

# Increasing Access to Energy and Water through Chapter 14 Reform

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Advocates Briefing  
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# Pennsylvania Utility Law Project

PULP is a statewide legal services project of Regional Housing Legal Services and is a member of the Pennsylvania Legal Aid Network.

PULP's mission is to secure just and equitable access to safe and affordable utility services for Pennsylvanians experiencing poverty.

We work to achieve our mission by empowering individuals and communities through:

- Legal Representation: Groups and Individuals
- Education and Training
- Policy Advocacy
- Technical Assistance and Support Services
- Case Consultation



# Community Legal Services

- Mission: Our mission is to fight poverty, challenge systems that perpetuate injustice, and change lives through cutting-edge advocacy and exceptional legal representation.
- Energy Unit Mission:
  - Affordable home utility services are vital to health and safety of all Philadelphians. The Energy Unit, informed by the community we serve, fights to ensure that every Philadelphian has equitable access to utility services. We actively challenge policies and procedures that disproportionately impact people of color, holding utilities accountable through **direct legal representation, community engagement, impact litigation** and **advocacy**.



# Chapter 14 Reauthorization and Reform: Utility Billing, Collections, and Termination Standards

- **House Bill 1077** includes holistic prevention-based reforms to ensure households can stay connected and afford life-essential utility services, while ensuring consistency and equity across the state in the treatment of utility customers.
- **Senate Bill 1017** maintains punitive approach that compound debt, and introduces provisions which could jeopardize housing stability and make it more difficult for vulnerable households to maintain service.

# Utility Insecurity in Pennsylvania

Over **330,000** Pennsylvania households experienced an involuntary utility shut off in 2023 due to non-payment.

- Gas terminations increased 40% year-over-year, from December 2022 to December 2023.

Over **20,000** Pennsylvania households entered winter without a safe heating source.

Over **14,000** households were still without safe heat as of Feb. 2024.



# Pennsylvania Home Energy Affordability Gap

Federal Poverty Level	Home Energy Burden	# of Households
Below 50%	33%	282,747
50-100%	18%	329,656
100-125%	12%	183,370
125-150%	10%	192,284
150-185%	8%	285,880
185-200%	7%	129,934
<b>Total</b>	<b>---</b>	<b>1,403,871</b>

The median energy burden of Black households is

than that of white (non-Hispanic) households.

43% higher



ACEEE  
America's Council on Energy Efficiency

The median energy burden of Hispanic households is

than that of white (non-Hispanic) households.

20% higher



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America's Council on Energy Efficiency

