

Consumer Rights and Responsibilities

**Karen Oill Moury
Acting Executive Director
25 February 2005**

Rates

Consumers have the right to:

- Rates that are just and reasonable
- Rates that conform with approved tariffs on file with the PUC
- Rates that do not grant any unreasonable preference or advantage to any ratepayer

Service

Consumers have right to service that is:

- Adequate
- Efficient
- Safe
- Reliable
- Reasonable

Filing Complaints

- Consumers have the right to file complaints as to:
 - Existing rates
 - Proposed rates
 - Adequacy of service
 - Reliability of service
 - Accuracy of billing

Right to Service

- Consumers have the right to receive utility service provided that they comply with any requirements or eligibility criteria in the companies' tariffs and in PUC regulations
- With that right come various obligations
 - Possible security deposit
 - Access to premises, i.e. for meter reading
 - Timely payment of bills

Security Deposits

- Utility may require a cash deposit prior to or as a condition of providing service for various customers, including those who:
 - Cannot establish creditworthiness
 - Have previously been terminated for nonpayment
 - Have engaged in unauthorized use of service
 - Have failed to permit access to meters
 - Have tampered with meters

Bills

Consumers have the right to:

- Receive clear and accurate bills based on actual meter readings by utility personnel
- Understand the various charges
- Dispute bills that appear to be incorrect

Consumers have responsibility to:

- Pay bill within 20 days of receipt

Payment Agreements

- Payment agreements are available for some low-income customers who admit liability for billed service
 - Customer must meet certain income levels that are defined as a percent of the federal poverty level
 - Permitted to amortize or pay the unpaid balance of the account in one or more payments
 - Length of agreement varies depending on the customers' household income – i.e. no more than 5 years for customer at or below 150% of federal poverty level

Notice of Interruption

- Temporary interruptions of service by the utility are permitted for reasons relating to repairs, safety, protection of property and emergencies
- Prior notice must be given if the utility knows in advance
- Utility must also give notice of cause and expected duration

Termination With Prior Notice

- Utility may terminate service with prior notice for various reasons, including:
 - Nonpayment of undisputed delinquent account
 - Failure to comply with payment agreement
 - Failure to complete payment of deposit
 - Failure to permit access to meters

Timing of Termination

- Termination may occur any day from Monday through Friday so long as:
 - Utility can accept payment the following day
 - Utility can restore service within the number of days specified by law, ranging from 1-7 days
 - 1 day – erroneous termination, receipt of medical certification, winter months (November 30-April 1)
 - 3 days – April 1- November 30
 - 7 days – proper termination and reconnection requires street or sidewalk digging

Notice of Termination

- Utility must provide written notice of termination to customer at least 10 days prior to date of proposed termination
- Utility must attempt to contact the customer in person or by telephone at least 3 days prior to scheduled termination
- Utility must attempt to make personal contact with customers at time of termination

Winter Terminations

- From December through March, utility must either:
 - make personal contact with customer by visiting home, or
 - post a notice at the home within 48 hours of scheduled date of termination
- Utility must also attempt to make personal contact at time of termination
- No terminations permitted during winter months for customers at or below 250% of the federal poverty level

Terminations Without Prior Notice

- Utilities may terminate immediately without notice for any of the following actions:
 - Unauthorized use of service
 - Fraud or material representation of customer's identity for purpose of obtaining service
 - Tampering with meters
 - Committing actions that endanger safety of person or integrity of delivery system

Medical Certifications

- Utility may not terminate service to a premises when a licensed physician or nurse practitioner has certified that:

Customer or member of household is seriously ill or afflicted with medical condition that will be aggravated by cessation of service

Restoration of Service

- Upon termination, public utility must inform customer of location where payment can be made
- Utility may require full payment of outstanding balance and reconnection fees, subject to certain exceptions for low-income customers who may be permitted to pay over a period of 3-24 months

Customer-Utility Disputes

- Customer must first contact utility for purpose of resolving dispute before filing a complaint with the PUC
 - Applies to disputes involving credit determinations, deposit requirements, accuracy of utility metering or billing, and terminations
- Customer must pay bill pending outcome of dispute

