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HOUSE BILL NO. 906

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Commerce and Labor
on February 19, 2024)

(Patron Prior to Substitute—Delegate Shin)

A BILL to amend the Code of Virginia by adding in Chapter 21 of Title 15.2 an article numbered 2.1, consisting of sections numbered 15.2-2121.1, 15.2-2121.2, and 15.2-2121.3, by adding in Chapter 3.2 of Title 44 a section numbered 44-146.29:4, and by adding in Article 2 of Chapter 10 of Title 56 sections numbered 56-245.1:3 and 56-245.1:4, relating to public utilities; municipal utilities; disconnection of service; limitations; consumer protections.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 21 of Title 15.2 an article numbered 2.1, consisting of sections numbered 15.2-2121.1, 15.2-2121.2, and 15.2-2121.3, by adding in Chapter 3.2 of Title 44 a section numbered 44-146.29:4, and by adding in Article 2 of Chapter 10 of Title 56 sections numbered 56-245.1:3 and 56-245.1:4 as follows:

*Article 2.1.**Disconnection Provisions for Public Utilities.***§ 15.2-2121.1. Definitions.**

As used in this article, "utility" means a public utility that is owned or operated by a locality of the Commonwealth.

§ 15.2-2121.2. Disconnection suspension for utilities.

A. 1. No electric utility shall disconnect from service any residential customer for the nonpayment of bills or fees (i) when the forecasted temperature low is at or below 32 degrees Fahrenheit within the 24 hours following the scheduled disconnection or (ii) when the forecasted temperature is at or above 92 degrees Fahrenheit within the 24 hours following the scheduled disconnection.

2. No gas utility shall disconnect from service any residential customer for nonpayment of bills or fees when the forecasted temperature low is at or below 32 degrees Fahrenheit within the 24 hours following the scheduled disconnection.

3. No water or wastewater utility shall disconnect from service any residential customer when the forecasted temperature is at or above 92 degrees Fahrenheit within the 24 hours following the scheduled disconnection.

4. To ascertain the projected temperature as provided in this subsection, each utility shall refer to the forecasted local temperature provided by the National Weather Service where the customer to be disconnected is located.

B. No utilities shall disconnect from service any residential customer for nonpayment of bills or fees on Fridays, weekends, state holidays, or the day immediately preceding a state holiday.

C. Nothing in this section shall be construed to limit utilities from voluntarily suspending scheduled disconnections during other extreme weather events, emergency conditions, or circumstances in which a utility determines such suspension is necessary to protect the health and safety of its customers and the reliability of utility service in the Commonwealth. Further, nothing in this section shall be construed to prohibit (i) a disconnection required by the conditions of subdivision A 8 of § 56-247.1, (ii) emergency disconnections for health and safety purposes, or (iii) the occurrence of an automatic service suspension associated with prepaid utility service. Any fees or expenses incurred by a utility in complying with the requirements of this section shall be recovered by the utility.

§ 15.2-2121.3. Notice procedures for nonpayment; disconnecting utility service.

A. Each utility subject to the provisions of this article shall provide to each of its residential customers a copy of its disconnection for nonpayment policy (i) at any time a new residential account is established, (ii) when any disconnection for nonpayment of bills or fees is scheduled by including a copy of the policy with such notice, or (iii) by publishing the disconnection policy on the utility's website. Each such utility shall provide all required notices in English and Spanish. Such required notices shall include information regarding payment plans and state, federal, or utility energy assistance programs.

B. Each utility subject to the provisions of this article shall deliver notice of nonpayment of bills or fees to its residential customers prior to disconnection by using at least two of the following methods: (i) mail, (ii) email, (iii) text message, (iv) phone call, or (v) door hanger.

C. Utility disconnections due to the nonpayment of bills or fees are prohibited for residential customers until the customer's account is 60 days in arrears. After each missed payment, the utility shall provide notice pursuant to subsection B and make contact with the customer and offer bill payment assistance, arrange a payment plan, or provide information to the customer for other bill payment assistance or energy savings programs.

60 D. No electric or gas utility shall require a deposit of more than 25 percent of the arrearage amount
61 for service, exclusive of nonpayment fees, penalties, or interest, in order to restore service to any
62 residential customer where such utility received funding from the Department of Social Services for such
63 customer through the Home Energy Assistance Program pursuant to § 63.2-805 within the last 12
64 months. A customer is eligible for this provision once every three years.

65 **§ 44-146.29:4. Disconnection suspension for certain utilities.**

66 In the case of any state of emergency declared by the Governor in response to a communicable
67 disease of public health threat, each utility that is engaged in the business of furnishing electricity, gas,
68 water, or wastewater service and subject to the regulation of the State Corporation Commission or
69 owned or operated by a municipality shall be suspended from disconnecting service to residential
70 customers for nonpayment of bills or fees for 30 days upon the declaration of such emergency.