The median energy burden of Native American households is

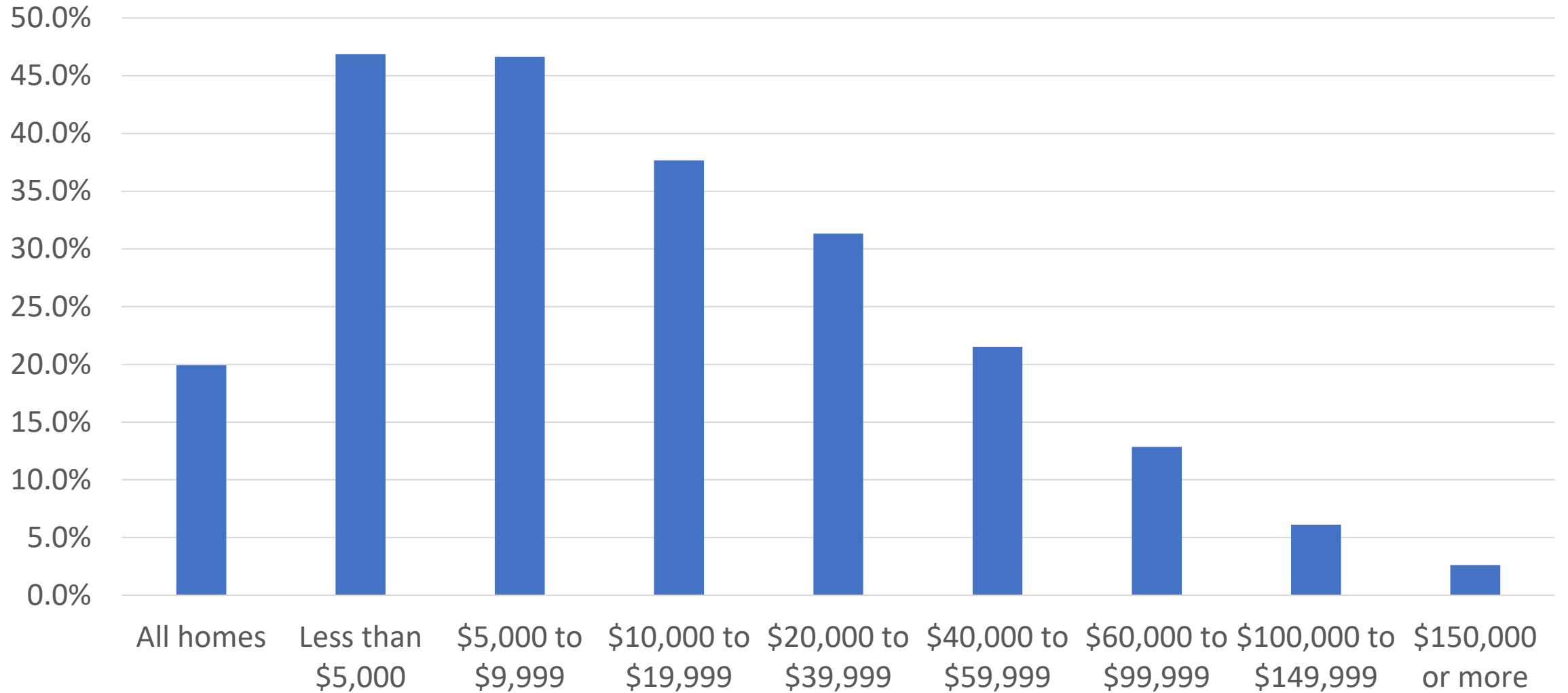
than that of white (non-Hispanic) households.

45% higher



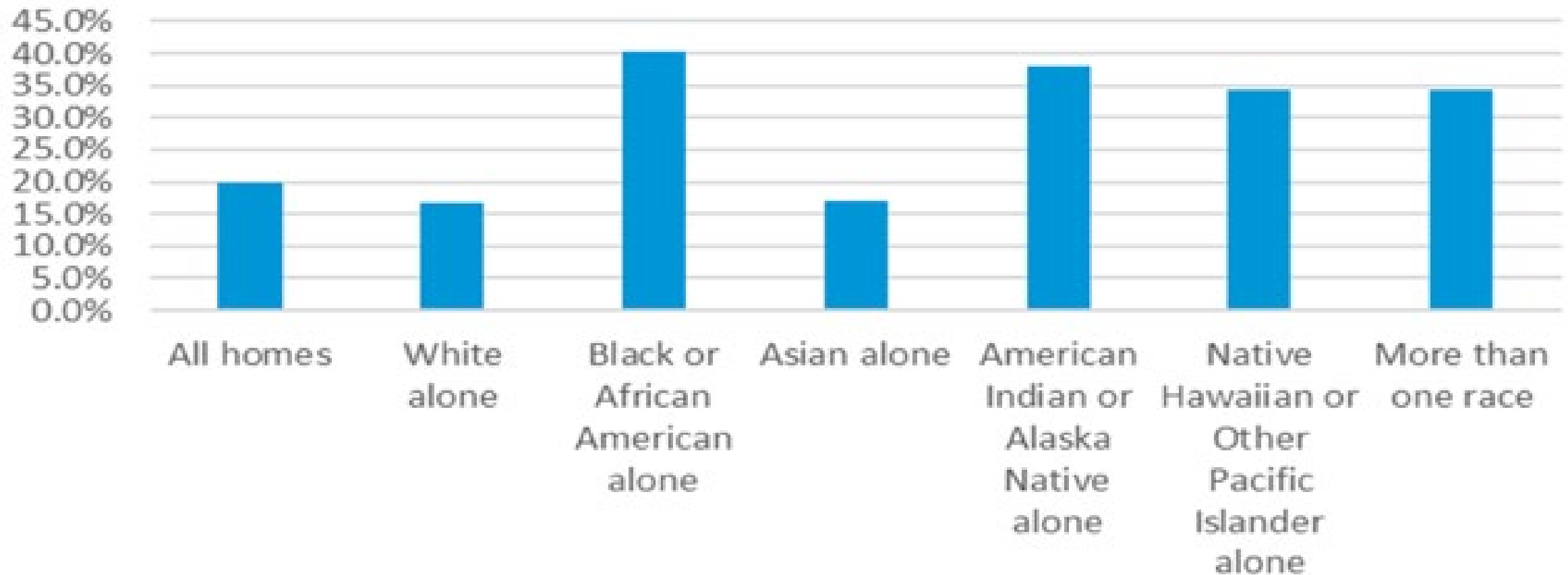
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# Reducing or forgoing food or medicine to pay energy costs - Household Income

