

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 616

SPONSOR: Senators Dawson and Holzendorf

SUBJECT: Medically Essential Electric Utility Service

DATE: January 2, 2002

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Caldwell	RI	Favorable
2.	_____	_____	GO	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill applies the medically essential electric service requirements of s. 366.25, F.S., to municipalities, defining “municipality” as “a municipality that provides electric utility service.” It revises the current requirements for arrangements for making payments, requiring the public utility or municipality to set up a reasonable payment schedule with the customer and prohibits disconnection unless the payment schedule is not adhered to.

This bill substantially amends section 366.15 of the Florida Statutes.

II. Present Situation:

On May 10, 1999, the Florida Public Service Commission entered Order PSC-99-0930-TRF-EI, approving tariffs that established requirements for provision of medically essential electric service to customers of Florida Power Corporation, Tampa Electric Company, Florida Power and Light Company, and Gulf Power Company. The tariffs defined “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.” Under the tariffs, the 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. The tariffs make the customer responsible for making mutually satisfactory arrangements to ensure payment within the extended time of past-due payments. The utility can disconnect service if payment is not made, provided it follows specified notice procedures.

During the 2000 Regular Session, legislation was enacted to provide statutory requirements for provision of medically essential electric service. Ch. 2001-49, Laws of Florida, 2001 Senate Bill 224. The resulting statute, s. 366.15, F.S., contains requirements similar to those contained in the tariffs. "Medically essential" is defined to mean "the medical dependence on electric-powered equipment that must be operated continuously or as circumstances require as specified by a physician to avoid the loss of life or immediate hospitalization of the customer or another permanent resident at the residential service address." The section applies to each "public utility," which s. 366.02, F.S., defines the term to mean "every person, corporation, partnership, association, or other legal entity and their lessees, trustees, or receivers supplying electricity ... 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...."

Each public utility must provide an annual written explanation to each customer of the certification process for medically essential electric services. The certification process requires the customer and a physician to complete certification forms supplied by the utility and return the forms to the utility. False certification of medically essential service constitutes a violation s. 458.331(1)(h), F.S., which subjects the physician to disciplinary action by the Board of Medicine.

Medically essential service must be re-certified annually. At least 30 days before a customer's certification expires, the public utility must send the customer by regular mail a package of re-certification materials, including re-certification forms and a warning that the forms must be completed and submitted within 30 days after expiration of the existing certification. If the forms are not timely submitted, the utility may terminate the certification.

Each customer who requires medically essential electric service must make satisfactory arrangements with the utility to ensure payment, and the arrangement must be consistent with the requirements of the utility's tariff. The utility may terminate medically essential service for nonpayment upon satisfaction of notice requirements. No later than 24 hours before any scheduled disconnection for nonpayment, the utility must attempt to contact the customer by phone to notify the customer of the scheduled disconnection. If the customer does not have a phone number listed in the account information or cannot be reached by phone by the specified time, the utility must send a representative to the customer's residence no later than 4:00 P.M. the day before the scheduled disconnection. If contact is not made, the utility may leave written notification at the residence.

Medically essential service may be interrupted when an emergency may threaten the health or safety of a person, the surrounding area, or the public utility's distribution system.

Each public utility must notify each customer requiring medically essential services of any scheduled service interruption.

Each customer who requires medically essential electric service is solely responsible for arranging for a backup power supply and a planned course of action in the event of a power outage or power interruption.

Each public utility must provide information on sources of state or local funding that may provide financial assistance to customers requiring medically essential electric service. Each public utility that operates a program to receive donations from its customers to provide assistance to persons who are unable to pay their utility bills must make and distribute a list of all agencies to which such funds are distributed.

The section provides that it does not form the basis for any cause of action against a public utility and that failure to comply with any obligation it creates is not evidence of negligence.

III. Effect of Proposed Changes:

The bill applies the medically essential electric service requirements of s. 366.25, F.S., to municipalities. "Municipality" is defined as "a municipality that provides electric utility service."

The bill also revises the payment provisions. Currently the section makes each customer requiring medically essential electric services responsible for making satisfactory arrangements with the public utility to ensure payment, requiring that the arrangements be consistent with tariff requirements. The bill requires the public utility or municipality to set up a reasonable payment schedule with the customer and prohibits disconnection unless the payment schedule is not adhered to. As the tariffs provide for a payment extension not to exceed 30 days and require payment of all past-due payments within this time, a "reasonable payment schedule" may allow the customer more time to make payment.

The bill takes effect upon becoming a law.

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:

Customers of municipal electric utilities may see price increases to offset any increased utility expenses.

C. Government Sector Impact:

Municipalities operating electric utilities may incur additional expenses, which they will likely pass on to their electric customers.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

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