

Case No. 12-M-0476 et al.
EDI Business/Technical Working Groups
Workpaper - Termination Fees at Account Closure
3/17/2017

From NOTICE SEEKING COMMENTS ON REVISIONS TO THE UNIFORM BUSINESS PRACTICES (Issued March 8, 2017) in Cases 15-M-0127, 12-M-0476 and 98-M-1343:¹

* * * To this end, the Commission is modifying the UBP to incorporate a new law that provides additional protections for families of deceased account holders of energy service contracts. This new UBP modification will prevent energy providers from charging a contract termination or early cancellation fee in the event of a customer's death. * * *

* * * Given the aforementioned change in law * * * the Commission is considering modifications to the UBP to: (1) incorporate protections to prevent early termination or cancellation fees in the event of energy account holders death before the end of the contract term; * * *

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Termination Fee - An amount specified in an ESCO sales agreement where such agreement permits the ESCO to assess and collect a charge in such amount to a customer who terminates the agreement before the end of a term described in that agreement, regardless of whether the assessed amount is identified as a fee, a charge, liquidated damages or a methodology for the calculation of damages, and regardless of whether it is fixed, scaled or subject to calculation based on market factors. In the event the customer is deceased before the end of such contract term, no fee for termination or early cancellation shall be assessed.

-----Original Message-----

From: Kimberly Wall [mailto:Kim.Wall@hsntech.com]

Sent: Thursday, March 09, 2017 10:47 AM

To: Mike Novak <NovakM@natfuel.com>

Subject: FW: Subsequent Filing - Case Number 12-M-0476: Msg. Tracking No.: 18

***** THIS IS AN EXTERNAL EMAIL, DO NOT OPEN LINKS OR ATTACHMENTS UNLESS YOU TRUST THE SENDER *****

Did we decide to add DEC - Deceased to the 814 Drop to handle the issue described in this case?

Should we start tracking it on your EDI Testing/Implementation Status spreadsheet?

¹ Comments are due May 8, 2017.

STATE OF NEW YORK

8630--A

2015-2016 Regular Sessions

IN ASSEMBLY

December 23, 2015

Introduced by M. of A. GUNTHER, SEAWRIGHT, BARRETT -- read once and referred to the Committee on Consumer Affairs and Protection -- recommitted to the Committee on Consumer Affairs and Protection in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law, in relation to prohibiting providers from imposing a fee for termination or early cancellation of certain service contracts in the event a customer has deceased before the end of such contract

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The general business law is amended by adding a new section
2 399-zzzz to read as follows:

3 § 399-zzzz. Prohibition of certain fee charges for termination or
4 early cancellation. 1. Subject to federal law and regulation, no provid-
5 er of telephone, cellular telephone, television, internet, energy, or
6 water services shall impose a fee for termination or early cancellation
7 of a service contract in the event the customer has deceased before the
8 end of such contract.

9 2. Every violation of this section shall be punishable by a civil
10 penalty not to exceed one thousand dollars.

11 § 2. This act shall take effect immediately.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD11877-06-6

BILL NUMBER: A8630A

SPONSOR: Gunther

TITLE OF BILL:

An act to amend the general business law, in relation to prohibiting providers from imposing a fee for termination or early cancellation of certain service contracts in the event a customer has deceased before the end of such contract

PURPOSE:

This bill would prohibit companies from charging early cancellation fees if a customer has deceased before the end of his or her contract.

SUMMARY OF PROVISIONS:

Section 1 adds a new section 399-zzzz to the general business law to prohibit providers of telephone, cellular telephone, television, internet, energy or water services from imposing a termination or early cancellation fee if a customer has deceased before the end of such contract.

Section 2 is the effective date.

JUSTIFICATION:

Many companies use early termination fees to ensure a customer continues use of a service through the contract length. There have been instances where these companies have charged early termination fees to accounts cancelled prior to the expiration of the contract due to the customer's death. This legislation would prohibit this unseemly demonstration of corporate greed.

LEGISLATIVE HISTORY:

New bill.

FISCAL IMPLICATIONS:

None to state.

EFFECTIVE DATE:

This act shall take effect immediately.