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INDEPENDENT REGULATORY
REVIEW COMMISSION

Susan Simms Marsh
Corporate Counsel
800 Hershey Park Drive
Hershey PA 17033
susan.marsh@amwater.com

P (717) 533-5000
F (717) 531-3252

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April 20, 2009

COPY

VIA OVERNIGHT MAIL

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

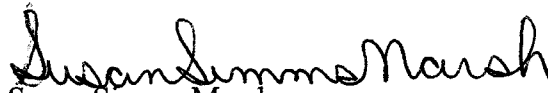
Re: Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 56 to
Comply with the Provisions of 66 Pa.C.S., Chapter 14; General Review of
Regulations
Docket No. L-00060182

Dear Secretary McNulty:

Enclosed please find an original and fifteen (15) copies along with a CD of
Pennsylvania-American Water Company's comments in the above-captioned matter.

If you have any questions, please feel free to contact me.

Sincerely,


Susan Simms Marsh

Enclosures

cc: Terrence J. Buda (via email)
Patti Wiedt (via email)
Cyndi Page (via email)
Daniel Mumford (via email)

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APR 20 2009

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Before the
Pennsylvania Public Utility Commission**

In Re: Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 56 to Comply with the Provisions of 66 Pa.C.S., Chapter 14; General Review of Regulations

Docket No. L-00060182

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APR 20 2009

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Comments of
Pennsylvania-American Water Company**

Pennsylvania-American Water Company ("PAWC" or "Company") respectfully submits these comments in response to the Pennsylvania Public Utility Commission's ("PUC" or "Commission") notice of proposed rulemaking regarding amendments to Chapter 56 of Title 52 of the Pennsylvania Code pertaining to standards and billing practices for residential customers.

I. INTRODUCTION AND GENERAL COMMENTS

On November 30, 2004, Governor Edward Rendell signed into law the Responsible Utility Consumer Protection Act which became effective on December 14, 2004. The Act, more commonly known as and hereafter referred to as Chapter 14, served as the mechanism for the modernization of utility customer service and collections rules and procedures.

The General Assembly passage of the Act was intended to provide utility companies with an "equitable means" to reduce uncollectible accounts by modifying collection procedures and increasing collections while ensuring the availability of service to all customers. Moreover, the legislature saw a need to prevent chronic and habitual delinquent ratepayers from being a burden on those ratepayers who pay their utility bills in a timely manner.

PAWC appreciates the PUC extensive efforts to prepare the notice of proposed rulemaking and the Company offers the following comments:

II. ANNEX A

Subchapter A. PRELIMINARY PROVISION FOR UTILITIES AND CUSTOMERS SUBJECT TO CHAPTER 14 OF THE PUBLIC UTILITY CODE

A. § 56.2. Definitions.

1. Informal dispute settlement agreements.

The definition states “a mutually agreeable statement of a claim or dispute by a customer or applicant including a proposed resolution of the claim or dispute.” A mutually agreeable statement of the claim or dispute by its very nature requires a meeting of the minds by the customer or applicant and the public utility. The two parties, however, may not reach agreement on the statement of the claim or dispute. If the parties failed to reach an agreement on the statement of the claim or dispute, will it prevent the parties from reaching an informal dispute settlement agreement? Perhaps the first sentence can be reworded or deleted in its entirety.

The definition states “If you are not satisfied with this agreement, immediately notify the utility that you are not satisfied.” The term “immediately” is not defined and as such, it is open to interpretation. What obligations is the public utility under if the customer or applicant decides five, 10 or 30 days after the issuance of the agreement he or she is not satisfied with the settlement agreement? What if the customer or applicant decides he or she is not satisfied with the informal dispute settlement agreement only upon failing to meet a material term of the said agreement? PAWC suggests the PUC set a time period in which the customer or applicant must make known to the public utility that he or she rejects the informal dispute settlement offer. This will eliminate ambiguity and minimize potential confusion.

B. §56.36. Written Procedures.

1. (3) Third party requests for service.

The proposed regulation provides for third party requests to establish public utility service on behalf of an applicant. In the event the public utility is permitted, under proposed regulation 52 Pa. Code §56.35 to require the payment of outstanding balance, what is the third party’s responsibility with regard to the outstanding balance? In the

event the applicant who becomes a customer fails to pay the current public utility service account, what is the third party's responsibility with regard to current public utility service account? PAWC suggests the third party be held to the same standard as the third-party guarantor as provided for at 66 Pa.C.S.A. §1404(b).

C. §56.37. General Rule.

The proposed regulation requires the public utility to provide service within 3 days once an applicant's application has been accepted and said applicant has met all requirements. How is the PUC defining "all requirements?" Will "all requirements" include PUC statement of policy, Opinions, Orders and public utility tariff?

D. §56.100. Winter termination procedures.

1. (f) Landlord ratepayer accounts.

The proposed regulation specifically prohibits a public utility from terminating service to a premise during the period of December 1 through March 31. The proposed regulation at 52 Pa. Code §56.100(g) provides a mechanism for public utility to petition the PUC for permission to terminate service to a customer. However, there is no similar proposed regulation permitting a public utility to petition the PUC for permission to terminate service to a premise when the account is in the name of the landlord. Such a process should be made available to a public utility unless specifically prohibited under the law.

2. (i) Reporting of survey results.

