



Chapter 14 Reauthorization Fact Sheet



In 2023, over 330,000 Pennsylvanian households had their gas, electric, or water shut off because they could not afford to pay – and nearly 25% of Pennsylvanians reported foregoing food, medicine, and other basic needs to keep up with utility costs.¹

Chapter 14 of the Public Utility Code creates unreasonable challenges for low and moderate income households to maintain basic utility services. The billing, collections, and termination rules in Chapter 14 sunset at the end of 2024. The General Assembly must take this opportunity to reform these rules and keep Pennsylvanians connected!

- ➔ Low-income Pennsylvanians often pay as much as 30% of household income on energy costs alone.² Median income Pennsylvanians pay just 4%. The Public Utility Commission (PUC) has concluded that, to be affordable, energy costs should be not exceed 10% of household income.³
- ➔ Punitive and excessive late fees, reconnection fees, and security deposits authorized by Chapter 14 add to energy and water insecurity, compounding payment trouble, increasing uncollectible expenses, and making it more difficult for households to stay connected.
- ➔ Many moderate-income customers are deprived of utility service due to Chapter 14's strict limits on affordable payment arrangements, which do not account for real-life circumstances.
- ➔ Customer Assistance Programs (CAPs) are a critical affordability tool. However, statewide, these programs are dramatically undersubscribed due to barriers to access. Less than 25% of estimated income-eligible customers are enrolled in CAP.⁴ Currently, Chapter 14 does not adequately ensure that eligible customers are enrolled in the right rates to prevent accrual of unaffordable debts.⁵
- ➔ Terminating service to households that cannot afford to pay does not improve collections – it leads to high rates of bankruptcy, eviction, and foreclosure.

There are two bills pending in the PA legislature that reauthorize and amend Chapter 14:

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 the punitive status quo and introduces provisions which could jeopardize housing stability and make it more difficult for vulnerable households to maintain service.

¹ US Census Pulse Survey, Energy Insecurity; PA PUC Termination Data, Year over Year 2022 to 2023 (on file with CLS and PULP).

² Fisher, Sheehan, & Colton, *The Home Energy Affordability Gap: 2022* (April 2023), http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html.

³ PA PUC, Home Energy Affordability for Low-Income Customers (Jan. 2019) at 87, <https://www.puc.pa.gov/pdocs/1602386.pdf>; 52 Pa. Code 69.265.

⁴ *Id.* at 9, 59. Note that the *estimated* low income CAP enrollment rate is more accurate than the *confirmed* low income CAP enrollment rate utilized by the industry. Confirmed low income customer counts only include customers that have recently verified their income with a utility. Confirmed low income participation rates should be nearly 100%, as these are folks known to the utility to be income eligible for rate assistance programs.

⁵ 66 Pa. C.S. 1410.1.



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HB 1077	SB 1017
<ul style="list-style-type: none">☑ HB 1077 keeps residential utility customers connected to and paying for utility services.<ul style="list-style-type: none">○ Restores discretion for the PUC to issue reasonable payment arrangements.○ Eliminates security deposits, expands the availability of payment arrangements for reconnection, and limits reconnection fees for low and moderate income households.○ Eliminates late payment fees and ensures PUC discretion to tailor payment arrangements to a specific household's individual circumstances.○ Requires utilities to gather income information and direct income-eligible customers to a utility's Customer Assistance Program.○ Ensures that customers are able to read and understand termination notices and other important documents. ☑ HB 1077 ensures people with chronic medical conditions, seniors, young children, and survivors of domestic violence remain connected to life essential services.<ul style="list-style-type: none">○ Expands access to medical protections by allowing registered nurses and licensed social workers to sign medical certificates and extends the length of medical protections.○ Expands access to the existing domestic violence exemption by allowing certified domestic violence counselors to confirm eligibility.○ Protects households from the dangers of extreme temperatures by maintaining a winter moratorium and adding summer protections. ☑ HB 1077 ensures consistency and equity across the Commonwealth in how utility customers are treated, regardless of which county they live in.<ul style="list-style-type: none">○ Eliminates unnecessary provisions for Philadelphia Gas Works that impose harsher collections practices on low income customers in the City of Philadelphia.	<ul style="list-style-type: none">☒ SB 1017 rolls back protections for medically vulnerable household members. Vulnerable households are already constrained in their ability to use medical certificates to prevent a shut off. Additional limitations will result in more medically vulnerable households losing service and experiencing unhealthy housing conditions. ☒ SB 1017 introduces language that, absent significant state investment into LIHEAP, could eliminate the LIHEAP Cash program. The Cash program provides assistance to customers who are not behind in their bills and may be making sacrifices to keep up with their utility bills. Expanding Crisis assistance, without expanding available funds, will erode the availability of cash grants to make service more affordable before families fall behind. ☒ SB 1017 adds harmful language that will allow PGW to report to landlords that tenants are behind on their bills. This provision appears most hazardous to tenants who, when challenged by unaffordable PGW bills, may face eviction filings and loss of housing vouchers. If passed, housing and family instability and homelessness would increase, creating additional burdens on other government services. Resources that could help resolve PGW debts, like LIHEAP Crisis and hardship funds, are only available for limited periods, and will not be adequate to meet the need. ☒ SB 1017 eliminates the sunset provision of Chapter 14. A 10-year sunset ensures that the terms and conditions by which households access life essential utility services are subject to periodic review by the General Assembly. Much has changed with regard to utilities in the last 20 years, and more will change in the next ten.