

INTRODUCED: June 2, 2025

AN ORDINANCE No. 2025-134

To amend City Code §§ 28-54, concerning deposits and refunds on gas and water utilities accounts, 28-57, concerning disconnection of gas, water and wastewater service for nonpayment of service charges and notice, and 28-58, gas service to residential customers billed under RS rate schedule, disconnection for nonpayment of gas, water and wastewater services for nonpayment and notice, all for the purpose of aligning the City Code with state law.

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUN 23 2025 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That sections 28-54, 28-57, and 28-58 of the Code of the City of Richmond (2020),
be and are hereby **amended** and reordained as follows:

Sec. 28-54. Deposit; refund when account satisfactory.

Except as otherwise provided by the Code of Virginia, Title 15.2, Ch. 21, Art. 2 (Code of Virginia, § 15.2-2109 et seq.) or Art. 2.1 (Code of Virginia, § 15.2-2121.1 et seq.), the Director may require a deposit in advance by any owner, occupant or consumer of an amount deemed

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

adequate to secure the payment of sums that may become due on account of gas or water, or both, used, consumed or wasted, provided that the Director may refund the deposit so made to every customer who is not in default in the payment of charges for gas or water consumed and whose payment record for gas and water consumed has been good for a period of one year or more or to each customer with less than one year's service who requests that the customer's service be finalized. The Director is authorized to pay interest on all gas and water customer deposits. The rate shall be set by the Director and in no event shall interest paid on deposits exceed eight percent. The rate in effect when the deposit is refunded shall be the rate used to compute the amount of interest paid to the customer for the entire term that the City held the deposit. Interest will not be allowed for deposits held less than six months. If at any time satisfactory payment record is not maintained by any customer using gas or water, the Director may again require such deposit, and the Director may refuse such service until the account is brought to a current status and the deposit is again made.

Sec. 28-57. Disconnection for nonpayment; notice.

(a) When a bill for gas service charges other than for individual residential gas service billed under the RS rate schedule as specifically provided, remains unpaid for at least ~~[30]~~ 45 days after the date appearing on the bill, the supply of gas may be stopped to the premises in respect to which the default exists, so long as the premises are occupied by the owner, occupant or consumer who is in default on account of nonpayment of any such bill or so long as the owner who is liable therefore is in such default, and the Director may proceed to collect the bill or portion thereof in any manner or by any process allowed by law. However, in no case shall the supply of gas be stopped or proceedings be taken to collect the bill until ten days after a notice has been ~~[mailed]~~ delivered via mail, email, text message, phone call, or door hanger to the owner, occupant or

consumer who is in default on account of nonpayment of any such bill. The Director may refuse to provide or may discontinue gas service to any premises, other than for individual gas service billed under the RS rate schedule as specifically provided, until all indebtedness is paid in full or secured to the satisfaction of the Director.

(b) When a bill for water service or wastewater service or any portion thereof remains unpaid for at least 45 days after the date appearing on such bill, the supply of water service or wastewater service, or both, may be stopped to such premises in respect to which such default exists, so long as such premises are occupied by the owner, occupant or consumer who is in default on account of nonpayment of any such bill, and the Director may proceed to collect the bill or portion thereof in any manner or by any process allowed by law. However, in no case shall the supply of water service or wastewater service, or both, be stopped or proceedings be taken to collect the bill until ten days after notice has been delivered via mail, email, text message, phone call, or door hanger to the owner, occupant or consumer who is in default on account of nonpayment of any such bill. The Director may refuse to provide or may discontinue water service or wastewater service, or both, to any other premises of the owner, occupant, or consumer who is in default until all indebtedness is paid in full or secured to the satisfaction of the Director.

Sec. 28-58. Gas service to residential customers billed under RS rate schedule; disconnection for nonpayment; notice.

When a bill for gas service charges or any portion thereof rendered to a customer for service provided at such customer's individual residence, billed under the RS rate schedule, remains unpaid for [30] 45 days after the date appearing on the bill, the supply of gas may be stopped to such individual residential premises in respect to which the default exists, so long as the premises are occupied by the owner, occupant or consumer who is in default on account of nonpayment of any such bill or so long as the owner who is liable therefor is in such default, and the Director may

proceed to collect the bill or portion thereof in any manner or by any process allowed by law. However, in no case shall the supply of gas to such individual residence be stopped or proceedings taken to collect the bill until ten days after notice has been delivered via mail, email, text message, phone call, or door hanger to the owner, occupant or consumer who is in default on account of nonpayment of any such bill. The Director may refuse to provide or may discontinue gas service to any other such residential premises until all indebtedness is paid in full or secured to the satisfaction of the Director.