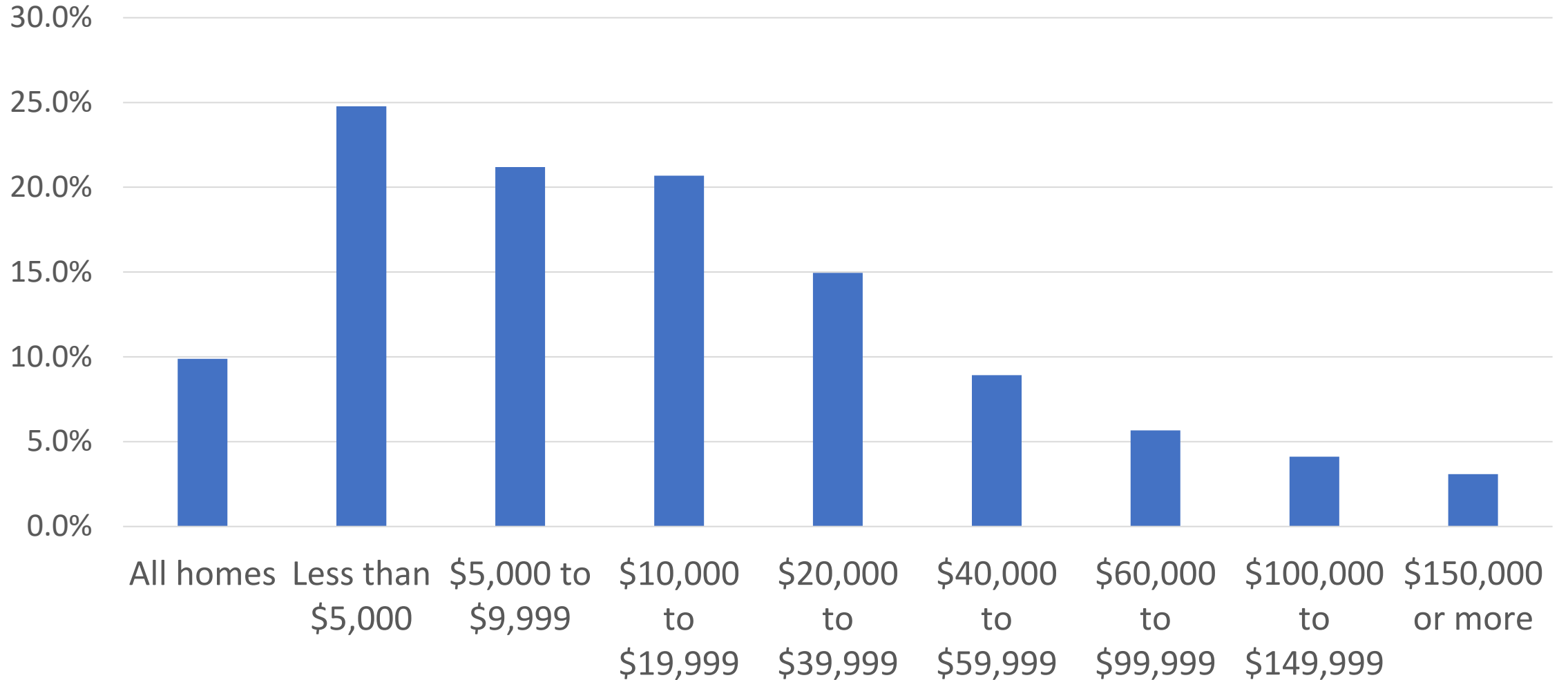




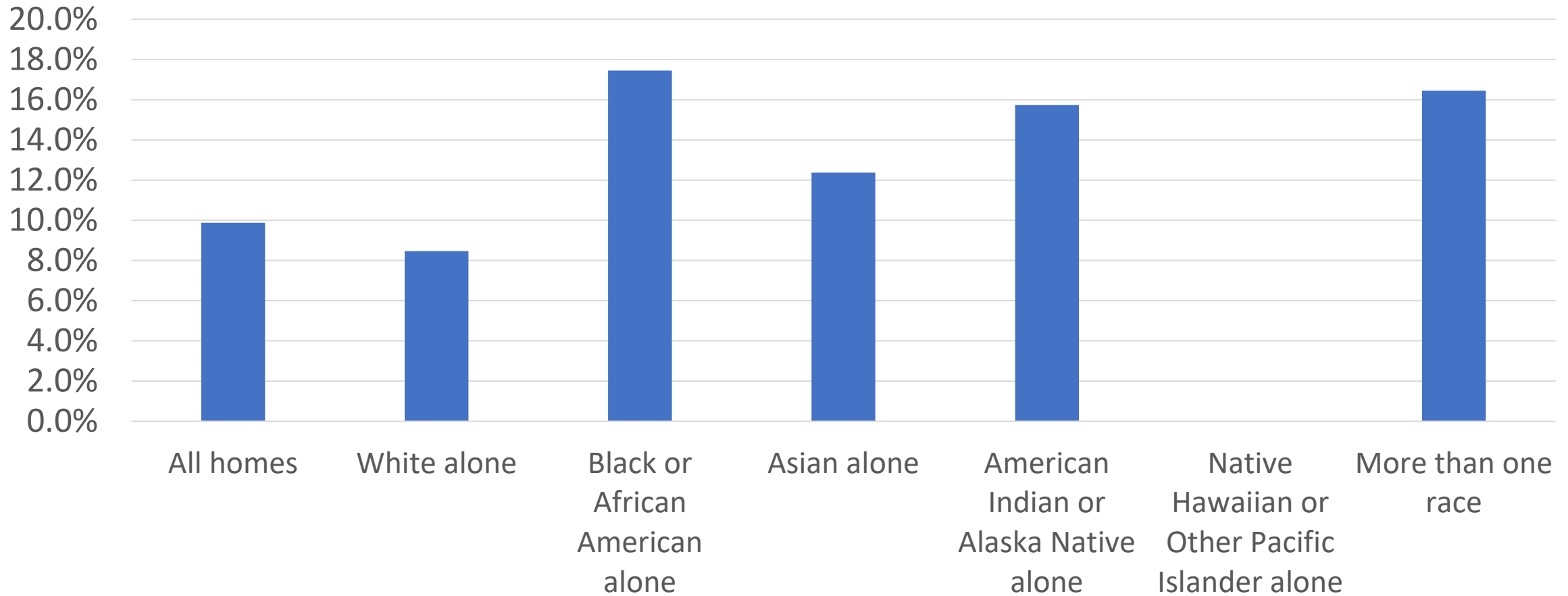
## Reducing or forgoing food or medicine to pay energy costs - Race of Householder



