

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/CS/SB 1348

SPONSOR: Governmental Oversight and Productivity Committee, Regulated Industries Committee and Senator Dawson

SUBJECT: Medically Essential Electric Utility

DATE: April 18, 2000 REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wimsett</u>	<u>Guthrie</u>	<u>RI</u>	<u>Favorable/CS</u>
2.	<u>White</u>	<u>Wilson</u>	<u>GO</u>	<u>Favorable/CS</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

## I. Summary:

The committee substitute for committee substitute expands existing provisions regarding medically essential electric service, modifies service termination policies, and requires utility companies to assist customers requiring medically essential electric service.

This bill creates section 366.15, Florida Statutes.

## II. Present Situation:

Some families depend upon electric service for medical needs. In some cases, interruption of service can cause serious medical trauma and even death. Individuals with disabilities and parents of children with disabilities have expressed a need for support and services to enable them to live in their own homes, rather than in hospitals or assisted living facilities.

Under Florida law, a utility company must give notice and then allow five business days after the bill is past due before disconnecting service for any customer. The law does require utility companies to develop a separate policy regarding customers whose service is “medically necessary.”

Rule 25-6.105, F.A.C., sets out the conditions for refusal or discontinuance of service by a utility company. Rule 25-6.105 (11), F.A.C., requires utility companies to submit, as a tariff item, a procedure for discontinuance of service when that service is medically essential.

Pursuant to Florida Public Service Commission Order No. PSC-00-0930-TRF-EI dated May 10, 1999, the Commission has approved tariff language that defines “medically essential” service as that which provides for continuously operating electric-powered medical equipment necessary to sustain the life of or avoid serious medical complications requiring immediate hospitalization of the customer or another permanent resident at the service address. Examples of

such medical equipment would include oxygen concentrators, respirators/ventilators, and iron lungs.

Under the tariff language, utility companies are required to provide medically essential service customers with a limited extension of time to make payment, not to exceed thirty days, beyond the date service would normally be subject to disconnection for non-payment of bills. It also makes provision for written notice of disconnection based on the limited extension and special arrangements for bill payment. Notwithstanding these provisions, the tariff language does provide that a utility company may terminate service after certain notice conditions are met.

The tariff language also expressly provides that the customer remains solely responsible for any back-up equipment and/or power supply, and a planned course of action in the event of a power outage. The company is not required to monitor the health of any customer requiring medically essential service.

In addition to these provisions, the Florida Public Service Commission publishes “Where to Find Help in Florida.” According to this publication, many of Florida’s electrical utilities take voluntary measures to avoid disconnecting a customer’s power if the customer qualifies for the medically essential services program. These measures include: (1) delaying shut-offs; (2) working out individual payment arrangements that are more affordable to the customer; (3) using funds donated by utility customers, typically known as “Care” or “Share” funds, to help pay power bills in emergency situations; and (4) referring customers to government programs that help pay power bills.

### **III. Effect of Proposed Changes:**

The bill modifies existing utility company tariff language regarding medically essential electric service.

Although the bill is modeled after the tariff language, it goes beyond the language in several respects. It broadens the definition of “medically essential” services to include equipment that must be operated as circumstances may require as specified by a physician. It also provides that the term includes feeding tubes and kidney dialysis equipment in the home.

The bill requires the customer and a physician to complete certification forms and provides that a physician’s false certification of electricity needs as medically essential constitutes a violation s. 458.331(1)(h), F.S., which subjects the physician to disciplinary action by the Board of Medicine.

The bill expands the role of public utility companies in servicing their medically essential service customers.<sup>1</sup> Under the provisions of the bill each public utility company must:

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<sup>1</sup>The meaning of “public utility” as used by the bill is provided in s. 366.02, F.S. This section provides, “‘Public utility’ means every person, corporation, partnership, association, or other legal entity and their lessees, trustees, or receivers supplying electricity or gas (natural, manufactured, or similar gaseous substance) to or for the public within this state; but the term ‘public utility’ does not include either a cooperative now or hereafter organized and existing under the Rural Electric Cooperative Law of the state; a municipality or any agency thereof; any dependent or independent special natural gas district; any natural gas

- designate an employee who is authorized to direct an ordered continuation or restoration of medically essential service;
- provide a written explanation of the certification process annually to each customer, and to create forms for the certification process;
- certify a customer's electric service as medically essential if the customer completes the statutory requirements for certification;
- require recertification of medically essential electricity needs no more frequently than once every twelve months, and provide certified customers with recertification information at least 30 days in advance of the certification's expiration;
- call, contact, or otherwise advise its customers of service interruptions;
- establish a program to help the utility's customers who require medically essential service to locate and receive funding provided by state or local agencies to help pay for such service;
- maintain a list of all agencies to which the public utility distributes such funds and make the list available to persons requesting the list; and
- account for distributions to agencies and train its customer service representatives to assist any person who possesses certification in identifying such agencies and programs.

The bill also provides that nothing in the act shall form the basis for any cause of action against a public utility.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

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transmission pipeline company making only sales or transportation delivery of natural gas at wholesale and to direct industrial consumers; any entity selling or arranging for sales of natural gas which neither owns nor operates natural gas transmission or distribution facilities within the state; or a person supplying liquefied petroleum gas, in either liquid or gaseous form, irrespective of the method of distribution or delivery, or owning or operating facilities beyond the outlet of a meter through which natural gas is supplied for compression and delivery into motor vehicle fuel tanks or other transportation containers, unless such person also supplies electricity or manufactured or natural gas.”

C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Utility companies will incur costs in complying with the customers service provisions specified in the bill.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The bill is somewhat unclear as to precisely what the public utility is required to provide to a certified customer in terms of electricity service. In subsection (2), the bill provides that the utility must designate employees who are authorized to direct an ordered continuation or restoration of service of medically essential service. It could be inferred from this provision that the bill requires that the utility always provide medically essential service, notwithstanding whether the customer has paid.

On the other hand, in subsections (6) and (7), the bill indicates that certified customers must make payment arrangements with the public utility, and that the utility may disconnect the electricity if it has complied with the customer notice provisions contained in subsection (6). If the bill's intent is only to require public utilities to provide enhanced notice of disconnection to its medically essential customers, then it may be clearer to delete subsection (2)'s reference to employees authorized to direct ordered continuations or restorations of service.

Furthermore, if the bill is only intended to apply to residential electricity service, then it may be appropriate to amend the bill to explicitly state this limitation.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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