



VIRGINIA
LEGAL AID
SOCIETY

PUBLIC UTILITIES

Who regulates public utilities in Virginia?

The Division of Energy Regulation assists the State Corporation Commission's three commissioners in regulating Virginia's investor-owned electric, natural gas, water and sewer utilities, and member-owned electric cooperatives. Its chief function is supporting the Commission in its goal to ensure Virginia consumers receive high quality utility services at just and reasonable rates.

How do I know if my utility company is investor-owned?

If your utility provider is managed by the city or municipality, then it is not investor owned and therefore is not regulated by the Division. The following providers are not regulated by the Division:

- Bristol Power Board
- City of Bedford
- City of Danville
- City of Manassas
- City of Martinsville
- City of Radford
- City of Salem
- Franklin
- Harrisonburg Elec Com
- Town of Blackstone
- Town of Elkton
- VPI&SU

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Who regulates utility companies that are owned by a city or municipality?

Utilities run by the local government are self-regulated, meaning that the local office for the utility will need to be contacted and negotiated with. To resolve any problems, you will need to follow the guidelines and grievance procedures established by the utility. If you continue to experience problems with resolving the situation to your satisfaction, you may try contacting the following to file a complaint:

- Better Business Bureau – 1-800-533-5501
- Virginia Dept of Agriculture/Consumer Affairs – 1-800-552-9963
- National Consumer Law Center – 202-452-6252
- National Association of Consumer Advocates – 202-452-1989
- Federal Trade Commission – 1-877-382-4357

However, if the utility company is not following its guidelines and/or grievance procedures, then at that time you should contact the Division of Energy Regulation to file a complaint.

Does the utility have the right to request a deposit from me?

Yes. Division rules allow utilities to request a deposit since service is provided in advance of billing and payment; however, the maximum request is limited to the estimated liability for two months usage. Additionally, the utility must allow residential customers to pay a large deposit request in three installments. If satisfactory credit (timely payment of monthly bills) has been established after one year for residential customers, or two years for commercial customers, the deposit will be refunded.

If I rent a place, can I get water and sewer service in my own name? If so, do I have to pay a deposit?

As a tenant, you can get water and sewer service in your own name from the local public utility, but they may require:

- A letter from your landlord authorizing the utility to put the service in your name, and
- A security deposit equal to three to five months' worth of water and sewer charges.
However, the local utility company is not allowed to require such a deposit if you provide them with written proof that you're receiving government need-based rental assistance.

If you owe money to the utility when you move out, they may keep part or all of your security deposit to apply it against what you owe. If your security deposit doesn't cover all that you owe, then the utility company can place a lien against the landlord's property for the balance. The

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utility company is not allowed to put a lien against the landlord's property unless they have first gotten a deposit from you and applied your deposit to the balance owed.

The utility company wants a deposit of \$500 before it will turn on my electric/gas service. Is that legal?

If the deposit is greater than \$40, the customer must be allowed to make at least three equal monthly payments. Usually, a utility company will establish a lower deposit if you can get your last utility company to send a letter saying that you made regular and timely payments.

You can avoid having to pay a deposit by authorizing the utility company to install prepaid metering equipment. The disadvantage to this is that your service will be terminated automatically and immediately as soon as you've incurred charges equal to the amount you prepaid.

When are deposits refunded?

Customer deposits may be refunded by a utility at any time. Residential customers' deposits should not be held longer than one year provided the customer has established satisfactory credit during that period.

Each utility must pay interest on deposits held longer than 90 days, to accrue from the date the deposit is made until it has been refunded, or until a reasonable effort has been made to refund the deposit to the customer. All investor-owned utilities will pay interest on deposits at a rate established annually. Each customer making a security deposit, may choose to have the utility pay all accrued interest directly to the customer, or credit the interest to the customer's account.

Can I receive assistance in paying my deposit, or have it waived?

Some Virginia public utility regulations may provide alternative measures of creditworthiness in lieu of a security deposit. These include providing the utility with a guarantor who promises to pay the utility bill if the customer fails to pay, a good payment record with the utility, proof of home ownership or full-time employment for a set period of time. Contact the National Energy Assistance Referral Project (NEAR) for information regarding this and other energy assistance at: 1-800-230-6977. Or you may find more information at: www.liheap.ncat.org/profiles/energyhelp.htm.

