

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Commission Staff's
Investigation into Investor-Owned Utilities'
COVID-19 Response

DOCKET U-200281

**JOINT COMMENTS ON BEHALF OF THE
OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT,
THE ENERGY PROJECT,
NW ENERGY COALITION,
PUGET SOUND SAGE,
FRONT & CENTERED, AND
SIERRA CLUB**

September 30, 2020

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I. INTRODUCTION

1. Pursuant to the Utilities and Transportation Commission's ("Commission") September 17, 2020, Notice of Opportunity to File Written Comments regarding Washington's Response to the COVID-19 Pandemic, the Public Counsel Unit of the Washington State Attorney General's Office, The Energy Project, NW Energy Coalition, Front & Centered, Puget Sound Sage, and Sierra Club (known collectively as "the Advocates") submit the following comments.
2. The Advocates commend Commission Staff's ("Staff") efforts in this docket. The Staff's Proposed COVID-19 Term Sheet ("Staff Proposal") includes a number of critical customer protections that the Advocates generally support. However, the Advocates recommend changes, as described below, to advance the public interest by supporting a strong post-pandemic recovery. The Advocates also appreciate the Joint Utilities taking steps early during the pandemic to assist and serve their customers during this uncertain time, and further appreciate the discussions the Utilities and Advocates engaged in during the workshops held in this docket.
3. The COVID-19 pandemic has inflicted crisis on multiple fronts. Washington residents are facing economic, financial, and public health emergencies unlike anything experienced in decades. Even though the full extent of the crisis is yet to be understood, one thing is clear: It is incumbent upon Washington leaders to act swiftly and boldly to protect the public interest and aid in economic recovery when the public health emergency subsides. Washington residents are facing skyrocketing levels of unemployment, and financial troubles have only grown for those who were economically vulnerable before the pandemic.
4. Washington's electric and natural gas utilities provide essential services throughout the state. As the state continues to urge people to maintain social distancing and to forego unnecessary trips outside their homes, the need for Washingtonians to stay connected to their

utility service continues to be critical. Maintaining utility service, regardless of a household's ability to pay, is important to stem the spread of the Coronavirus and keep the public safe.

5. People are making impossible decisions regarding whether to pay for rent, mortgages, medication, food, transportation, or utilities because they have been laid off, are not able to maintain a steady income, or are facing other financial hardship. Of all these life essentials, utility service is the one area the Commission can provide relief for those most at risk.

6. Therefore, the Advocates recommend further strengthening the Staff Proposal to keep utility customers connected to service and better maintain long-term affordability. Appendix A to these comments contain a redline version of Staff's Proposal, entitled "Advocates' Edits to UTC Staff Proposed COVID-19 Response Term Sheet" ("Appendix A"). Throughout our comments, we will reference the edits and additions noted in Appendix A. As the Advocates have consistently stated, the goals of this effort are twofold: (1) to keep customers connected during the crisis and into reopening and recovery and (2) to proactively address arrearages so that customers' past-due balances are as low as possible.

II. ADVOCATES' RESPONSE TO STAFF PROPOSAL

A. Summary of the Advocates' Recommendations Regarding the Staff Proposal

7. The Advocates see substantial overlap between the terms we would prefer and the terms in the Staff Proposal. The Advocates augment the Staff Proposal with recommendations that further the goals of keeping Washingtonians connected while also providing for arrearage management. Below are the Advocates' recommendations, which are discussed more fully in comments that follow.

8. Disconnection Moratorium and Communication. The Advocates support establishing April 30, 2021 as the target resumption date, as agreed to by the Joint Utilities and Advocates

during the Workshops and as provided for in the Staff Proposal. The Advocates request that the Commission enter a binding order extending the disconnection moratorium through April 30, 2021, and that the Commission lift the moratorium only after assessing health and economic conditions to ensure that the disconnection moratorium is no longer needed. In particular, the Advocates recommend that the disconnection moratorium not be lifted until each county within a utility's service territory has reached Phase 4 of the Safe Start Plan, plus any additional criteria the Commission determines to be necessary.