§ 2. This ordinance shall be in force and effect upon adoption.



City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: April 25, 2025

TO: The Honorable Members of City Council

THROUGH: The Honorable Danny Avula, Mayor

THROUGH: Sabrina Joy-Hogg, Interim Chief Administrative Officer

THROUGH: Sheila White, Director of Finance

THROUGH: Meghan K. Brown, Director of Budget & Strategic Planning

THROUGH: Scott Morris, DBA, P.E., Director of Public Utilities

FROM: Billy Vaughan, Deputy Director Senior, Department of Public Utilities

RE: Aligning City Code Section 28-54 with Virginia Code

ORD. OR RES. No. _____

PURPOSE: To align City Code section 28-54 with Chapter 21 of Title 15.2, Chapter 3.2 of Title 44, and Chapter 10 of Title 56 of the Code of Virginia relating to public utilities; municipal utilities; disconnection of service; limitations; report; consumer protections.

BACKGROUND: In the 2024 legislative session, Virginia passed House Bill 904 which amended Virginia's code related to disconnection of utility services. As a result, chapter 28, article III, section 28-54 of the Code of the City of Richmond needs to be amended to be in alignment with the Code of Virginia. Chapter 21 of Title 15.2 prohibits utilities from disconnecting service to residential customers for non-payment on weekends, holidays, or the day before a holiday. It also allows utilities to voluntarily suspend disconnections during extreme weather or emergencies. Chapter 3.2 of Title 44 provides protections from disconnections when an emergency is declared by the Governor in response to a communicable disease or public health threat. Chapter 10 of Title 56 specifies the requirements for utilities regulated by the State Corporation Commission, as it relates to when disconnections of utilities are prohibited, similar to the requirements outlined in Chapter 21 of Title 15.2.

COMMUNITY ENGAGEMENT: None.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: Aligning City and Virginia code ensures well managed government in compliance with State Law.

FISCAL IMPACT: Cost associated with this Code change is minimal as most of the amendments have been standard practice of the DPU.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: May 27, 2025

CITY COUNCIL PUBLIC HEARING DATE: June 9, 2025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Governmental Operations (May 28, 2025)

AFFECTED AGENCIES: Department of Public Utilities

RELATIONSHIP TO EXISTING ORD. OR RES.: None.

ATTACHMENTS: Virginia Acts of Assembly – 2024 Reconvened Session, Chapter 824.

STAFF: Billy Vaughan, Deputy Director Senior, 646-5232

VIRGINIA ACTS OF ASSEMBLY -- 2024 RECONVENED SESSION

CHAPTER 824

An Act 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.

[H 906]

Approved April 17, 2024

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 one 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 45 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.

D. No electric or gas utility shall require a deposit of more than 25 percent of the arrearage amount

for service, exclusive of nonpayment fees, penalties, or interest, in order to restore service to any residential customer where such utility received funding from the Department of Social Services for such customer through the Home Energy Assistance Program pursuant to § 63.2-805 within the last 12 months. A customer is eligible for this provision once every three years.

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

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

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

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

B. 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.

C. 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.

D. 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 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.

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

A. Each utility subject to the provisions of § 56-245.1:3 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 section 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.

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

2. That the State Corporation Commission (the Commission) may, in its discretion, direct a utility subject to the Commission's jurisdiction and the provisions of §§ 44-146.29:4 and 56-245.1:3 of the Code of Virginia, as created by this act, to extend or otherwise modify a suspension or limitation on disconnecting service to residential customers beyond the time periods prescribed by this act (i) if the Commission finds such extension or modification to be necessary or in the public interest and (ii) provided that any such modification does not shorten the disconnection suspension under § 44-146.29:4 of the Code of Virginia, as created by this act, to a time period of less than 30 days. Prior to issuing any such extension or modification, the Commission shall convene a stakeholder

meeting to seek input from utility representatives, interested parties, and customers to inform such decision and determine whether such decision is in the public interest.