

July 1, 2020

Mark L. Johnson, Executive Director
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

RE: Comment on Docket U-200281, Following June 16, 2020 Virtual Special Open Meeting

Dear Mr. Johnson, Chair Danner, and Commissioners Rendahl and Balasbas:

The NW Energy Coalition appreciates the opportunity to provide additional written comment following the special open meeting on June 16, 2020 on the topic of utility policy and filings related to the COVID-19 crisis. In this written comment, we provide our recommendations for what should be included in utilities' transition plans required as part of Proclamation 20-23.4. In addition, because improvements to programs and policy must be based on a clear picture of energy security, it is clear that there is a need for more information on how existing programs are serving customers; we provide recommendations on data that utilities should be reporting. Finally, we ask that the UTC to establish a process to direct utilities to enhance their customer assistance plans with stakeholder input, and to collect and report more publicly accessible data.

The COVID-19 public health emergency and the resulting economic crisis has highlighted the critical importance of maintaining access to affordable utility service – not only for lights, cooking, and heating, but also for safe hand washing and cleaning; for maintaining connectivity to work, to government and social service agencies, and to school; and to keep social bonds intact. As Washington begins to transition to a “safe restart” and as the moratorium on customer utility disconnections comes to an end, we expect that many utility customers will have large balances that need to be managed to ensure continued service and prevent further hardship to customers.

Recognizing that a utility bill is only one of many that a utility customer has on their plate, customers will have a wide range of obstacles as a result of the economic and logistical impacts of the COVID emergency. Some will be impacted by sickness, others by the unique challenges of working or schooling at home, others by the loss of employment and income on a short or long term basis, some by the lack of ability to pay their bill in person with cash, and the list goes on. As a result, utilities will need a diverse range of options and strategies for helping customers overcome the obstacles associated with this crisis.

Moreover, the national data showing infection rate by race is striking. In Washington State, the data is incomplete, but at least in King County, rates of infections for communities of

color are higher than those for white people.¹ COVID-19 is exacerbating existing inequities, and addressing the COVID-19 crisis will require investigating and addressing these inequities.

As utilities develop transition plans to help customers, we urge them and the UTC to consider the following recommendations. We also ask the UTC to establish a process to direct utilities to enhance their customer assistance plans with stakeholder input, provide consistency across utilities, and collect and report publicly accessible data that will provide an overview of the scope and depth of the problem we are all working to solve.

Maintain Customers' Connections to Essential Utility Service

Utilities and the UTC should take all possible steps to maintain utility service for customers, particularly residential households. Utility service is essential to follow COVID-19 guidelines, protect household health, and survive the social and economic challenges in employment, education, and family and social connection.

Service disconnections should only resume if the utility has a thorough plan in place for how to address customer unpaid balances and avoid as many disconnections as possible. This is particularly important for residential households, but other customers, including small business and nonprofit customers, will be struggling with multiple negative economic impacts on their operations as they attempt to restart.

If disconnections are allowed to occur, utilities should develop or modify plans to mitigate against disconnection and ensure that they are sufficient for ongoing economic and public health circumstances. At a minimum, these plans should include provisions that:

- Ensure that the past due balance trigger for disconnection is a minimum of \$1,000 (the maximum LIHEAP award).
- Have clear disconnection notice and payment procedures that include multiple outreach attempts (e.g., by email, by phone, door tag, premise visit). Note that premise visits may be a critical component of collections among certain low-income customer populations who have less reliable access to Internet and phone service.
- Allow reconnect of service without fees.
- Eliminate any requirement that disconnected customers pay the full arrearage due before reconnection.
- Establish protections for customers under any pre-paid meter plans to ensure continued electricity service.
- Protocols to reach out to customers who are at risk for disconnection, rather than wait for customers to contact the utility.

¹ Public Health – King County & Seattle. June 16, 2020 Release on Race and Ethnicity Data.
<https://www.kingcounty.gov/depts/health/covid-19/data/race-ethnicity.aspx>

Waive or Eliminate Fees

Fees charged for credit and collection actions in addition to the cost of utility service are a serious barrier to initiating, reestablishing, and maintaining continuing utility service. During the transition out of the COVID-19 crisis, utilities should:

- Waive or eliminate all late payment fees for customers making payment arrangements.
- Waive all past accrued late payment fees for customers making payment arrangements.
- Eliminate residential security deposit requirements and refund any outstanding deposits or apply to the outstanding balance, at customer discretion.
- Eliminate all reconnection fees for residential accounts in 2020 or throughout the duration of the COVID-19 public health crisis, whichever is longer.
- Eliminate any fees for paying bills online or in person at pay centers.
- Cease referral of active accounts to collections outside the utility, and cease negative credit reporting.

