.

(2) *Renewals.* Certifications may be renewed in the same manner and for the same time period as provided in §§ 56.352 and 56.353 (relating to postponement of termination pending receipt of certificate; and medical certifications) and this section if the customer has met the obligation under § 56.356 (relating to duty of customer to pay bills). In instances when a customer has not met the obligation in § 56.356 to equitably make payments on all bills, the number of renewals for the customer's house-

hold is limited to two 30-day certifications that concern medical certificates filed for the same set of arrearages and the same termination action. When the customer eliminates these arrearages, the customer is eligible to file new medical certificates. In these instances, the utility is not required to honor a third medical certificate and is not required to follow § 56.358(3) (relating to right of utility to petition the Commission). The utility shall apply the dispute procedures in §§ 56.381 and 56.382 (relating to utility company dispute procedures).

§ 56.355. Restoration of service.

When service is required to be restored under this section and §§ 56.351, 56.354 and 56.356—56.358, the utility shall make a diligent effort to have service restored on the day of receipt of the medical certification. In any case, service shall be reconnected within 24 hours. Each utility shall have employees available or on call to restore service in emergencies.

§ 56.356. Duty of customer to pay bills.

Whenever service is restored or termination postponed under the medical emergency procedures, the customer shall retain a duty to make payment on all current undisputed bills or equal monthly billing amount as determined when § 56.262(7) (relating to meter reading; estimated billing; customer readings).

§ 56.357. Termination upon expiration of medical certification.

When the initial and renewal certifications have expired, the original ground for termination shall be revived and the utility may terminate service without additional written notice, if notice previously has been mailed or delivered under § 56.331 (relating to general notice provisions and contents of termination notice). The utility shall comply with §§ 56.333—56.336.

§ 56.358. Right of utility to petition the Commission.

(a) A utility may petition the Commission for waiver from the medical certification procedures for the following purposes:

(1) *Contest the validity of a certification.* To request an investigation and hearing by the Commission or its designee when the utility wishes to contest the validity of the certification.

(2) *Terminate service prior to expiration of certification.* To request permission to terminate service for the failure of the customer to make payments on current undisputed bills.

(3) *Contest the renewal of a certification.* To request permission to terminate service, under this section and §§ 56.321—56.323 and 56.331—56.339 when customer has not met the duty under § 56.356 (relating to duty of customer to pay bills), provided that the utility has informed the customer of that duty under § 56.356 (relating to duty of customer to pay bills).

(b) A utility shall continue to provide service while a final Commission adjudication on the petition is pending. A petition under this section shall be accompanied by a utility report described in § 56.382 (relating to contents of the utility company report) and shall be filed with the Secretary of the Commission with a copy served to the customer.

(c) Upon the filing of a petition for waiver of medical certification, Commission staff will review the facts and issue an informal written decision.

(d) A party to the proceeding may, within 20 days of mailing of the informal decision, and not thereafter except for good cause shown, appeal by filing with the Secretary of the Commission a letter stating the basis for appeal. An appeal from the informal decision will be assigned to the Office of Administrative Law Judge for hearing and decision.

THIRD-PARTY NOTIFICATION

§ 56.361. Third-party notification.

Each utility shall permit its customers to designate a consenting individual or agency which is to be sent, by the utility, a duplicate copy of reminder notices, past due notices, delinquent account notices or termination notices of whatever kind issued by that utility. When contact with a third party is made, the utility shall advise the third party of the pending action and the efforts which shall be taken to avoid termination. A utility shall institute and maintain a program:

(1) To allow customers to designate third parties to receive copies of a customer's or group of customers' notices of termination of service.

(2) At least annually, to advise customers of the availability of a third-party notification program and to encourage its use thereof. The utility must emphasize that the third party is not responsible for the payment of the customer's bills.

(3) To solicit community groups to accept third-party notices to assist in preventing unnecessary terminations and protecting the public health and safety.

(4) To make available a standard enrollment form substantially in compliance with the form as set forth in Appendix E (relating to third party notification).

Subchapter Q. DISPUTES; TERMINATION DISPUTES; INFORMAL AND FORMAL COMPLAINTS

GENERAL PROVISIONS

Sec.	
56.371.	Follow-up response to inquiry.
56.372.	Dispute procedures.
56.373.	Time for filing an informal complaint.
56.374.	Effect of failure to timely file an informal complaint.

UTILITY COMPANY DISPUTE PROCEDURES

56.381.	General rule.
56.382.	Contents of the utility company report.

INFORMAL COMPLAINT PROCEDURES

56.391.	Informal complaint filing procedures.
56.392.	Commission informal complaint procedure.
56.393.	Termination pending resolution of the dispute.
56.394.	Conference procedures.

FORMAL COMPLAINTS

56.401.	General rule.
56.402.	Filing.
56.403.	Review from informal complaint decisions of the Bureau of Consumer Services.
56.404.	Ability to pay proceedings.

PAYMENT OF BILLS PENDING RESOLUTION OF DISPUTES AND COMPLAINTS

56.411.	Duties of parties; disputing party's duty to pay undisputed portion of bills; utility's duty to pay interest whenever overpayment found.
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GENERAL PROVISIONS

§ 56.371. Follow-up response to inquiry.