# Leaving home at unhealthy temperature - Household Income



# Leaving home at unhealthy temperature – Race of Householder



# Chapter 14 of the Public Utility Code: *The Responsible Utility Customer Protection Act*

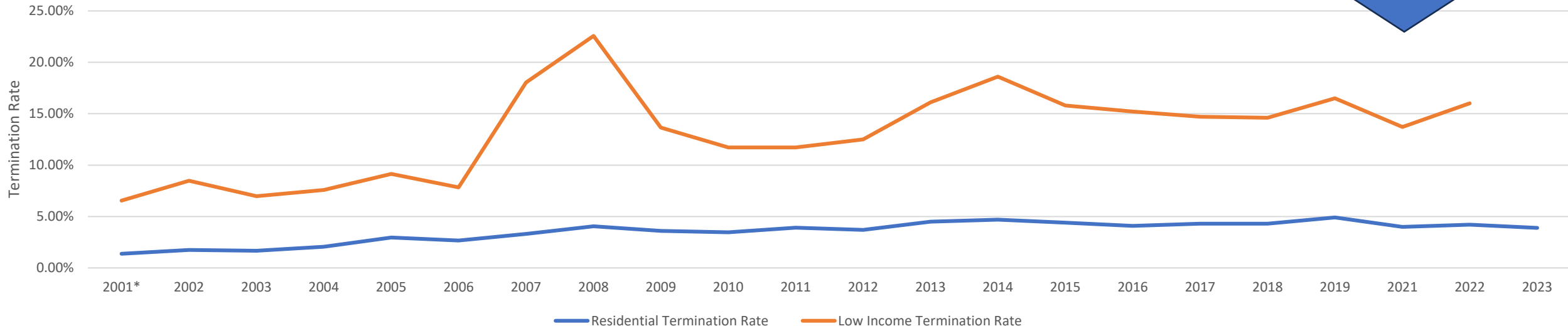
- Governs utility billing, collection, and termination standards.
- Promulgated in 2004
  - Originally intended to address gross mismanagement at Philadelphia Gas Works (PGW), following the legislature's move to bring PGW under the jurisdiction of the Public Utility Commission.
- First reauthorized in December 2014.
- Without reauthorization, Chapter 14 will sunset in December 2024.
- **Two Reauthorization Bills:**
  - House Bill 1077
  - Senate Bill 1017

# Chapter 14 of the Public Utility Code: *The “Responsible” Utility Customer Protection Act*

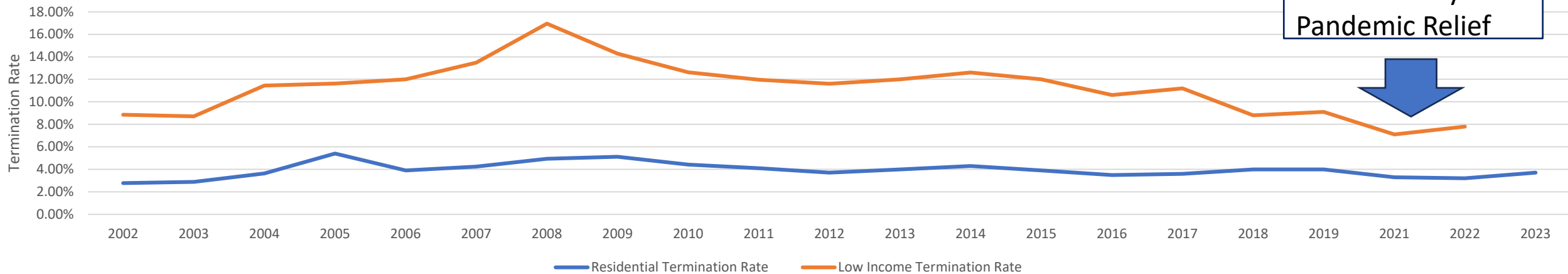
The General Assembly seeks to achieve greater equity by eliminating opportunities for customers capable of paying to avoid the timely payment of public utility bills.