Utility Response to Disputes

- When a customer initiates a dispute, the utility is obligated to:
 - Investigate the matter using reasonable methods such as telephone or personal conferences with ratepayer
 - Make a diligent attempt to negotiate a resolution of the dispute
 - Issue a report within 30 days to the customer and inform customer of right to go to PUC

Informal Complaints

- Within 10 days of notification or mailing of utility company report, customer may file an informal complaint with PUC's Bureau of Consumer Services, who then:
 - Notifies company and obtains report
 - Investigates complaint and seeks to resolve
 - Issues a decision that is binding on the parties unless appealed to the Office of Administrative Law Judge

Formal Complaints

- Formal complaints must be filed with the PUC's Secretary and be accompanied by a statement attesting to the truth
- Referred to the Office of Administrative Law Judge for mediation or hearing
- Decision is rendered
- Exceptions may be filed
- Commission Order

Residential Consumers Have Several Advocates

- Office of Consumer Advocate: Represents residential consumers in rates and service proceedings at the PUC
- Legal Services
- Public Utility Law Project
- Consumer Advisory Council: Advises the Commissioners on matters relating to the protection of consumer interests

Energy Assistance Programs

- PUC has obligation to ensure availability of universal service for electric and natural gas customers
- PUC requires utilities to have programs and protections that help low-income customers to keep their utility service
- These programs may help consumers to pay utility bills or lower the amount of electricity or natural gas they use

Customer Assistance Programs

- Customer Assistance Program
 - Offered by each electric and gas utility
 - Monthly bills of low-income customers are reduced on the basis of an ability to pay
 - Subsidized through rates paid by other residential customers

Budget Billing

- Residential customers of electric and natural gas companies may pay a flat amount each month
- Avoids fluctuations in the bill during high usage months and allows customers to better plan for their energy expenses
- Can be adjusted four times per year depending on usage but these adjustments are usually not very significant

Customer Assistance Referral and Evaluation Program

- CARES program helps customers with special needs to find ways to pay their utility bill
- Special needs are customers experiencing family or medical emergencies or unemployment
- Goal is to provide support and direction to help customers pay their utility bill

Low Income Usage Reduction Program

- Helps low-income residential customers lower the amount of electricity or gas they use each month
- Company might install energy savings features in their homes to reduce their bills
- Smaller bills meaning their payment covers a greater portion of the bill or perhaps the whole bill

Hardship Funds

- Utility company hardship funds provide cash assistance to utility customers to help them pay their utility bills
- Grants are given to customers who have been unable to access other assistance or still have a critical need
- Voluntarily funded by utility shareholders and other customers

Low-Income Home Energy Assistance Program

- Federal program that provides financial assistance to needy households for home energy bills
- In Pennsylvania, the Department of Public Welfare administers the LIHEAP program
- LIHEAP provides both cash and crisis benefits to low-income households

Customer Education

- PUC staff provides consumer education through a variety of means
 - Offers tips for saving energy
 - Hosts workshops and roundtable discussions throughout Pennsylvania
 - Prepares consumer publications – hints for speaking at a public hearing and glossaries of utility terms
 - Makes information available on website about PUC and court decisions on consumer issues

Utility Choice

- Consumers have the right to choose who supplies their electricity, natural gas and local telephone service
- Provider may not be changed without consent of the consumer
- Services offered by competitors must still comply with PUC regulations
- Quality of service must be maintained
- Clear and understandable bills

Customer Information Disclosure

- A key element of utility choice has been ensuring that competitors provide adequate and accurate customer information to enable customers to make informed choices
- Information must be provided to consumers in an understandable format that enables consumers to compare prices and services on a uniform basis

Utility Choice

Consumer Education

- PUC made consumer education a priority when introducing choices for utility service
- Statewide campaign for electric choice that was supplemented by individual local efforts in each service area
- Main goals were to ensure customers understood choice, how to exercise it and their rights and protections

Summary

- Utility customers have the right to receive reasonably-priced and reliable service
- Consumers have the right to adequate and accurate information about utility services
- Utility customers have the responsibility to timely pay for that service
- Low-income customers may obtain payment arrangements or rely on various forms of assistance programs