When a customer is waiting for a follow-up response to an inquiry under § 56.252 (relating to the definitions), termination or threatening termination of service for the subject matter in question shall be prohibited until the

follow-up response, and when applicable, subsequent dispute resolution is completed by the utility.

§ 56.372. Dispute procedures.

A notice of dispute, including termination disputes, must proceed in the first instance, according to this section:

(1) *Attempted resolution.* If, at any time prior to the actual termination of service, a customer advises the utility that he disputes any matter covered by this chapter, including, but not limited to, credit determinations, deposit requirements, the accuracy of utility metering or billing or the proper party to be charged, the utility shall attempt to resolve the dispute in accordance with § 56.381 (relating to general rule).

(2) *Termination stayed.* Except as otherwise provided in this chapter, when a termination dispute or complaint has been properly filed in accordance with this subchapter, termination shall be prohibited until resolution of the dispute or complaint; however, the disputing party shall pay undisputed portions of the bill.

§ 56.373. Time for filing an informal complaint.

To be timely filed, an informal complaint—which may not include disputes under §§ 56.285 and 56.421 (relating to payment of outstanding balance; and general rule)—and informal complaints shall be filed prior to the day on which the utility arrives to terminate service. If the utility arrives to terminate service and posts a deferred termination notice in lieu of termination or otherwise fails to terminate service, the time for filing an informal complaint shall be extended until the end of the business day prior to the utility again arriving to terminate service.

§ 56.374. Effect of failure to timely file an informal complaint.

Failure to timely file an informal complaint, except for good cause, shall constitute a waiver of applicable rights to retain service without complying with the termination notice or conference report of the utility.

UTILITY COMPANY DISPUTE PROCEDURES

§ 56.381. General rule.

Upon initiation of a dispute covered by this section, the utility shall:

(1) Not issue a termination notice based on the disputed subject matter.

(2) Investigate the matter using methods reasonable under the circumstances, which may include telephone or personal conferences, or both, with the customer or occupant.

(3) Make a diligent attempt to negotiate a reasonable payment agreement if the customer or occupant claims a temporary inability to pay an undisputed bill. Factors which shall be considered in the negotiation of a payment agreement include, but are not limited to:

- (i) The size of the unpaid balance.
- (ii) The ability of the customer to pay.
- (iii) The payment history of the customer.
- (iv) The length of time over which the bill accumulated.

(4) Provide the customer or occupant with the information necessary for an informed judgment, including, but not limited to, relevant portions of tariffs, statements of account and results of meter tests.

(5) Within 30 days of the initiation of the dispute, issue its report to the complaining party. The utility shall inform the complaining party that the report is available upon request.

(i) If the complainant is not satisfied with the dispute resolution, the utility company report must be in writing and conform to § 56.382 (relating to contents of the utility company report). Further, in these instances, the written report shall be sent to the complaining party if requested or if the utility deems it necessary.

(ii) If the complaining party is satisfied with the orally conveyed dispute resolution, the written utility company report may be limited to the information in § 56.382(1), (2) and, when applicable, § 56.382(7)(ii) or (8)(ii).

(iii) If the complaining party expresses satisfaction but requests a written report, the report must conform with § 56.382, in its entirety.

(iv) The information and documents required by this subsection may be electronically provided to the complaining party as long as the complaining party has the ability to accept electronic documents and consents to receiving such.

§ 56.382. Contents of the utility company report.

A utility company report must include the following:

(1) A statement of the claim or dispute of the customer and a copy thereof if the claim or notice of dispute was made in writing.

(2) The position of the utility regarding that claim.

(3) A statement that service will not be terminated pending completion of the dispute process, including both informal and formal complaints, so long as there is compliance with all requirements of the Commission.

(4) A statement that if the complaining party does not agree with the utility company report, an informal complaint shall be filed with the Commission within 10 days of the mailing date of the report to insure the preservation of all of their rights.

(5) The office where payment may be made or information obtained listing the appropriate telephone number and address of the utility.

(6) A full and complete explanation of procedures for filing an informal complaint with the Commission (see § 56.391 (relating to informal complaint filing procedures)). If a written report is not requested by the complaining party or deemed necessary by the utility, the utility shall provide the information in § 56.391(1), (2) and (5). In addition, the utility should always provide the telephone number and address of the office of the Commission where an informal complaint may be filed.

(7) If the matter in dispute involves a billing dispute, the report must include the following:

(i) An itemized statement of the account of the complaining customer specifying the amount of credit, if any, and the proper amount due.

(ii) The date on or after which the account will become delinquent unless a informal dispute settlement agreement or payment agreement is entered into or an informal complaint is filed with the Commission. This date may not be earlier than the due date of the bill or 15 days after the issuance of a utility company report, whichever is later.

(8) If the matter involves a dispute other than a billing dispute, the report must also state the following:

(i) The action required to be taken to avoid the termination of service.

