

# 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/SB 1348

SPONSOR: Committee on Regulated Industries and Senator Dawson

SUBJECT: Medically Essential Electric Utility

DATE: April 6, 2000 REVISED: \_\_\_\_\_

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

**I. Summary:**

This bill 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 an as yet unnumbered section of the 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 of the Florida Administrative Code sets out the conditions for refusal or discontinuance of service by a utility company. Rule 25-6.105 (11) 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 on a regularly scheduled interval, or as circumstances may require.

The bill requires the customer and a physician to complete certification forms and provides that a physician that provides false certification is in violation of Chapter 458, F.S.

The bill expands the role of public utility companies in servicing their medically essential service customers. Under the provisions of the bill, each public utility company must:

- designate an employee who is authorized to direct an ordered continuation or restoration of medically essential service;
- describe the certification process regarding medically essential service upon a customer’s request and provide certification forms;
- adopt policies and procedures to ensure that electric service is provided to a customer that has completed the certification process;

- monitor the health and condition of its medically essential customers on a periodic basis;
- call, contact, or otherwise advise its customers of service interruptions;
- monitor the renewal of certifications and provide customers notice of expiration and recertification materials;
- 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.

**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:**

None.

**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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