Through this chapter, the General Assembly seeks to provide public utilities with an equitable means to reduce their uncollectible accounts by modifying the procedures for delinquent account collections and by increasing timely collections. At the same time, the General Assembly seeks to ensure that service remains available to all customers on reasonable terms and conditions.

# Electric Termination Rates (2001-2023)

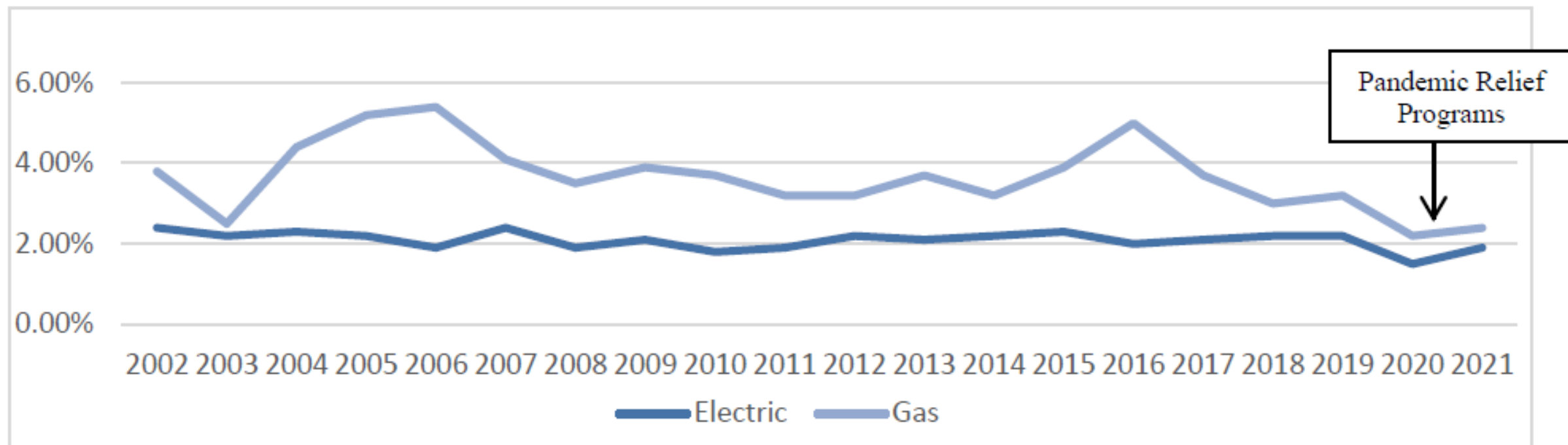


# Gas Termination Rates (2002-2023)



	Residential \$ In Debt	CONFIRMED Low Income (CLI) \$ In Debt	% Debt Carried by CLI Customers	CLI % of Residential Customers
Electric	\$375,388,503	\$190,842,367	<b>51%</b>	<b>12%</b>
Gas	\$175,246,559	\$52,674,654	<b>30%</b>	<b>15%</b>

## Gross Write-Off Ratio, Residential Electric and Gas Utilities<sup>xix</sup>





# Chapter 14 of the Public Utility Code

- **Strict limits on affordable payment arrangements**
  - One Income-Based PUC-issued arrangement.
    - Utilities have discretion to offer arrangements, but regularly offer short-term unaffordable arrangements.
  - No consideration of individual circumstances.
  - Second arrangement only if change in income exceeds 10% of income.
  - Reinstatement of defaulted arrangement only if:
    - Onset of acute / chronic illness
    - “Catastrophic” damage to the customer’s residence
    - Loss of customer’s residence
    - Increase in number of dependents
  - No PUC arrangement for debt accrued while enrolled in Customer Assistance Program.
- **Limited availability of medical certificates**
  - Delays termination 30 days, if submitted within 3 days of shut-off
  - Signed by physician, nurse practitioner, or physician assistant
  - Cannot be signed by registered nurse or social worker