9. Additionally, the Advocates recommend that the Commission provide guidance regarding communication to customers, both during the pandemic and before resuming disconnections. Clear communication is essential to ensuring clear expectations and to informing customers of the available assistance. To that end, communications should be directed both to customers generally and to specific customers with past due balances. Additionally, the communications should be accessible in multiple languages.
10. Reconnection of previously disconnected customers. The Advocates generally agree with the Staff Proposal, but would require utilities to reconnect customers, rather than expecting a "good faith effort" to reconnect. These customers have endured the pandemic without access to essential services, and they must be promptly reconnected. The Advocates agree with the remaining terms in the Staff Proposal, including that reconnection would not be required if three narrowly construed exceptions exist.
11. Fees. The Advocates are in agreement with the terms proposed by Staff regarding late fees, deposits, disconnection fees, and reconnection fees. Additionally, the Advocates agree with and appreciate the inclusion of the recommendation to initiate a CR-101 to investigate potential long-term changes and improvements to policies. In addition to the policies listed in the Staff

Proposal, the Advocates request that the CR-101 include investigation regarding possible permanent elimination of disconnection for non-payment.

12. Additional Funding for Customer Programs. The Advocates recommend that the focus regarding customer programs be on funding and not creating additional, duplicative programs. Additionally, the Advocates recommend that customer programs be focused not only on bill payment assistance, but also on arrearage assistance. Including arrearage assistance is critical to reducing the arrearages that accrue during the crisis. Additionally, the Advocates recommend that barriers to customer enrollment be reduced to expedite distribution of new and existing bill payment and arrearage assistance.
13. Long-term Payment Arrangements. The Advocates recommend that long-term payment arrangements up to 18 months be offered to both residential and small business customers, and that no customer be required to make a down payment. The Advocates generally agree with the remaining terms contained in the Staff Proposal.
14. Arrearage Management Plans. The Advocates appreciate that the Staff Proposal includes Arrearage Management Plans (“AMPs”). The Staff Proposal combines AMPs with issues related to customer assistance programs, so the Advocates recommends narrowing the focus to addressing AMPs. The Advocates propose that the Commission establish a presumption that a utility will develop and implement an AMP after exploring such development. Additionally, the Advocates recommend that the update to be provided by utilities during the February 2021 open meeting include whether the utility is moving forward with implementing an AMP.
15. Credit and Collection Process. The Staff Proposal memorializes the Joint Utilities’ current practice of not referring active customers to collection agencies, credit bureaus, or reporting agencies. The Advocates propose to strengthen this by prohibiting referral of any

customer to collection prior to the Resumption Date plus 180 days, and by including any contractors the Joint Utilities may use for credit and collections. In the alternative, in the event the Commission determines that utilities may send customer accounts to collection agencies, utilities must use collection agencies who will not report customers to credit bureaus or reporting agencies.

16. Cost Recovery. The Advocates recognize that cost recovery is an important topic and note that all five of the utilities have filed deferred accounting petitions that will be considered separately. While the merits of those requests for deferred accounting will not be decided here, the Commission could review principles related to deferred accounting in light of the pandemic.

17. For example, deferred accounting is an exceptional remedy that should be narrowly tailored to protect customers. Moreover, shareholders are compensated for their investment risk, and ratepayers are not guarantors. Indeed, during extraordinary times such as those presented by the current crisis, customers should not be required to bear the full brunt of the pandemic. Rather, the concept of shared sacrifice should apply to cost recovery.

18. The Advocates continue to oppose collection of “lost” revenue due to reduction in customer usage or associated with fees prohibited under Governor Inslee’s Proclamation 20-23.

19. Data and Reporting. With respect to evaluating whether the Disconnection Moratorium should be lifted, the Advocates agree that a dual focus on health considerations and economic considerations is appropriate and important. With respect to data the Utilities will be required to report, the Advocates recommend that the Commission obtain baseline data and require data by census tract or nine-digit zip code. The Advocates include certain additions and modifications to the data listed in the Staff Proposal.

20. In the sections below, the comments address the Advocates’ proposals in greater detail.

B. Discussion of Advocates' Recommendations

1. Disconnection moratorium

21. Staff's Proposal regarding the disconnection moratorium addresses when disconnections may resume by establishing a Resumption Date, identifying an open meeting process through which the Commission should consider current health and economic conditions, and identifying notice and communication requirements.
22. The disconnection moratorium is critical in keeping customers safe as well as supporting Washington's ability to combat the pandemic. Under normal circumstances, it is widely recognized that utilities provide essential services. However, in the midst of a pandemic, these essential services become even more acutely vital.
23. Given the public health guidelines,¹ Washingtonians need access to their natural gas and electricity service to remain safely in their homes. The alternative might be to move to more dense housing arrangements, which would allow the Coronavirus to spread more readily. Additionally, maintaining electricity service is essential to reliably accessing the internet, which has become crucially important for remote schooling and work.
24. Utility disconnections during the middle of a pandemic threaten individual and public health, and would make it more difficult for people to abide by the policies necessary to stem the transmission of the Coronavirus. People are balancing their need for utility service, food, water, and medicine to stay healthy and maintain hygiene during the pandemic. Allowing disconnection for non-payment during a crisis of this proportion is both inhumane and bad public policy.