(ii) The date on or after which the utility will commence termination action in accordance with the applicable requirements unless the report is complied with, informal dispute settlement agreement or payment agreement entered or an informal complaint filed. This date may not be earlier than the original date for compliance with the matter which gave rise to the dispute or 10 days from the date of issuance of the utility report, whichever is later. If the utility report is in writing, the information in this paragraph shall be presented in a bold font that is at least 2 font sizes larger than the font used in other sections of the utility report.

INFORMAL COMPLAINT PROCEDURES

§ 56.391. Informal complaint filing procedures.

An informal complaint may be filed orally or in writing and must include the following information:

(1) The name and address of the complainant and, if different, the address at which service is provided.

(2) The telephone number of the complainant.

(3) The account number of the complainant, if applicable.

(4) The name of the utility.

(5) A brief statement of the dispute.

(6) Whether the dispute formerly has been the subject of a utility company investigation and report.

(7) Whether the dispute formerly has been the subject of a Commission informal or formal complaint.

(8) The date, if any, of proposed termination.

(9) The relief sought.

§ 56.392. Commission informal complaint procedure.

Upon the filing of an informal complaint, which shall be captioned as "(Complainant) v. (utility)," Commission staff will immediately notify the utility; review the dispute; and, within a reasonable period of time, issue to the utility and the complaining party an informal report with findings and a decision. Parties may represent themselves or be represented by counsel or other person of their choice, and may bring witnesses to appear on their behalf. The reports will be in writing and a summary will be sent to the parties if a party requests it or if the Commission staff finds that a summary is necessary.

(1) *Review techniques.* Review will be by an appropriate means, including, but not limited to, utility company reports, telephone calls, conferences, written statements, research, inquiry and investigation. Procedures will be designed to insure a fair and reasonable opportunity to present pertinent evidence and to challenge evidence submitted by the other party to the dispute, to examine a list of witnesses who will testify and documents, records, files, account data, records of meter tests and other material that the Commission staff will determine may be relevant to the issues, and to question witnesses appearing on behalf of other parties. Information and documents requested by Commission staff as part of the review process shall be provided by the utility within 30 days of the request. If the complainant is without utility service, or in other emergency situations as identified by Commission staff, the information requested by Commission staff shall be provided by the utility within 5 days of the request.

(2) *Settlement.* Prior to the issuance of an informal decision, Commission staff may facilitate discussions between the parties in an effort to settle the dispute. If a settlement is reached, Commission staff will confirm that all parties understand the terms of the settlement and mark the informal complaint as closed.

(3) *Resolution.* Commission staff resolution of informal complaints is binding upon the parties unless formal proceedings are initiated under §§ 56.401—56.404 (relating to formal complaints).

§ 56.393. Termination pending resolution of the dispute.

In any case alleging unauthorized use of utility service, as defined in § 56.2 (relating to definitions), a utility may terminate service after giving proper notice in accordance with §§ 56.331—56.338, whether or not a dispute is pending.

§ 56.394. Conference procedures.

Conferences held under §§ 56.391—56.393 (relating to informal complaint procedures; Commission informal complaint procedure; and termination pending resolution of the dispute) and this section will be informal and may be held by conference telephone call, when appropriate. If the parties are to be present, the conferences will take place within reasonable proximity to the situs of the complaint. The parties will be advised that false information intended to mislead a public servant in performing their official function may be punishable criminally.

FORMAL COMPLAINTS

§ 56.401. General rule.

Except as otherwise provided in this chapter, formal complaint proceedings will proceed according to the rules and regulations of the Commission governing complaint proceedings.

§ 56.402. Filing.

(a) A request for review of the decision of the Bureau of Consumer Services (BCS) must be initiated in writing within 20 days of issuance.

(b) Upon receipt of a request for review of the decision of the BCS, the Secretary will mail a formal complaint form to the requesting person.

(c) Within 30 days of the mailing of the formal complaint form, the party requesting review of decision of the BCS shall file the completed complaint form with the Secretary.

(d) Upon the filing of a formal complaint within the 30-day period and not thereafter except for good cause shown, there will be an automatic stay of the informal complaint decision.

(e) The failure to request review of the BCS decision by filing a formal complaint within the 30-day period does not foreclose a party from filing a formal complaint at a later time except as otherwise may be provided in 66 Pa.C.S. Part I (relating to Public Utility Code).

§ 56.403. Review from informal complaint decisions of the Bureau of Consumer Services.

(a) *Assignment.* Review of informal complaint decisions will be heard by an administrative law judge or special agent.

(b) *Filing and docketing.* Complaints will be filed and docketed as a formal Commission complaint, under §§ 1.31—1.38 (relating to documentary filings).

(c) *Captions.* The parties to review will be stated in the caption as they stood upon the record of the informal complaint proceeding. If the party requesting review is a utility, the phrase "Complaint Appellant" will be added after its name.

(d) *Commission review.* The Commission will review the decision of the assigned administrative law judge or special agent, commit it to advisory staff for further analysis, remand it to an administrative law judge or special agent for further development of the record or issue a final order. The burden of proof remains with the party filing the formal complaint.

§ 56.404. Ability to pay proceedings.