# Chapter 14 of the Public Utility Code

- **Punitive / excessive late fees, reconnection fees, security deposits**
  - Late fees = 1.5% of total bill per month, up to 18% annualized
  - Reconnection fees: “Cost Based”
    - Range anywhere from \$123.23 (PGW) to \$20 (PECO/PPL)
  - Security Deposits = Up to 2 months of average bills
  - Repayment for Reconnection:
    - Above 300% FPL = full payment
    - 150-300% FPL = 12 mo.
    - Below 150% FPL (135% for PGW) = 24 mo.
    - No reconnection arrangement if prior broken payment arrangements.
- **Increased terminations, without improving collections**

# Client Story – Ms. B

- Ms. B works as a home health aide, which means her income can vary each month
- Ms. B lived in her home with two children and needed electricity to refrigerate her insulin
- Despite her health needs and the young children in the home, Ms. B was denied access to a medical certificate by the utility, because she had used medical certificates in 2016, 2019 and 2022
- After more than a month without electric service, we were only able to get Ms. B's electricity restored using a grant through the Low Income Home Energy Assistance Program (LIHEAP), which opened in November and is only available during certain months of the year
- Ms. B's life was put at risk, because Chapter 14 denied her a delay that was resolved by LIHEAP a month later



# Senate Bill 1017

- **Rolls back protections for medically vulnerable households.**
  - 60 days, instead of 90 days
  - Renewal requires significant payment
  - Eliminates “last knock” requirement before shut-off, the last opportunity to prevent shut-off for medically vulnerable households.
- **Introduces language that, absent state investment in LIHEAP, could eliminate the LIHEAP Cash Program**
- **Adds language that allows PGW to report to landlords every time a tenant falls behind on their bill, increasing eviction risk.**
- **Eliminates the sunset provision of Chapter 14, requiring review of standards every 10 years.**

# House Bill 1077

- Restores discretion to PUC to issue reasonable payment arrangements.
- Eliminates junk fees (security deposits/late fees)
- Expands availability of payment arrangements for reconnection.
- Limits reconnection fees for low/moderate income households.
- Requires utilities to gather income information and direct eligible customers to utility Customer Assistance Programs
- Ensures customers are able to read and understand termination notices in their own language.

# House Bill 1077

- **Ensures people with chronic medical conditions, seniors, young children, and survivors of domestic violence remain connected to life essential services.**
  - Allows registered nurses and licensed social workers to sign medical certificates.
  - Extends the length of medical protections to protect households whose members have a chronic illness.
  - Expands domestic violence exemption by allowing certified domestic violence counselors to certify a customer is a survivor of domestic violence.
- **Protects households from dangers of extreme heat by prohibiting termination of low income households during summer months.**
- **Eliminates harsh rules for PGW customers.**

# HB 1077 will improve health outcomes.

Ms. B

The extended notice of termination and the availability of additional and longer medical certificates likely would have enabled her to find the resources she needed to maintain service and make a payment toward her balance – whether through LIHEAP or other avenues.

Given her variable income and mitigating circumstances, the additional PUC discretion included in HB 1077 may have enabled her to get an affordable payment arrangement.

# What Can Advocates Do?

- Call your representative, ask them to co-sponsor HB 1077
- Reach out to legislators you/your org have connections with:
  - Support for HB 1077
  - Concerns with SB 1017
- Reach out to allied agencies and organizations to share why Chapter 14 reform is important to their members/clients.
- Organize briefings for your members/clients/other allied organizations.

**Spread the word, grow our coalition – Sign up for alerts!**





**Questions?**

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<https://clsphila.org/utilities/help-pennsylvanians-stay-connected-to-vital-utilities/>



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