

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Communications, Energy, and Public Utilities Committee

BILL: CS/SB 1572

INTRODUCER: Committee on Communications, Energy and Public Utilities and Senator Siplin

SUBJECT: Termination of gas or electric service

DATE: April 11, 2011 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Carter	CU	Fav/CS
2.			CF	
3.			BC	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

The bill restricts the termination of a senior citizen's or low income family's electric or gas service for nonpayment on specified days associated with a National Weather Service (NWS) forecast that the temperatures in the area in which the senior citizen or low income family resides will be either 1) 35 degrees Fahrenheit or lower or 2) 95 degrees Fahrenheit or higher. The restriction prohibits the termination of the electric or gas service only if that service is the sole source by which the residence is heated or cooled. The days on which the restriction applies are 1) any day the NWS forecasts that temperatures in the area of the utility in which the senior citizen or low income family resides will reach the temperatures specified in the bill; 2) the two calendar days following such a day; or 3) any day immediately preceding a holiday or weekend for which the NWS has forecast that the temperatures will reach those specified in the bill.

The bill takes effect upon becoming a law.

The bill creates an as-yet unnumbered section of the Florida Statutes.

II. Present Situation:

Each public utility is required to furnish to each person who applies for service reasonably sufficient, adequate, and efficient service upon terms as required by the Public Service Commission (PSC).¹ PSC rules provide the following relative to discontinuance of gas² and electric service.³ The conditions under which a utility may discontinue service are:

- Non-compliance with or violation of any state or municipal law or regulation governing gas or electric service.
- Failure or refusal of the customer to correct any deficiencies or defects in his pipes or wires which are reported to him by the utility.
- Use of gas or energy for any other property or purpose than that described in the application.
- Failure or refusal to provide adequate space for the meter and service equipment of the utility.
- Failure or refusal to provide the utility with a deposit to insure payment of bills in accordance with the utility's regulation, provided that written notice, separate and apart from any bill for service, be given the customer.
- Neglect or refusal to provide safe and reasonable access to the utility for the purpose of reading meters or inspection and maintenance of equipment owned by the utility, provided that written notice, separate and apart from any bill for service, be given the customer.
- Non-payment of bills or non-compliance with the utility's rules and regulations, and only after there has been a diligent attempt to have the customer comply, including at least 5 working days' written notice to the customer, such notice being separate and apart from any bill for service, provided that those customers who so desire may designate a third party in the company's service area to receive a copy of such delinquent notice. For purposes of this subsection, "working day" means any day on which the utility's business office is open and the U.S. Mail is delivered. A utility cannot, however, discontinue service for nonpayment of a dishonored check service charge imposed by the utility.
- Without notice in the event of a condition known to the utility to be hazardous.
- Without notice in the event of tampering with meters or other facilities furnished and owned by the utility.
- Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the utility may, before restoring service, require the customer to make at his own expense all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenue resulting from such fraudulent use.

Except as provided, if a utility intends to discontinue service, it must notify the customer at least 5 working days prior to discontinuance of the reason for the discontinuance, and that service will cease unless the deficiency is corrected, resolved through mutual agreement, or successfully disputed by the customer. Service must be restored when the cause for discontinuance has been satisfactorily adjusted.

¹ s. 366.03, F.S.

² Rule 25-7.089 Refusal or Discontinuance of Service by Utility, Florida Administrative Code

³ Rule 25-6.105 Refusal or Discontinuance of Service by Utility, Florida Administrative Code

No utility can discontinue service to any non-commercial customer between 12:00 noon on a Friday and 8:00 a.m. the following Monday or between 12:00 noon on the day preceding a holiday and 8:00 a.m. the next working day, with the term "holiday" defined to mean New Year's Day, Memorial Day, July 4, Labor Day, Thanksgiving Day and Christmas Day. The prohibition does not apply when requested by the customer or necessary for safety.

III. Effect of Proposed Changes:

The bill restricts the termination of a senior citizen's or low income family's electric or gas service for nonpayment on specified days associated with a National Weather Service (NWS) forecast that the temperatures in the area in which the senior citizen or low income family resides will be either 1) 35 degrees Fahrenheit or lower or 2) 95 degrees Fahrenheit or higher. The restriction prohibits the termination of the electric or gas service only if that service is the sole source by which the residence is heated or cooled. The days on which the restriction applies are 1) any day the NWS forecasts that temperatures in the area of the utility in which the senior citizen or low income family resides will reach the temperatures specified in the bill; 2) the two calendar days following such a day; or 3) any day immediately preceding a holiday or weekend for which the NWS has forecast that the temperatures will reach those specified in the bill.

The bill takes effect upon becoming a law.

Other Potential Implications:

Application of the bill would be uncertain in some circumstances. For example, if a senior citizen resides with adult children and the utility has no notice of the senior citizens' residency, it may terminate service. Alternatively, a senior citizen or low-income family may rent and the utility service may be in the name of the landlord, or they may live in a multi-family dwelling sharing one meter, again in another person's name and again with no notice to the utility of the residency.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/SB 1572 by the Committee on Communications, Energy and Public Utilities on April 11, 2011, addresses technical deficiencies by clarifying that:

- it is the residence that must be heated and cooled for the prohibition to apply;
- the area of concern is limited by the utility's service territory; and
- the "day preceding a holiday" is the day immediately preceding.

B. Amendments:

None.