

WEST PHILADELPHIA COALITION OF NEIGHBORHOODS AND BUSINESSES

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The Honorable James H. Cawley, Chairman
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

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PA PUC
SECRETARY'S BUREAU

Dear Chairman Cawley:

L-00060182

I am writing to express my opposition to requiring consumers who are late paying their utility bills to pay a security deposit. Utility companies are imposing this penalty on delinquent accounts, which are accounts where the consumer has been delinquent in paying any two consecutive bills or three or more bills within the preceding 12 months. I understand that the Pennsylvania Public Utility Commission (the PUC) proposed rules to update its regulations at 52 PA Code Chapter 56 to ensure that they are consistent with Act 201 of 2004 (Chapter 14), and that you are accepting comments for review.

It is not news to anyone that the economy is in the worst shape that it has been in since the Depression. Consumers who were having trouble paying their bills in the past are experiencing even more difficulty now. Consumers who were able to pay their bills are facing layoffs, terminations, and financial losses that have devastated their families and threatened their very survival. These families are struggling to pay their bills at all. If they pay their bills late, it is a blessing.

Ironically, this procedure causes people who pay their bills to be treated worse than those who do not. Consumers who cannot pay their utility bills at all are eligible for financial assistance through emergency or hardship programs. It seems to me that people who are able and willing to meet their obligation, but need a little more time to do so, should be given some consideration. This is not an indictment of consumers who need to take advantage of the emergency programs. That is why the programs are there. However, consumers who make the effort to pay their bills, instead of adding to the rolls of an already burdened hardship fund, should not be penalized with a security deposit or suffer any other penalty. They are, in fact, paying their bill.

Many retirees, senior citizens, and disabled persons are on fixed incomes. The receipt of their checks may not coincide with the due date of their utility bill. However, under the existing practice, even if these consumers pay their bills immediately upon receiving their checks, they

will still be penalized by having to pay a security deposit. Consumers already pay a late fee for each late payment. Thus, they are already being penalized financially for the late payment. Adding an additional penalty in the form of a security deposit is double jeopardy.

The West Philadelphia Coalition has already begun to receive calls and letters from its constituents regarding this procedure. One constituent provided a copy of a letter from the Philadelphia Gas Works (PGW), stating that because the consumer's account was delinquent, he/she would be charged a security deposit equal to two months of his/her average bill based on prior consumption. Another person received a letter from PGW stating that because his account was delinquent, he was being charged a security deposit of \$380.00, half of which had to be paid with the current bill, which was \$154.00. This constituent's current bill plus half of the security deposit (\$190.00) made the total bill due \$344.00, a 123% increase over the normal bill, which was already a hardship. He paid the \$154.00, which means that the \$190 is "late," he will be charged a late fee, and his service may be subject to termination if the security deposit remains unpaid.

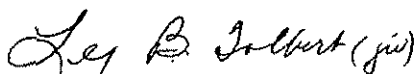
An article in the March 31, 2009, edition of the Philadelphia Daily News contained an excerpt from a report issued by the Pew Charitable Trusts' Philadelphia Research Initiative. The report, titled "Philadelphia 2009: The State of the City," detailed the many challenges facing Philadelphia's residents, several of which are restated below from the article.

- One in four individuals and one in five families live below the poverty line.
- The average household income is \$35,431, and 50 percent of city residents live on less than that.
- The city has lost more than 34,000 jobs since 2000, when the unemployment rate was 5.6 percent. Last year, unemployment rose to 7.2 percent.

Clearly, the existing regulations add to the financial burdens that Philadelphians and other Pennsylvania residents already face, and I strongly urge the PUC to take the action necessary to remedy this.

If you have any questions or would like to discuss this further, please contact me at the above address or telephone number or at LTol523634@aol.com.

Sincerely,



Lee B. Tolbert

Enclosures (15 copies of this letter)