¹ See generally, Joint Information Center, *Washington State Coronavirus Response (COVID-19)*, STATE OF WASHINGTON, available at <https://coronavirus.wa.gov/> (last visited 9/30/2020).

a. Resumption date under the Staff Proposal (Item 1)

25. The Advocates generally support establishing a resumption date of April 30, 2021; however, the Advocates recommend augmenting the terms to provide more certainty to customers and ensure that the end of the moratorium coincides with public health data and economic recovery.
26. To the extent the Staff Proposal suggests that the Commission adopt a voluntary agreement from the Utilities to suspend disconnections for non-payment, the Advocates request that the Commission require utilities to suspend disconnections for non-payment through at least the Resumption Date.² The Advocates understood that, if the Workgroup discussions resulted in a global agreement, the Commission would issue an enforceable order. The Advocates continue to believe that an enforceable Commission order is preferred over a mere promise.
27. Indeed, the Commission has statutory authority to issue an order extending the disconnection moratorium. RCW 80.01.040 confers broad authority to the Commission to “[r]egulate in the public interest, as provided by the public service laws, the rates, services, facilities, and practices of all persons engaging within this state in the business of supplying any utility service or commodity to the public for compensation.”³ Disconnection for non-payment is a practice. The unprecedented nature of the parallel public health and economic crises necessitate the Commission to prohibit the Utilities from engaging in disconnection practices and to order a disconnection moratorium until it is in the public interest to resume disconnections.

² Appendix A, at 1.

³ RCW 80.01.040(3).

b. Assessing health and economic conditions under the Staff Proposal (Item 2)

28. The Advocates agree that the dual focus on health and economic conditions should guide the Commission's actions. The Advocates recommend that the Commission use health and economic conditions to determine when the disconnection moratorium should be lifted. Focusing on both health and economic conditions recognizes that the crisis facing customers is multifaceted and intertwined. No one can predict when the threat of the pandemic will subside, but economic recovery will undoubtedly lag behind economic reopening.
29. If utilities are allowed to resume disconnection activity before either the public health crisis has abated or the economic impacts have sufficiently reversed, customers will not be adequately protected. Indeed, basing resumption of disconnection activity solely on a date certain is arbitrary because of the unpredictable nature of the pandemic. While April 30, 2021, seems like a reasonable time to assess whether disconnections may resume, there is no guarantee that conditions will improve and reduce the financial uncertainty facing customers today.
30. Without sufficient improvement in both the health data and economic circumstances, customers may still be unable to fully pay their utility bills and accrued arrearages. By relying on sufficient health and economic data to guide when the disconnection moratorium should be lifted, the Commission will provide customers an opportunity to recover the ability to pay their bills before facing the threat of disconnection. As a result, the Advocates recommend that the April 30, 2021 Resumption Date be the earliest that disconnection activity could resume, and that disconnections resume only after public health and economic metrics have been met.

c. Verification of conditions prior to resuming disconnection activities (Item 3)

31. Item 3 in the Staff Proposal addresses that certain conditions be met before a utility resumes disconnection activity. The Staff Proposal focused on customer communications. The Advocates request that the Commission require each utility verify that all counties within its service territory are in Phase 4 of the Safe Start Plan, plus any additional criteria the Commission determines to be necessary.⁴
32. Because of what is at stake, it is important that the Commission determine that it is in the public interest to resume disconnection activity. The disconnection moratorium should be lifted only after the Commission has exercised its discretion and judgment in evaluating the conditions that exist at the time lifting the moratorium is being considered. Those metrics, as discussed further in Section II.B.9 below, should reflect the conditions impacting Washington utility customers, especially those most impacted by the crisis.
33. Tethering the Resumption Date to Washington's Safe Start Plan, in conjunction with economic metrics, is in the public interest. Customers who are unable to pay their utility bills now as a result of the pandemic and associated economic crisis will not likely be any better positioned to pay their bills without sufficient economic reopening and recovery. Requiring the moratorium to extend through to when customers can reliably afford their bills, in tandem with addressing assistance funding and programs (discussed below in Section II.B.4), will allow customers to be in a better position to remain connected and achieve long-term affordability. This is true especially for impacted households who may have less latitude for other essentials, such as food, rent, and medicine.

