NW Energy Coalition Responses to PUC Questions
COVID Impacts Workshop

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Questions for All Participants

1. What obstacles have customers identified when dealing with utility bill arrearages? How are those obstacles unique for different customers, such as individuals without bank accounts, low-income and other vulnerable populations, and urban vs. rural customers, among others?

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 handwashing and cleaning; for maintaining connectivity to work, to government and social service agencies, and to school; and to keep social bonds intact. As emergency declarations begin to transition to “safe restart” plans and as moratoria on customer utility disconnections end, we expect that many customers will have large balances that need to be managed to ensure continued service and prevent further hardships to customers.

Strikingly, the national data showing infection rate by race is striking. In Multnomah County alone, 70% of the population is white, but only 16% of new cases in the May 31 data release were white. COVID-19 is exacerbating existing inequalities, and addressing the COVID-19 crisis will require investigating systematic discrimination and taking action based on this information.

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, 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, 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.

2. What opportunities and resources are available, or could be made available to assist customers with their utility costs, or to assist them with utility programs? (Including voluntary assistance programs as well as increased programmatic and assistance funding; also including Energy Trust).

There are voluntary assistance programs, both statewide and at some utilities across the state, federal assistance dollars (including additional funds made available through the CARES Act), and utility funded assistance programs. However, what we estimate now, albeit, unfortunately, lacking real, substantive data, is that these bill assistance programs will not come close to meeting the need for customer bill assistance. We need to figure out other methods for reducing the financial burdens on customers.

Energy efficiency should not be overlooked as part of the solution to help reduce the degree to which balances accrue. All utilities, as they are discussing bill payment options with customers, should also be discussing energy efficiency options available to these customers, and referrals for energy efficiency services should be automatic when customers reach out to get assistance.

3. What recommendations do you have to address past due bills? This could include debt forgiveness, not adding interest payments, multi-year payment plans, deferral of debt payments, and rate discounts, among others.

For households that are connected to service, 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.

In addition, utilities should 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.

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.
- Waive all past accrued late payment fees.
- 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.

4. When should the suspension of utility disconnections, late payment notices, late fee assessments, and other temporary COVID-related measures end? What information should be considers when making these decisions, such as declining unemployment filings, Phase 3 re-opening, seasonal utility load increases, number of payments in arrears, or other economic conditions? Are there changes that should be permanently made on these topics, even once the moratorium is lifted?

During the COVID-19 crisis, regulators and/or utilities should extend disconnection moratoria for residential households and direct the reconnection of any customer who has been disconnected. 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. Utilities should also consider disconnection moratoria until publicly reviewed plans can be put in place for all customers, including small business and nonprofit customers who will be struggling with multiple negative economic impacts on their operations as they attempt to restart.

If disconnects 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.

5. Once a utility has determined a date they will be lifting service suspensions, what customer notification should be required?

As mentioned in question 4, a utility should only resume service disconnections once there is a thorough plan in place for how to address customer unpaid balances and avoid as many disconnections as possible. Utilities should provide notification to customers of when service disconnections could resume, and information on bill assistance and bill payment programs that can help address customer unpaid balances, as well as other utility programs that may be relevant to the customer. If a customer is at risk for a disconnection, the utility should proactively reach out with information on programs.

6. What recommendations do you have to improve programs for low-income utility customers?

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 utility could use 80% of area median income or 200% of federal poverty level, adjusted for household size, and whichever is greater.
- 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.

7. If the PUC had the legal authority to allow differential rates for low-income and/or energy-burdened customers, what recommendations do you have on how rates should be structured and administered?

The PUC should explore rate discounts or differential rates using the concept of energy burden – ensuring that a customer's utility bills are no more than a certain percentage (often 6%) of their household income. Percentage of income payment plans are one type of program that implements this type of approach, but rate discounts and other approaches can be used to achieve the same/similar outcome. Before deciding on a specific approach, it will be important for the Oregon regulated utilities to provide some analysis regarding the costs and benefits of various approaches given their specific service territory considerations and characteristics.

8. Do you have any additional regulatory mechanisms that you would recommend be implemented during the time of dealing with a pandemic or similar situation? This could include decoupling, power cost mechanisms, deferrals, adjustment clauses, or other.

As an organization that regularly advocates for well-designed decoupling mechanisms, it is not clear to us that decoupling is an appropriate mechanism to use to address this very specific challenge related to the COVID crisis. Additionally, PCMs, deferrals and other regulatory mechanisms should only be considered under a comprehensive examination, through a rate case or special proceeding, of the full aspects of the impacts related to this crisis. Loads are shifting between classes, utility expenses have departed from normal and expected conditions, with some expenses going up and others going down; consequently, regulatory decisions should not be made on a piecemeal basis, but rather in consideration of the totality of impacts facing utilities and their customers.

9. What data is currently available to evaluate changes over time and effectively maintain situational awareness? What additional data is needed that's not currently available?

For customer affordability issues, 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.

To date, we have been extremely disappointed with the available data from Oregon. We are unaware of any consistent, available dataset we can turn to in order to understand the impacts the pandemic is having on Oregon 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?

Other information and data will be needed to consider the broader regulatory aspects of utility operations and cost-recovery during and after the pandemic, however, our focus today is on the customer-assistance related aspects of this issue.

10. What current rules or practices need to be amended or added to allow utilities increased flexibility in assisting customers during this pandemic?

- The ability to provide rate discounts or other differential rates.
- The ability to offer payment plans for up to 24 months.
- Flexibility related to enrollment for customer assistance programs as discussed above in question 6.

Respectfully submitted,

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