



March 8, 2018

U.S. Senate  
Washington, DC 20510

Re: H.R. 5078—Section 3—“Positive credit reporting required”

Dear Senator:

Our organization is a voluntary association of 56 consumer advocate offices representing the interests of gas and electric consumers in 42 states, the District of Columbia and elsewhere. We write to express concern regarding section 3 of the above bill, which was passed by the House of Representatives on February 27, 2018. Section 3, “Positive credit reporting required,” would trigger the reporting of monthly payment histories of gas and electric utility customers to credit reporting agencies.

The title of the section suggests that only *positive* information would be reported. There is, however, no such limitation in the text. The reality is that, if the section becomes law without change, there will be an enormous amount of new *negative* reporting, with *negative* consequences. Because credit scores are widely used by prospective landlords, employers and insurance companies, the new reporting will reduce housing, employment and insurance opportunities for millions of low income households and households that are not low income but whose members at times experience difficulties such as illness and layoff. The damaging consequences will extend to all members of affected households, including the young, the old, the disabled and the infirm. The new reporting will place *new obstacles in the path of those who seek to escape poverty*.

It is hard to overstate the extent to which Americans struggle to meet gas and electric payment obligations and are sometimes late. The difficulties are often seasonal. Customers may get behind when faced with high winter heating bills. They catch up in the summer. At present, gas and electric utilities typically report only those accounts that are seriously in arrears, such as those that are written off or sent to collection agencies. These accounts are a small fraction of the total number of accounts in arrears.

State authority, residing in public utility commissions that bear responsibility for regulating the practices of gas and electric utilities, serves as a vital safeguard against negative consequences for ratepayers and should not be preempted. State regulators commonly establish policies and rules regarding what utilities can do with customers’ payment histories. They administer laws designed to mitigate what for many are unaffordable energy bills, including laws establishing winter moratoria on disconnections for nonpayment, requirements for payment plans, arrearage

management programs and other arrangements between utilities and their customers who cannot pay on time. Section 3 of H.R. 5078 would effectively override that authority and allow utilities to decide unilaterally when to make negative credit reports. The utilities may use the reporting option as a collection tool (even for disputed accounts), intensifying the financial pressures on struggling households.

We respectfully submit that the reporting of the payment histories of gas and electric customers would cause far more harm than good and is not in the public interest, and ask that you vote against Section 3 of H.R. 5078. If there is any additional information that we can provide, we will be happy to do so.

Thank you for your consideration.



Respectfully,  
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