(a) *Assignments.* Requests for review of decisions of the Bureau of Consumer Services (BCS) and any other case in which the issue is solely ability to pay may be assigned to a special agent.

(b) *Stay of informal complaint decision.* Upon the filing of a formal complaint in a case seeking review from the decision of the BCS, there shall be an automatic stay of payment arrangements ordered in that decision, other than current bills not at issue. The utility may request that the presiding officer remove the stay and order payment of amounts set forth in the informal complaint decision. When current bills are not at issue, the customer shall be responsible for payment of current, undisputed bills pending issuance of a final Commission order.

(c) *Hearings.* The presiding officer will conduct hearings within a reasonable period after filing of the appeal and answer. If the presiding officer is a special agent, the special agent will have all powers of an administrative law judge. Subject to any valid evidentiary objections raised by the parties, the presiding officer shall enter into the record BCS' documents on the complainant's income, the utility report to the BCS from the utility, and the BCS' decision when the formal complaint was the subject matter of a BCS' informal decision.

(1) The presiding officer will attempt to hold hearings by telephone, unless one or more parties object. Hearings will be held after the filing of an answer.

(2) The presiding officer will hear the case de novo, but may request a stipulation of the parties as to undisputed facts.

(3) Hearings will be tape recorded and will not be transcribed, unless the parties request the use of a stenographer or a transcription of the tape or other circumstances warranting transcription exist. Unless objected to, parties may make their own tape recording of the proceedings, but the only official record shall be that made by the presiding officer.

(d) *Proposed findings of fact and conclusions of law or briefs.* The parties shall have the opportunity of submitting proposed findings of fact and conclusions of law or briefs to the presiding officer. Notice of intent to submit findings of fact and conclusions of law or briefs shall be given at the hearing and they shall be submitted within 10 days of the hearing.

(e) *Initial decision.* The presiding officer will render a written decision after the hearings or after the receipt of proposed findings of fact and conclusions of law or briefs, if they are filed. The initial decision will be in writing and contain a brief description of the matter, findings of fact and conclusions of law. The initial decision will be subject to the filing of exceptions under the procedures in Chapters 1 and 5 (relating to rules of administrative practice and procedures; and formal proceedings).

PAYMENT OF BILLS PENDING RESOLUTION OF DISPUTES AND COMPLAINTS

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

Pending resolution of a dispute, including a termination dispute, the disputing party shall be required to pay the undisputed portion of bills, as described in this section.

(1) *Pending informal complaint.* Pending the outcome of an informal complaint, the disputing party shall be obligated to pay that portion of a bill which is not honestly disputed. An amount ultimately determined, by the parties or the Commission, to have been validly due but not paid may be paid with interest at the tariff rate filed under § 56.272 (relating to accrual of late payment charges) except when interest charges have been reduced or eliminated by the parties or the Commission to facilitate payment by the disputing party.

(2) *Pending formal complaint.* Prior to the hearing on a formal complaint or prior to the issuance of a Commission order when no hearing is to be held in a formal complaint proceeding, the customer shall be required to pay that amount which the consumer services representative determines is not reasonably disputed.

(3) *Overpayments reimbursed with interest.* An amount ultimately determined to have been overpaid by the disputing party shall be reimbursed with interest at the tariff rate filed under § 56.272.

(4) *Effect of offer of payment.* An offer by a customer to pay all or any portion of a bill may not be deemed a waiver of a right to reimbursement for amounts subsequently deemed, by the parties or the Commission, to have been overpaid.

(5) *Effect of acceptance of partial payment.* The acceptance by a utility of a partial payment for a bill pending final outcome of a dispute may not be deemed an accord and satisfaction or waiver of the right of the utility to payment in full as subsequently agreed to by the parties or decided by the Commission.

Subchapter R. RESTORATION OF SERVICE

- Sec. 56.421. General rule.
- 56.422. Personnel available to restore service.

§ 56.421. General rule.

When service to a dwelling has been terminated, the utility shall reconnect service by the end of the first full working day after receiving one of the following:

(1) Full payment of an outstanding charge plus a reasonable reconnection fee. Outstanding charges and the reconnection fee may be amortized over a reasonable period of time. Factors to be taken into account include, but are not limited to:

- (i) The size of the unpaid balance.
- (ii) The ability of the customer to pay.
- (iii) The payment history of the customer.
- (iv) The length of time over which the bill accumulated.

(2) Payment of amounts currently due according to an informal dispute settlement agreement or payment agreement, plus a reasonable reconnection fee, which may be a part of the informal dispute settlement agreement or payment agreement. The utility may apply the procedure in paragraph (1), if the payment history indicates that

the customer has defaulted on at least two payment agreements, or an informal complaint decision, or a formal complaint order.

(3) Adequate assurances that any unauthorized use or practice will cease, plus full payment of the reasonable reconnection fee of the utility, which may be subject to a payment agreement and compliance or adequate assurance of compliance with an applicable provision for the establishment of credit or the posting of deposits or guarantees.

(4) Service shall be restored within 24 hours for erroneous terminations or upon receipt by the utility of a valid medical certification. Erroneous terminations include instances when the grounds for termination were removed by the customer paying the amount needed to avoid termination prior to the termination of the service.