⁴ Appendix A, at 1; See Section II.B.9 for further discussion regarding potential criteria.

d. Customer Communication under the Staff Proposal (Item 3)

34. Staff's Proposal in Item 3 addresses communications with customers about resuming disconnection activities and available assistance. The Advocates support the notice requirements Staff proposes regarding when a utility will resume disconnections (Item 3(b)). One change the Advocates recommend is that the utilities provide information regarding all, rather than "any," programs that may provide financial assistance.

35. With respect to communications regarding available assistance, the Advocates generally support the terms proposed by Staff. The Advocates recommend defining "good faith effort" to contact customers about available assistance programs. In particular, the Advocates recommend more specific language to better guide the utilities' communication to ensure they reach the hardest-hit customers. Communications should be widely broadcasted through multiple modes to reach as many people as possible. Communications should be both general to all customers and targeted to those customers who have past-due balances.⁵ Additionally, as indicated in Staff's Proposal, communications should be accessible to customers in appropriate languages.

36. This broad approach to communication represents a proactive approach to communication, rather than using the threat of or notice of disconnection as a way to push customers into rate assistance programs. Moreover, this approach fosters a more positive relationship between the utilities and their customers, and builds necessary trust.

37. The Commission should add more specificity to the requirements around customer communications to better ensure accessibility. While the Advocates support and appreciate

⁵ Appendix A, at 1–2.

Staff’s inclusion of communication in multiple languages, “at a minimum English and Spanish,”⁶ limiting those languages to English and Spanish may result in an unintentional barrier for those who primarily speak other languages. Because there are additional considerations regarding communications beyond language access, the Advocates recommend that utilities develop communication plans in consultation with low-income advisory groups and community-based organizations. The Advocates also recommend that utilities provide funding and resources similar to those contemplated in Dockets UE-190698 and UE-191023 to allow for effective engagement with community-based organizations.⁷

38. Including specificity around customer communications will ensure consistency across all five investor-owned utilities and set customer assistance programs up for enrollment success. Research conducted by Puget Sound Sage (“Sage”) found that only 33 percent of eligible households outside of Seattle City bounds, which roughly correlates with Puget Sound Energy’s service territory, are receiving low-income bill assistance.⁸ When asked why they do not receive low-income bill assistance, 45 percent of households making less than \$9,999 per year report that they did not hear about the programs. An additional 26 percent report that they do not qualify and 16 percent report that it is too much of a hassle to apply.⁹

39. Lack of awareness about programs, the mistaken belief that they are ineligible, and administrative hurdles are barriers excluding low-income customers from receiving benefits. In addition, 66 percent of Sage’s survey respondents speak one of 35 languages other than English

⁶ Appendix A, at 1.

⁷ Appendix A, at 1–2.

⁸ See Puget Sound Sage, *Powering the Transition*, at 44, Fig. 33 (June 2020), available at <https://www.pugetsoundsage.org/research/clean-healthy-environment/community-energy/>.

⁹ See Puget Sound Sage, *Powering the Transition*, at 44, Fig. 36 (June 2020), available at <https://www.pugetsoundsage.org/research/clean-healthy-environment/community-energy/>.

at home.¹⁰ Sage’s findings demonstrate a need for communication in languages other than English and outreach with trusted community and cultural institutions to reach these eligible customers. The communication strategies recommended by the Advocates, in addition to recommendations for customer programs below, ease the barriers facing eligible customers who are not currently enrolled in bill assistance programs.

40. In sum, the Advocates recommend that the Utilities could resume disconnections for non-payment when the following conditions are met: (1) disconnections resume no earlier than April 30, 2021; (2) the Commission determines that public health and economic conditions are such that resumption of disconnections is in the public interest; and (3) the Commission determines that the notice requirements and other prerequisites outlined in Appendix A are met.