71 **§ 56-245.1:3. Disconnection suspension for utilities.**

72 A. As used in this section, "utility" means an electric company, a natural gas supplier, or a water
73 supplier or wastewater service provider that is subject to the regulation of the Commission.

74 B. 1. No electric utility shall disconnect from service any residential customer for the nonpayment of
75 bills or fees (i) when the forecasted temperature low is at or below 32 degrees Fahrenheit within the 24
76 hours following the scheduled disconnection or (ii) when the forecasted temperature is at or above 92
77 degrees Fahrenheit within the 24 hours following the scheduled disconnection.

78 2. No gas utility shall disconnect from service any residential customer for nonpayment of bills or
79 fees when the forecasted temperature low is at or below 32 degrees Fahrenheit within the 24 hours
80 following the scheduled disconnection.

81 3. No water or wastewater utility shall disconnect from service any residential customer when the
82 forecasted temperature is at or above 92 degrees Fahrenheit within the 24 hours following the
83 scheduled disconnection.

84 4. To ascertain the projected temperature as provided in this subsection, each utility shall refer to
85 the forecasted local temperature provided by the National Weather Service where the customer to be
86 disconnected is located.

87 C. No utilities shall disconnect from service any residential customer for nonpayment of bills or fees
88 on Fridays, weekends, state holidays, or the day immediately preceding a state holiday.

89 D. Nothing in this section shall be construed to limit utilities from voluntarily suspending scheduled
90 disconnections during other extreme weather events, emergency conditions, or circumstances in which a
91 utility determines such suspension necessary to protect the health and safety of its customers and the
92 reliability of utility service in the Commonwealth. Further, nothing in this section shall be construed to
93 prohibit (i) a disconnection required by the conditions of subdivision A 8 of § 56-247.1, (ii) emergency
94 disconnections for health and safety purposes, or (iii) the occurrence of an automatic service suspension
95 associated with prepaid utility service. Any fees or expenses incurred by a utility in complying with the
96 requirements of this section shall be recovered by the utility.

97 **§ 56-245.1:4. Notice procedures for nonpayment; disconnecting utility service.**

98 A. Each utility subject to the provisions of § 56-245.1:3 shall provide to each of its residential
99 customers a copy of its disconnection for nonpayment policy (i) at any time a new residential account is
100 established, (ii) when any disconnection for nonpayment of bills or fees is scheduled by including a copy
101 of the policy with such notice, or (iii) by publishing the disconnection policy on the utility's website.
102 Each such utility shall provide all required notices in English and Spanish. Such required notices shall
103 include information regarding payment plans and state, federal, or utility energy assistance programs.

104 B. Each utility subject to the provisions of this section shall deliver notice of nonpayment of bills or
105 fees to its residential customers prior to disconnection by using at least two of the following methods:
106 (i) mail, (ii) email, (iii) text message, (iv) phone call, or (v) door hanger.

107 C. Utility disconnections due to the nonpayment of bills or fees are prohibited for residential
108 customers until the customer's account is 60 days in arrears. After each missed payment, the utility shall
109 provide notice pursuant to subsection B and make contact with the customer and offer bill payment
110 assistance, arrange a payment plan, or provide information to the customer for other bill payment
111 assistance or energy savings programs.

112 D. No electric or gas utility shall require a deposit of more than 25 percent of the arrearage amount
113 for service, exclusive of nonpayment fees, penalties, or interest, in order to restore service to any
114 residential customer where such utility received funding from the Department of Social Services for such
115 customer through the Home Energy Assistance Program pursuant to § 63.2-805 within the last 12
116 months. A customer is eligible for this provision once every three years.

117 **2. That the State Corporation Commission (the Commission) may, in its discretion, direct a utility**
118 **subject to the Commission's jurisdiction and the provisions of §§ 44-146.29:4 and 56-245.1:3 of the**
119 **Code of Virginia, as created by this act, to extend or otherwise modify a suspension or limitation**
120 **on disconnecting service to residential customers beyond the time periods prescribed by this act (i)**
121 **if the Commission finds such extension or modification to be necessary or in the public interest**

122 and (ii) provided that any such modification does not shorten the disconnection suspension under
123 § 44-146.29:4 of the Code of Virginia, as created by this act, to a time period of less than 30 days.
124 Prior to issuing any such extension or modification, the Commission shall convene a stakeholder
125 meeting to seek input from utility representatives, interested parties, and customers to inform such
126 decision and determine whether such decision is in the public interest.