What is the flat monthly customer (or system) charge that appears on my utility bill?

All utilities impose a flat monthly basic customer charge, as approved by the Division, designed to recover certain fixed expenses associated with making utility service available to your

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location. The utility incurs these expenses regardless of how much energy or water you consume. These expenses may include customer account expenses such as metering, billing, and payment processing as well as fixed costs associated with your individual service line such as depreciation, maintenance, and financing costs. The utility may or may not show this charge as a separate line item on your bill.

Can a utility estimate my meter reading?

Yes, but the Division expects utilities to minimize reliance on estimates. As a practical matter utilities must estimate readings from time to time. Usage may be estimated for various reasons: inclement weather, lack of access to the meter, or the malfunction of equipment. Since the meter continuously accumulates actual usage -- that is, the meter is not "reset" to zero -- estimated usage errors are self-adjusting with the next actual meter reading.

Does a utility have to notify me before it disconnects my service?

Yes. Before disconnecting service, a utility must mail a written notice to the customer at least 10 calendar days prior to the possible termination date. This notification requirement may be accomplished either through a notice on the regular monthly bill or through a separate mailing. (See below for special rules if you or a family member living with you has a serious medical condition; you may be entitled to an additional 30 days before termination of services.)

How much time do I have to pay my bill before my utilities are terminated?

You have one month to pay your bill before the utility may start proceedings against you to terminate your service. However, the utility company may charge you a late fee if you have not paid your bill within 20 days from the mailing date of the bill.

What do I do when I receive a service termination notice?

When you receive a service termination notice, if you are able to pay the amount due in full, do so immediately through a method to ensure it will post in the utility's accounting system before your shut-off date. It is always a good idea to call the utility to make sure they have received your payment.

If you are unable to pay the specified amount in full, contact the utility to see if they will be willing to accept payment arrangements. Do not wait to act until your service has been terminated since it will be more expensive to have your service reconnected than to maintain service. If you cannot work out a payment plan, you may be eligible for Crisis Assistance through your local Department of Social Services (DSS). You may call DSS customer service at 1-800-552-3431 for more information.

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Crisis Assistance is available to eligible households for emergencies such as lack of heat, utility cutoffs, unsafe heating equipment, and payment of a utility's security deposit. Crisis Assistance is only available until DSS runs out of money.

You may try an appointment with a local non-profit Consumer Credit Counseling Service. Have the Credit Counselor prepare a payment plan for the utility debt, to make it an affordable rate over time and submit it to the utility. If the utility does not agree, go to the City Manager or County Board of Supervisors and ask for their assistance.

Can the utility company terminate my service if I or a family member who lives with me has a serious medical condition?

The company is not totally prohibited from terminating your service even if you or a family member has a serious medical condition. But, if you are able to provide a physician's statement certifying that you have such a condition, they are required to delay cutting you off so you have more time to make payment arrangements, or to make other arrangements for housing or medical care. The utility company must give you an additional 30 days (in addition to the usual 10 days mentioned above) to work with them on a payment plan, or for you to make other arrangements for housing or medical care, before they terminate your service. This applies to all investor-owned electric utilities, electric cooperatives, and public utilities providing water service.

If you or a family member has a serious medical condition, you should place a signed physician's statement in your account file with the utility company. If you don't already have a statement on file and the company gives you notice they intend to terminate your service, you should tell them of the medical condition. If you tell them, they are then required to tell you where to get the medical condition certification form on the internet, or to send you a copy of it if you request it. You will then have 10 days to get the form back to them, and the additional 30 days will start from the time they receive it. Until all that is done, they can't cut off your service.

If the utility company has already turned off your electricity or water, you can still send the utility company a Serious Medical Condition Certification Form within 14 days after the cutoff. The utility company must turn the service back on as soon as it receives the completed form. The company cannot require you to pay a reconnection fee before turning the service back on. But the company can bill you later for the reconnection. You and the utility company should also discuss a payment plan arrangement to help you pay future bills on time.

You can learn more about this, and you can get the form for your doctor to sign, by going to <http://www.scc.virginia.gov/pue/rules.aspx>.

I cannot pay my whole bill this month and it's freezing outside. Can the utility company terminate my service?