(5) Service shall be restored within 24 hours for terminations and reconnections occurring after November 30 and before April 1.

§ 56.422. Personnel available to restore service.

A utility shall have adequate personnel available between 9 a.m. and 5 p.m. on each working day or for a commensurate period of 8 consecutive hours to restore service when required under this chapter, specifically §§ 56.322 and 56.421 (relating to days termination of service is prohibited; and general rule).

Subchapter S. PUBLIC INFORMATION PROCEDURES; RECORD MAINTENANCE

- Sec. 56.431. Public information.
- 56.432. Record maintenance.

§ 56.431. Public information.

In addition to the notice requirements in this chapter, the Commission will, within 6 months of the effective date of a change to a regulation in this chapter, prepare a summary of the rights and responsibilities of the utility and its customers affected by the change. Summaries will be mailed by the utility to each customer of the utility affected by the change. These summaries, as well as a summary of the rights and responsibilities of the utility and its customers in accordance with this chapter, must be in writing, be reproduced by the utility, be displayed prominently, and be available at all utility office locations open to the general public. This information shall be delivered or mailed to each new customer of the utility upon the commencement of service and shall be available at all times upon request. A utility which serves a substantial number of Spanish-speaking customers shall provide billing information in English and in Spanish. The written information must indicate conspicuously that it is being provided in accordance with this title and contain information concerning, but not limited to, the following:

- (1) Billing and estimated billing procedures.
- (2) Methods for customer verification of billing accuracy.
- (3) Explanation of operation of fuel adjustment clauses and purchased gas adjustment clauses.
- (4) Payment requirements and procedures.
- (5) Security deposit and guarantee requirements.
- (6) Procedures for discontinuance and reconnection of service.
- (7) Dispute, informal complaint and formal complaint procedures.

(8) Explanation of meter reading procedures which would enable a customer or occupant to read their own meter.

(9) Procedure whereby customers or occupants may avoid discontinuance of service during extended periods of absence.

(10) Third-party notification procedures.

(11) Telephone numbers and addresses of the utility and of the nearest regional office of the Commission where further inquiries may be made.

(12) Definitions of terms or abbreviations used by the utility on its bills.

(13) Information indicating that additional consumer protections are available for victims of domestic violence.

§ 56.432. Record maintenance.

A utility shall preserve for a minimum of 4 years written or recorded disputes and complaints, keep the records within this Commonwealth at an office located in the territory served by it, and make the records available for examination by the Commission or its staff. Information to be maintained includes the following:

- (1) The payment performance of each of its customers.
- (2) The number of informal dispute settlement agreements and payment agreements made by the utility company and a synopsis of the terms, conditions and standards upon which agreements were made.
- (3) The number of service terminations and reconnections.
- (4) Communications to or from individual customers regarding interruptions, discontinuances, terminations and reconnections of service, including the name and address of the customer, the date and character of the dispute or complaint and the adjustment or disposal made of the matter.

Subchapter T. INFORMAL COMPLAINTS

Sec.
56.441. Informal complaints.

§ 56.441. Informal complaints.

The Commission delegates to the Bureau of Consumer Services (BCS) the primary authority to resolve customer, applicant or occupant complaints arising under this chapter. The BCS, through its Director and with the concurrence of the Commission, will establish appropriate internal procedures to implement the provisions of this chapter.

(1) Absent good cause, the BCS will handle only Chapter 56 informal complaints in which the customer first attempted to resolve the matter with the utility.

(2) Only after the customer and the utility have failed to resolve the dispute will BCS initiate an investigation.

Subchapter U. GENERAL PROVISIONS

Sec.
56.451. Availability of normal Commission procedures.
56.452. Applications for modification or exception.
56.453. Inconsistent tariff provisions.

§ 56.451. Availability of normal Commission procedures.

Nothing in this chapter prevents a person or a utility from pursuing other Commission procedures in a case not described in this chapter.

§ 56.452. Applications for modification or exception.

(a) If unreasonable hardship to a person or to a utility results from compliance with a section in this chapter, application may be made to the Commission for modification of the section or for temporary exemption from its requirements. The adoption of this chapter by the Commission will in no way preclude it from altering or amending it under the applicable statutory procedures, nor will the adoption of this chapter preclude the Commission from granting temporary exemptions in exceptional cases.

(b) A person or utility that files an application under this section shall provide notice to persons who may be affected by the modification or temporary exemption. Notice may be made by a bill insert or in another reasonable manner.

§ 56.453. Inconsistent tariff provisions.

A tariff provision inconsistent with this chapter is deemed nonoperative and superseded by this chapter.

Subchapter V. UTILITY REPORTING REQUIREMENTS

Sec.
56.461. Reporting requirements.

§ 56.461. Reporting requirements.

