NASUCA opposes “full credit reporting” of residential consumers’ electric and natural gas payment histories

Washington, DC – June 18, 2010 – Utilities should not use full credit reporting of residential consumers’ energy payment histories, according to the National Association of State Utility Consumer Advocates (NASUCA). Under full credit reporting, electric and natural gas utilities would regularly advise credit reporting agencies of the month-by-month payment behaviors of their residential customers. NASUCA voted this week to oppose the practice.

“This practice poses a new and profound threat to the well-being of many residential utility consumers,” said Mary Healey, president of NASUCA and consumer counsel for the state of Connecticut. “The financial difficulties faced by consumers in paying electric and natural gas bills on time have been exacerbated by the deep recession and high unemployment.”

“This practice will not alleviate poverty in this county, as proponents claim,” said Craig Graziano, chair of the NASUCA consumer protection committee and attorney with Iowa’s Office of the Consumer Advocate. “The practice works contrary to that goal. It overlooks the economic realities that many already tightly budgeted households face in seeking to meet their energy needs and responsibilities.”

Presently, the vast majority of electric and natural gas utilities have a practice of limiting credit reporting to seriously delinquent accounts which have been terminated and referred to a collection agency or written off as “uncollectible.”

NASUCA supports the state legislative and regulatory authority over electric and natural gas billing, collection, customer service and credit reporting activities, including the reporting of customer payment histories to credit reporting agencies.

If a state authorizes full credit reporting on electric and natural gas accounts, NASUCA said only consumers who want help establishing their credit history and improving their access to credit be subject to such reporting.

The resolution was adopted as part of NASUCA’s mid-year meeting in San Francisco on June 13-15. A copy of the NASUCA resolution will be available at www.nasuca.org.

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About the National Association of State Utility Consumer Advocates (NASUCA)

NASUCA is a non-profit, national organization of more than 40 state offices designated to represent consumers in state and federal utility proceedings. NASUCA regularly participates in proceedings before the Federal Communications Commission and other federal regulatory agencies.