Ensure Monthly Bills are Affordable

For households, maintaining a reasonable and affordable monthly payment is essential to avoid getting behind on bills. To help ensure that monthly bills are affordable as possible, utilities should consider taking the following steps, if they have not already done so:

- Eliminate any security deposit requirements.
- Develop and offer payment plans that provide an extended time frame for bill repayment of at least 12 months and preferably for 24 months.
- To the extent possible, delay any planned rate increases in 2020.
- Establish program(s) to help COVID-impacted and low-income customers pay down their balances. The following are examples of programs a utility could implement:
 - Provide significant rate discounts for certain customer groups, such as senior and income-constrained populations.
 - Develop and offer percentage of income payment plans and arrearage management programs to match customer income with an ability-to-pay metric.
 - Provide emergency short-term grants and credits to residential bills for those affected by the COVID-19 crisis; follow-up with enrollment information on any longer-term assistance programs or rate discounts available to the customer.
 - Provide emergency short-term grants and credits to bills to vulnerable commercial customers, such as houses of worship, small businesses, or nonprofits.

Increase Budget Allocations for Bill Assistance Programs

The economic strain on customers is unprecedented and will likely overwhelm available assistance funds. Utilities should partner with consumer advocates and others to advocate strongly at the federal and state levels for increased LIHEAP funding to help serve this need. Utilities should also increase their own budgets for assistance programs to be commensurate with the demand these programs will face.

Improve Access to Bill Assistance Programs

Although there may be bill assistance funds or programming available, many customers are not aware of it and thus programs can be under-enrolled while customers are struggling with their bills. Utilities should work with their low-income and community partners to improve access to these programs. For example, utilities should:

- Use an existing definition of low-income households to inform eligibility criteria that focuses on households most in need; is coordinated with other commonly used assistance programs in the utility’s service area; and is as generous as possible given the current economic strain. For example, the Clean Energy Transformation Act provides a definition as “the higher of eighty percent of area median household income or two hundred percent of the federal poverty level, adjusted for household size.”
- Allow for multiple avenues to apply, including online and over the phone, and with translation into common languages in the service territory.
- As possible, allow customers to self-certify that they are eligible for assistance programs.
- Allow for “categorical eligibility” which enables a customer to qualify for bill assistance if they are already qualified for other assistance programs (e.g., childcare subsidies, food stamps).
- Waive onerous documentation requirements or allow for video or photo validation.
- Increase publicity to expand customer awareness of available assistance programs and of legal rights (e.g., notice of disconnection, payment options); this communication should be culturally appropriate and translated into languages that are common in the community. The information should also be easily found on the utility’s website.
- Reach out to customers who are at risk for disconnection, rather than wait for customers to contact the utility, and alert them to available programs.

Track and Report Credit and Collection Data

Effective programs and improvements to policy must be based on a clear picture of energy security. This should include comprehensive data about the nature of affordability issues, program participation and performance, and identification of impacts on different customer groups. However, in Washington, there does not appear to be any consistent, available data we can turn to in order to understand the impacts the pandemic is having on Washington utility customers.

The following information is needed, immediately, and on an ongoing basis:

Monthly reporting on the following using 2019 baseline and 2020 data. If possible, data should be reported on a zip-code basis.

- Retail load, by customer class
- Number of arrearages, by customer class, over each specified time-period: 30 day, 60 day, 90+ day arrears

- Total amount of past due receivable, by customer class, over each specified time-period: 30 day, 60 day, 90+ day arrears
- Number of customers eligible for disconnection
- Number of disconnections, by customer class
- Number of reconnections after disconnection, by customer class
- Average duration of disconnection, by customer class
- Number and duration of completed deferred payment plans,
- Number of premises enrolled in a bill assistance program
- Number of customers in the 30, 60, and 90 day who have received bill payment assistance in the last 12 months, and last 24 months
- Is the utility offering any of the following programs, if yes, provide monthly expenditures:
 - COVID related-emergency assistance funds?
 - Low-income bill assistance?
 - Low-income or other rate discount program?

Our focus today is on the customer-assistance related aspects of this issue. Other information and data will be needed to consider the broader regulatory aspects of utility operations and cost-recovery during and after the pandemic. Loads are shifting between classes, utility expenses have departed from normal and expected conditions, with some expenses going up and others going down; and further unknown impacts may occur if COVID-19 case counts increase substantially and counties begin reverting to more locked down phases. Any further regulatory decisions (beyond customer support plans) should not be made on a piecemeal basis, but rather in consideration of the totality of impacts facing utilities and their customers. We look forward to continuing to work with the Commission going forward on the broad scope of issues facing utility regulation as a result of the COVID crisis.

Respectfully,

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