As part of the survey requirement, electric distribution utilities, natural gas distribution utilities and Class A water distribution utilities must attempt to contact by telephone a "responsible occupant" for the purpose of reaching an agreement. Chapter 14 does not have a definition of "responsible occupant" and reserves the definition of "occupant." The proposed regulations do not define "responsible occupant" but defines "occupant." Chapter 14 and the proposed regulations define "customer." If the utilities are required to make contact for the purpose of reaching an agreement, PAWC suggests the PUC require the utilities to reach and enter into such agreements with the customer rather than the occupant. Under the law and the PUC proposed regulations, only the customer has a duty

to make payments. The occupant has no obligation to meet the terms of any agreement and is not bound by agreement.

The current Chapter 56 regulations and the proposed regulation define “occupant” as “a person who resides in the premises to which utility service is provided.” If the Commission continues to require under the proposed regulations that the utilities attempt to make contact with a responsible occupant for the purpose of reaching an agreement as to the payment of arrearages and restoration, the PUC should provide specificity as to the term “responsible” occupant.

E. §56.111 General provision

The proposed regulation provides for a customer to obtain a letter from a licensed physician or nurse practitioner verifying a medical condition. This provision goes beyond Chapter 14. The law only provides for a customer to obtain a letter from a licensed physician. Specifically, 66 Pa.C.S.A. §1406(f) states, in pertinent part, “. . . the customer shall obtain a letter from a licensed physician verifying the condition and shall promptly forward it to the public utility.” The proposed regulation regarding the medical certification process found at §56.113 includes written or oral certification. In order to be consistent with the law, the PUC should consider limiting the written certification to licensed physician and oral certification to both licensed physician and nurse practitioner.

F. §56.163. Commission informal complaint procedure.

Under the proposed regulations, the PUC staff will facilitate settlement discussions. If the parties reach a settlement, the PUC staff will confirm that the parties understand the settlement terms and mark the informal complaint as closed. It is unclear as to when the PUC staff will actually mark the informal complaint as closed. While the PUC staff is no longer required to prepare the settlement agreement for the parties’ signatures, the parties may actually reduce the settlement to writing for signature. In those instances, will the informal complaint be marked closed at the time the parties sign the settlement agreement or upon confirmation by all parties?

Subchapter L. PRELIMINARY PROVISIONS FOR WASTEWATER, STEAM HEAT AND SMALL NATURAL GAS DISTRIBUTION UTILITIES AND VICTIMS OF DOMESTIC VIOLENCE WITH A PFA ORDER

G. §56.251. Statement of purpose and policy.

PAWC had hope the Commission, at the time it undertook revisions to Chapter 56 regulations, would incorporate the standards of Chapter 14 that are applicable to residential water customers and applicants and made said standards applicable to residential wastewater customers and applicants. As a public utility authorized to provide water and wastewater services in various communities within the Commonwealth of Pennsylvania, PAWC provides water service to 632,408 residential customers and wastewater service to 17,343 residential customers. Most PAWC wastewater customers also receive water service from the Company. Thus, the ability to apply one standard makes good business and regulatory sense. While the Commission declined to apply all Chapter 14 provisions to wastewater utilities, the PUC elected to apply selected provisions of Chapter 14 that provided “enhanced consumer protections” that are absent from the existing Chapter 56 regulations. PAWC humbly requests the Commission to once again exercise its discretion and apply selected provisions of Chapter 14 that would eliminate customer confusions and minimize different processes without infringing upon consumer protections.

H. §56.252 Definitions

1. Applicant

The proposed regulation includes the same definition for “applicant” as the current Chapter 56 regulations. PAWC suggest the Commission consider adopting the definition found in Chapter 14 and the proposed regulation found at §56.2. To do so would not cause any harm to potential applicants or infringe upon consumer protection. It would, however, eliminate the Company applying two separate definitions to a person seeking water and wastewater service.

2. Customer

The proposed regulation includes the same definition for “customer” as the current Chapter 56 regulations. PAWC suggest the Commission consider adopting the definition found in Chapter 14 and the proposed regulation found at §56.2. To do so would not cause any harm to potential applicants or infringe upon consumer protection. It would, however, eliminate the Company applying two separate definitions to water and wastewater customer.

3. Informal dispute settlement agreements.

The definition states “a mutually agreeable statement of a claim or dispute by a customer or applicant including a proposed resolution of the claim or dispute.” A mutually agreeable statement of the claim or dispute by its very nature requires a meeting of the minds by the customer or applicant and the public utility. The two parties, however, may not reach agreement on the statement of the claim or dispute. If the parties failed to reach an agreement on the statement of the claim or dispute, will it prevent the parties from reaching an informal dispute settlement agreement? Perhaps the first sentence can be reworded or deleted in its entirety.

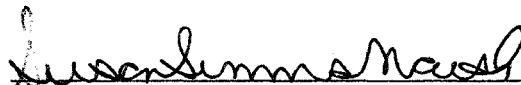
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III. Conclusion.

Pennsylvania-American Water Company appreciates the opportunity to present comments on the Notice of Proposed Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 56 to Comply with the Provisions of 66 Pa.C.S., Chapter 14; General

Review of Regulations and requests that the Commission consider its comments on these issues.

Respectfully submitted,



Susan Simms Marsh
Corporate Counsel
Pa. Attorney I. D. 44689
Pennsylvania-American Water Company
800 West Hershey Park Drive
Hershey, PA 17033

Date: April 20, 2009