(a) Within 90 days after the end of each calendar year, each natural gas distribution utility with annual gas operating revenues of less than \$6,000,000 per year, and steam heat utility shall file with the Commission a report containing the following information concerning residential accounts for the previous year:

- (1) The total number of residential customers as of the end of each month for the calendar year.
- (2) The total number of terminations for nonpayment for each month of the calendar year.
- (3) The total number of terminations for reasons other than nonpayment for each month of the calendar year.
- (4) The total number of reconnections for customer payment for each month of the calendar year.
- (5) The total number of reconnections for customer submission of medical certification for each month of the calendar year.
- (6) The total number of reconnections for reasons other than customer payment or medical certification for each month of the calendar year.
- (7) The total dollar amount of annual residential billings.
- (8) The total dollar amount of annual gross residential write-offs.

(b) Public utilities shall refer to the data dictionary in Appendix D (relating to definitions (§ 56.461)) for additional guidance as to the terms used in this section.

APPENDIX A

MEDICAL EMERGENCY NOTICE

If you, or anyone presently and normally living in your home is **SERIOUSLY ILL OR AFFLICTED WITH A MEDICAL CONDITION THAT WILL BE AGGRAVATED BY CESSATION OF SERVICE**, WE WILL NOT CUT OFF YOUR SERVICE during such illness provided you:

(a) Have a physician **or nurse practitioner** certify by phone or in writing that such illness exists and that it may be aggravated if your service is stopped; and

(b) Make some equitable arrangement to pay the company your past due and current bills for service.

(c) Contact us by calling the following number:

(Utility) Phone Number:

(Utility) Address:

APPENDIX B

MEDICAL EMERGENCY NOTICE

If you, or anyone presently and normally living in your home is **SERIOUSLY ILL OR AFFLICTED WITH A MEDICAL CONDITION THAT WILL BE AGGRAVATED BY CESSATION OF SERVICE**, WE WILL RESTORE YOUR [GAS OR ELECTRIC] UTILITY SERVICE during such illness provided you:

(a) Have a physician **or nurse practitioner** certify by phone or in writing that such illness exists and that it may be aggravated if your service is not restored; and

(b) Make some equitable arrangement to pay the company your past due and current bills for service.

(c) Contact us by calling the following number:

(Utility) Phone Number:

(Utility) Address:

(Editors Note: The following two appendices are new and are printed in regular text for clarity.)

(Editor's Note: The text in Appendix C is new. It has been printed in regular type to enhance readability.)

APPENDIX C

Definitions (§ 56.231)

This data dictionary and the following definitions are to be used in relation to the reporting requirements in § 56.231 (relating to reporting requirements).

Annual collections operating expenses—Use the definition in §§ 54.72 or 62.2, “include administrative expenses associated with termination activity, field visits, negotiating payment arrangements, budget counseling, investigation and resolving informal and formal complaints associated with payment arrangements, securing and maintaining deposits, tracking delinquent accounts, collection agencies’ expenses, litigation expenses other than already included, dunning expenses and winter survey expenses.” Report the cumulative total as of the end of the reporting period/year. Exclude customer assistance program expenses.

Annual residential billings—Report the cumulative total dollar amount in residential billings during the reporting period/year. This includes “normal tariff billings” and “miscellaneous billings.” The latter category includes billings for late payment fees.

Average monthly bill for the previous year for a heating customer—Report the aggregate average monthly bill by calculating the average of the 12 monthly average bills for heating customers. Report the average as of the end of the reporting period/year.

Average monthly bill for the previous year for a nonheating customer—Report the aggregate average monthly bill by calculating the average of the 12 monthly average bills for nonheating customers. Report the average as of the end of the reporting period/year.

Average monthly usage for a heating customer—Report the aggregate average monthly usage by calculating the average of the 12 monthly average usages for heating customers. Report the average as of the end of the reporting period/year.

Average monthly usage for a nonheating customer—Report the aggregate average monthly usage by calculating the average of the twelve monthly average usages for nonheating customers. Report the average as of the end of the reporting period/year.

Total dollar amount of active residential accounts in arrears and not on a payment agreement—Report the total dollar amount as of the end of the reporting period/month. The due date should be considered to be day zero (0) in the determination of when account is overdue. Exclude customer assistance program recipients.

Total dollar amount of active residential accounts in arrears and on a payment agreement—Report the total dollar amount as of the end of the reporting period/month. The due date should be considered to be day zero (0) in the determination of when account is overdue. Exclude customer assistance program recipients.

Total dollar amount of gross residential write-offs—Report the cumulative total dollar amount as of the end of the reporting period/year. Do not include customer assistance program credits (revenue shortfall) or customer assistance program arrearage forgiveness in this category.

Total dollar amount of inactive residential accounts in arrears—An account that has been terminated or discontinued, the final bill due date has passed, and the amount owed has not yet been written off. Report the total dollar amount as of the end of the reporting period/month. The due date should be considered to be day zero (0) in the determination of when an account is overdue. A terminated or final-billed account becomes inactive on the day after the final bill is due and payable.

Total dollar amount of net residential write-offs—Net write-offs are calculated by subtracting recoveries from gross write-offs. Report the cumulative total dollar amount as of the end of the reporting period/year.

Total dollar amount in security deposits on-hand—Report the dollar amount as of the end of the reporting period/year. Exclude accrued interest.