2. Reconnection of previously disconnected customers

a. Utility efforts to reconnect previously disconnected customers (Item 1)

41. The Advocates generally support the Staff Proposal relating to previously disconnected customers. However, the Advocates recommend that the Commission require the utilities to reconnect customers who have been disconnected, rather than requiring a good faith effort to reconnect.¹¹ The Advocates’ proposed change is in line with Governor Inslee’s Emergency Proclamation 20-23, which effectively requires Utilities to reconnect those customers who were previously disconnected for nonpayment.¹² The Advocates support the narrow exceptions

¹⁰ See Puget Sound Sage, *Powering the Transition*, at 15, Fig. 6 (June 2020), available at <https://www.pugetsoundsage.org/research/clean-healthy-environment/community-energy/>.

¹¹ Appendix A, at 2.

¹² Wash. Exec. Order No. 20-23.2 (Apr. 17, 2020).

outlined in the Staff Proposal, which establish clear circumstances when reconnection is not appropriate.

42. This term is important to extending the protections provided by the disconnection moratorium to these previously disconnected customers. These customers have endured the pandemic without essential utility service. To improve and ensure their continued safety, they must be reconnected, unless the narrow exceptions outlined in the Staff Proposal exist.¹³

3. Fees

a. Fee waiver (Item 1)

43. The Advocates support Staff’s Proposal to waive fees for the duration of the disconnection moratorium, plus 180 days after the Resumption Date.¹⁴ This fee waiver applies to late fees, deposit requirements, disconnection fees, and reconnection fees, which coincides with the Advocates’ proposal in their most recent term sheet.

b. Commission investigation into fees and disconnections (Item 3)

44. The Advocates support initiation of a CR-101 to investigate “long-term changes and improvements to the customer notice, credit and collection rules and possible permanent elimination of late fees, disconnection and reconnection fees, and deposits with particular attention to the experience of those [with] limited English proficiency and customers of color, no later than July 1, 2021.”¹⁵ This investigation aligns with the Advocates’ recommendation and

¹³ The utilities assert that the number of disconnected customers who would be reconnected is small. That the number is small is irrelevant. Each disconnected customer deserves the same protections that other customers have under the disconnection moratorium and is a human life that is placed in greater risk during the pandemic and economic crisis without those protections.

¹⁴ Appendix A, at 2.

¹⁵ Appendix A, at 3.

provides for the possibility of permanently eliminating fees that disproportionately impact communities of color and other marginalized communities.

45. The Advocates, however, recommend that the proposed CR-101 include exploration of permanent elimination of disconnections for non-payment. This term was included in the Advocates' filed term sheet. Communities of color are disproportionately impacted by utility disconnections. Analysis from the NAACP shows that African American households at or below 150 percent of the federal poverty line are far more likely to experience disconnections than white-identified households at the same income level.¹⁶ Disconnections produce disparities similar to those created by utility fees and should be included in the proposed Commission investigation into the discontinuance of fees. In addition to reducing racial disproportionalities, this recommendation is also consistent with the goal of keeping customers connected to utility service in the immediate wake of the pandemic and through sufficient economic recovery.

4. Additional funding for customer programs

a. Parties agree funding should increase by an amount equivalent to one percent of the utility's Washington retail revenues (Item 2)

46. One of the most critical elements of an effective COVID-19 response is to ensure that there is adequate financial support available for customers to help them stay connected to essential utility service. As reflected in the Staff terms, the Advocates and Joint Utilities reached common ground on a key aspect of this support — the amount of increased funding. The parties agreed to an increase in the amount of funding available for residential customer assistance by one percent of Washington retail revenues. This translates to approximately \$30 million dollars

¹⁶ Env'tl. and Climate Just. Program, *Lights Out in the Cold*, NAACP, at 12 (Mar. 2017), available at https://www.naacp.org/wp-content/uploads/2017/12/Lights-Out-in-the-Cold_NAACP.pdf.

for electric service alone,¹⁷ roughly doubling the current funding level for the existing ratepayer-funded programs statewide, a substantial expansion of energy assistance in Washington.

b. Eligibility and other program parameters (Item 1)

47. The Staff terms include the Advocates' recommendation that customers earning up to 200 percent of Federal Poverty Level be eligible for assistance.¹⁸ This is consistent with CETA¹⁹ and with the direction in ratepayer-funded programs.²⁰ Increasing the eligibility ceiling is an important mechanism to make assistance available more broadly to the wider range of households impacted economically by the pandemic.²¹ Setting an IOU-wide standard is also beneficial in establishing consistency and equitable treatment of all customer regardless of utility provider.²²

48. The Advocates support establishing the maximum award per household at \$2,500, as proposed in the Staff terms.²³ While average arrearages to date are below this level, setting this maximum also allows for assistance to those customers in the most serious need. The terms should clarify that this amount would be supplemental to grants under existing funding

¹⁷ Based on data provided by each utility during the Workgroup meetings, 1 percent of retail revenue totals approximately \$27 million for electric and \$12 million for natural gas.