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Virginia does not have formal regulations for winter cutoffs. Each utility company must have its own regulations which are approved by the Division. If the utility company won't tell you what its regulations are, call the Division. Usually the Division will not permit cutoffs on Fridays or during holidays.

Can the utility company disconnect my utility services if I have a billing dispute?

Generally, utilities are prohibited from disconnecting service if there is a legitimate billing dispute. The source of this limitation will depend on whether the utility is regulated by a utility commission. Some courts have prohibited the disconnection of utility service where there is a billing dispute because disconnection is a heavy-handed collection tool that is being used to coerce payment. If the utility has wrongfully terminated a customer's service, the utility may have to pay money damages to the customer.

What should I do if there is a billing problem?

The first step should be to contact the utility to try and resolve the problem with the customer service representative. If the customer service agent cannot resolve the problem, speak to a supervisor at the company.

Keep records of your calls (when the calls were made, who you spoke to and a summary of the conversation). If this involves a regulated utility, contact your state utility commission. Most commissions have a consumer division where you can file informal and formal complaints.

I don't think I'm being treated right by my utility company. What can I do?

Your utility company must have a complaint procedure approved by the SCC and it must tell you what that procedure is. Call your utility service and tell them you want to file a complaint right away. Virginia law does not require that the utility provide you with services while your complaint is pending.

If you do not get a reasonable result through the utility's complaint procedure, contact the Division of Energy Regulation and ask them to investigate your complaint. For the most efficient handling of your complaint, it is recommended that you use only one method for notifying the Division of your concern.

By phone: 1-800-552-7945

By mail: Division of Energy Regulation
State Corporation Commission

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P.O. Box 1197
Richmond, VA 23218

Electronically: <http://www.scc.virginia.gov/pue/complaint.aspx>

Also please be aware that the Energy Division cannot assist you with the following inquiries or disputes:

- Complaints concerning bottled propane and/or oil companies
- Complaints regarding municipally-owned utilities
- Complaints related to telephone service, cable television or satellite TV service (Complaints relative to telephone service may be directed to the SCC's Division of Communications)

What do I do if I have damage claim against a utility?

The SCC does not adjudicate damage claims. Damage claims need to be filed directly with the utility. If you are unhappy with the decision of the company, you may pursue options available through the regular court system.

I am being denied utility service because my father owes the company for unpaid bills from years ago. Can they do this?

A utility cannot deny service because of an old or existing account in someone else's name. Usually, the Energy Advocates at the Division of Energy Regulation will help to work out this problem with your utility company: 1-800-552-7945.

I left an unpaid utility bill about 10 years ago when I moved out of this town. Now, I'm back and the utility company won't open an account for me unless I pay the old bill.

If the company has not already sued you for that old bill, it is too late to sue you now (statute of limitations has run). Usually, the Division of Energy Regulation requires a utility to disregard accounts that are more than 3 years old (5 for energy co-ops). If necessary, call the Division Energy Regulation and ask for assistance.

Be aware that the utility may require a significant deposit (two months billing).

I am divorced and now the utility company is saying that I cannot have service unless I pay off my ex-husband's old account.

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Unless you were named as a “responsible party” for the old account, the utility company cannot deny you service.

If the company refuses to give you service in your name, without making you pay your ex-husband’s bill, you may have an Equal Credit lawsuit against the company because it appears they are discriminating against you based on marital status.

First, call the Division of Energy Regulation to see if they can work it out for you.

If that doesn’t work, you should try to find a private attorney who handles Equal Credit Opportunity Act (ECOA) suits that will assist you without paying fees upfront.

My heating bill is so high every month. I think it’s because my house has no insulation. Do you know who can help me?

Most communities have weatherization funds available to help low-income citizens who have a “vulnerable” family member (senior citizen, disabled person, child).

The Virginia Department of Housing and Community Development administers the weatherization program and provides funds to your local community agencies to help pay for things like insulation.

My power goes out every time there is any storm activity. What can I do about poor reliability?

First, report your reliability concern to the utility. If nothing is done to fix the problem and you continue to experience outages, you should directly contact the Division of Energy Regulation.

What causes fluctuations in the price of natural gas?

Two things are responsible for changes in natural gas prices: the wholesale market for gas (price volatility), and the weather (usage volatility). The combination of these two factors largely impact the bottom line of your bill.

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Free Legal information by Web and Phone: www.vlas.org and
1-866-LegIAid (534-5243)

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