Total dollar amount in security deposits that are requested or billed to applicants—Report the cumulative total dollar amount as of the end of the reporting period/month.

Total dollar amount in security deposits that are requested or billed to customers—Report the cumulative total dollar amount as of the end of the reporting period/month.

Total number of active residential accounts in arrears and not on a payment agreement—Report the total as of the end of the reporting period/month. The due date should be considered to be day zero (0) in the determination of when account is overdue. Exclude customer assistance program recipients.

Total number of active residential accounts in arrears and on a payment agreement—Report the total as of the end of the reporting period/month. The due date should be considered to be day zero (0) in the determination of when account is overdue. Exclude customer assistance program recipients.

Total number of applicants that are requested or billed a security deposit—Report the cumulative number as of the end of the reporting period/month.

Total number of customers that are requested or billed a security deposit—Report the cumulative number as of the end of the reporting period/month.

Total number of dwellings receiving termination notices sent to occupants other than the customer—The grounds for termination are customer nonpayment of usage-based billings or nonpayment of a security deposit. Use this category when the termination notice was delivered to someone other than the customer, for example, a termination notice to a tenant because of nonpayment of a landlord-ratepayer. This does not include copies of termination notices sent in accordance with the third-party notification procedures in § 56.131. Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients.

Total number of 48-hour termination notices posted—The grounds for termination are customer nonpayment of usage-based billings or nonpayment of a security deposit. Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients. The termination notice was posted at the customer's residence in accordance with § 56.95.

Total number of inactive residential accounts in arrears—An account that has been terminated or discontinued, the final bill due date has passed, and the amount owed has not yet been written off. Report the total as of the end of the reporting period/month. The due date should be considered to be day zero (0) in the determination of when an account is overdue. A terminated or final-billed account becomes inactive on the day after the final bill is due and payable.

Total number of reconnections for customer submission of medical certification—Includes only reconnections because the customer has supplied the company with a valid medical certificate as the condition of reconnection. Report the cumulative number as of the end of the reporting period/month. Categorize into five groups based upon the customer's relation to the Federal poverty guidelines: less than 150% of the Federal poverty guideline; between 151–250% of the Federal poverty guideline; between 251–300% of the Federal poverty guideline; greater than 300% of the Federal poverty guideline; and not available. Include customer assistance program recipients.

Total number of reconnections for full customer payment—A reconnection is any residential account that was terminated for any reason covered under §§ 56.81 or 56.98 and subsequently restored after the customer paid in full the outstanding balance of the account, regardless of whether the customer's current status is that of applicant or customer per the definitions in § 56.2. Four criteria must be met: the reconnection is for the same customer/applicant that was terminated; the location of the reconnection is the same location as the location of the termination; the dollars in debt that are the subject of the customer payment and/or customer payment agreement are for the same customer/applicant while at the same location; and the time that has passed since the final bill due date does not exceed 4 years. Report the cumulative number as of the end of the reporting period/month. Categorize into five groups based upon the customer's relation to the Federal poverty guidelines: less than 150% of the Federal poverty guideline; between 151–250% of the Federal poverty guideline; between 251–300% of the Federal poverty guideline; greater than 300% of the Federal poverty guideline; and not available. Include customer assistance program recipients.

Total number of reconnections for partial customer payment or payment agreement—A reconnection is any residential account that was terminated for any reason covered under §§ 56.81 or 56.98 and subsequently restored after meeting the utility's terms for restoration if the terms for restoration included a customer payment and/or the establishment of a payment agreement, regardless of whether the customer's current status is that of applicant or customer per the definitions in § 56.2. Four criteria must be met: the reconnection is for the same customer/applicant that was terminated; the location of the reconnection is the same location as the location of the termination; the dollars in debt that are the subject of the customer payment or customer payment agreement, or both, are for the same customer/applicant while at the same location; and the time that has passed since the final bill due date does not exceed 4 years. Report the cumulative number as of the end of the reporting period/month. Categorize into five groups based upon the customer's relation to the Federal poverty guidelines: less than 150% of the Federal poverty guideline; between 151–250% of the Federal poverty guideline; between 251–300% of the Federal poverty guideline; greater than 300% of the Federal poverty guideline; and not available. Include customer assistance program recipients.

Total number of reconnections for reasons other than customer payment or medical certification—Report the cumulative number as of the end of the reporting period/month. Categorize into five groups based upon the customer's relation to the Federal poverty guidelines: less than 150% of the Federal poverty guideline; between 151–250% of the Federal poverty guideline; between 251–300% of the Federal poverty guideline; greater than 300% of the Federal poverty guideline; and not available. Include customer assistance program recipients.

Total number of residential heating customers—Report the number as of the end of the reporting period/month. Report each individually billed account under a unique residential account number and residential tariff rate (Count the number of residential bills that you issue). Include customer assistance program recipients.

Total number of residential nonheating customers—Report the number as of the end of the reporting period/month. Report each individually billed account under a unique residential account number and residential tariff rate (Count the number of residential bills that you issue). Include customer assistance program recipients.

Total number of security deposits on-hand—Report the number as of the end of the reporting period/year.

Total number of 10-day termination notices issued by the utility—The grounds for termination are customer nonpayment of usage-based billings or nonpayment of a security deposit. Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients.

Total number of terminations for nonpayment—The grounds for termination are customer nonpayment of usage-based billings or nonpayment of a security deposit. Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients.

Total number of terminations for nonpayment and reasons other than nonpayment categorized by the first three digits of each account's postal code—The grounds for termination are customer nonpayment of usage-based

billings or nonpayment of a security deposit, failure to permit access, unauthorized use of service, fraud, meter tampering, and safety. Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients. Categorize by the first three digits of the postal code of the customer's service address.

Total number of terminations for reasons other than nonpayment—The reasons for termination include failure to permit access, unauthorized use of service, fraud, meter tampering, and safety. Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients.

Total number of 3-day termination notices completed by personal contact in person—The grounds for termination are customer nonpayment of usage-based billings or nonpayment of a security deposit. Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients. The customer was contacted in person in accordance with § 56.93.

Total number of 3-day termination notices completed by telephone—The grounds for termination are customer nonpayment of usage-based billings or nonpayment of a security deposit. Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients. The customer was contacted using the telephone in accordance with § 56.93.

APPENDIX D

Definitions (§ 56.461)

This data dictionary and the following definitions are to be used in relation to the reporting requirements in § 56.461 (relating to reporting requirements).

Annual residential billings—Report the cumulative total dollar amount in residential billings during the reporting period/year. This includes "normal tariff billings" and "miscellaneous billings." The latter category includes billings for late payment fees.

Total dollar amount of gross residential write-offs—Report the cumulative total dollar amount as of the end of the reporting period/year. Do not include customer assistance program credits (revenue shortfall) or customer assistance program arrearage forgiveness in this category.

Total number of reconnections for customer payment—A reconnection is any residential account that was terminated for any reason covered under §§ 56.321 or 56.338 and subsequently restored after the customer paid in full the outstanding balance of the account, or made a partial payment or entered into a payment agreement regardless of whether the customer's current status is that of applicant or customer per the definitions in § 56.252. Four criteria must be met: the reconnection is for the same customer/applicant that was terminated; the location of the reconnection is the same location as the location of the termination; the dollars in debt that are the subject of the customer payment or customer payment agreement, or both, are for the same customer/applicant while at the same location; and the time that has passed since the final bill due date does not exceed 4 years. Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients.

Total number of reconnections for customer submission of medical certification—Includes only reconnections because the customer has supplied the company with a valid medical certificate as the condition of reconnection.

Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients.

Total number of residential customers—Report the number as of the end of the reporting period/month. Report each individually billed account under a unique residential account number and residential tariff rate (Count the number of residential bills that you issue). Include customer assistance program recipients.

Total number of reconnections for reasons other than customer payment or medical certification—Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients.

Total number of terminations for nonpayment—The grounds for termination are customer nonpayment of usage-based billings or nonpayment of a security deposit. Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients.

Total number of terminations for reasons other than nonpayment—The reasons for termination include failure to permit access, unauthorized use of service, fraud, meter tampering, and safety. Report the cumulative number as of the end of the reporting period/month. Include customer assistance program recipients.

APPENDIX E

THIRD PARTY NOTIFICATION

Once in a while, for one reason or another, a customer fails to pay his or her <UTILITY> bill. Under the Third Party Notification program, <UTILITY> will notify you and another person you choose to receive copies of shut off notices. The Third Party can be a trusted relative, friend, clergy member, or social service agency.

The Third Party Notification program is voluntary and can help you if you are hospitalized, away from home for extended periods of time or homebound. The Third Party is not responsible for paying your bills and this program will not stop <UTILITY> from shutting off your <UTILITY> service if you do not pay your bills. When a Third Party contacts <UTILITY> about the shut off notice, we will tell them what you can do to stop the shut off. The Third Party does not have the right to make a payment agreement for you.

To sign up, both you and the Third Party must complete and sign the form below. **Do not return this with your bill, return it to:**

<UTILITY NAME>
<UTILITY ADDRESS>
<CITY, STATE, POSTAL CODE>

IMPORTANT THINGS TO REMEMBER:

- Notify us immediately if you want to change or drop your Third Party.
- Notify us if your Third Party moves.
- Notify us if you move and you want the Third Party transferred to your new address.

Please sign me up for the Third Party Notification program. By completing this form and returning it to <UTILITY>, I request that a copy of any shut off notice be given to the person or agency named below.

CUSTOMER NAME:

<UTILITY> ACCOUNT/CUSTOMER NUMBER:

CUSTOMER ADDRESS:

CUSTOMER SIGNATURE:

DATE:

Receipt of a copy of a shut off notice by the Third Party does not place any obligation on that party to pay the <UTILITY> bill for the customer named above nor will it necessarily stop shut off if payment is not made. The notice simply reminds the Third Party of a chance to help the customer solve the problem.

THIRD PARTY NAME:

THIRD PARTY ADDRESS:

THIRD PARTY SIGNATURE:

DATE:

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