¹⁸ Appendix A, at 3.

¹⁹ RCW 19.405.020; *In the Matter of the Rulemaking for the Energy Independence Act, WAC 480-480-109, Considering Revisions To Comply With The Clean Energy Transformation Act*, UE-190652, (proposed WAC 480-109-060(22); Wash. Dep't of Com., Guidelines for RCW 19.405.120 (Version 03.09.2020).

²⁰ Cascade WEA, Schedule 303 (less than or equal to 200 percent of FPL); Avista Senior and Disabled Rate Discount Program (Schedule 92, 192)(incomes between 151-200 percent FPL).

²¹ For example, a 2015 study indicated that approximately 37 percent of Avista customer households (85,000) were at or below 200 percent FPL. Approximately 63,000 (28 percent) were at or below 150 percent FPL, the LIRAP eligibility standard. Increasing eligibility to 200 percent FPL would make over 20,000 additional households eligible, an increase of around 35 percent. Brian Kennedy, MS & D. Patrick Jones, Ph.D., *An Estimate of the Number of Households in Poverty Served by Avista Utilities in Washington State*, INST. FOR PUB. POL'Y AND ECON. ANALYSIS, E. WASH. U. (May 2015).

²² Historically, there has not been a uniform standard for regulated IOUs and each program has had its own tariffed standard, with some variation.

²³ Appendix A, at 3.

parameters. The Advocates propose, consistent with our most recent term sheet that the funding increases be in place until at least September 30, 2022, the end of the 2021/2022 program year.²⁴ This allows for the additional funding to be in place for at least the next two program years, then allowing for a defined date for reviewing the funding level going forward.

c. Clarify that the funding will be used for both bill payment and arrearage payment

49. While there is agreement on the amount of funding, there are two important points where modification of the terms is required to clarify the appropriate use of the funding. First, the terms should clarify that the new funding will be available both for bill assistance and for reducing or eliminating arrearages. The Advocates proposed redlines to Staff terms to clarify this point.²⁵ Reduction or elimination of a customer's arrearage is an essential tool to keep customers connected. This is consistent with current program practice, which uses grants to pay for both past-due balances on a customer account and future charges during the program year. In the current economy, many customers struggle to pay the monthly bill, let alone being able to pay additional amounts toward an arrearage. While it is also important to have assistance with ongoing bills, customers with large arrearages resulting from COVID-19 economic disruption may never be able to "catch up" with their past due balance, risking loss of service.

50. Data provided by PSE during the Workgroup meetings provides an example. Overall, more people are further behind in paying their utility bills, and are deeper in debt to PSE, comparing data of August 2020 to August of 2019. The number of PSE's customers who are three or more months behind on their bills has increased 66 percent, from 22,859 to 37,971. The

²⁴ The program year runs from October 1 to September 30.

²⁵ Appendix A, at 3.

total debt of these customers has increased by 115 percent, from \$9.5 million to \$20.5 million. Targeting and prioritizing the increased funding to address arrearages for appropriate customers helps the customer stay connected and helps the company by reducing uncollectible debt.

d. Additional funding is needed, not “Additional Programs.”

51. There is a second key point regarding use of the funds. As currently written, the Staff Proposal describes the funding increase as being for “Additional Customer Programs” and recommends that “[e]ach Utility establish a COVID-19 bill payment assistance program.” This language appears to prescribe that the entirety of the new funding would go to “additional” programs newly established by each utility company. This is further underlined by the statement in the Staff terms that new programs will not “require existing program modification or require fund administration by the community action agencies.”²⁶

52. This is an unnecessary and unwise restriction on the use of these funds. The Advocates recommend that the Commission specify that the majority of new funding be directed to existing ratepayer bill assistance programs and to related “hardship grant” programs of the type established during the pandemic by Avista and Cascade Natural Gas.²⁷ Utilities without current “hardship grant” programs can set up programs of the same type as Avista and Cascade to make use of the new funding. Requiring that the new funds be distributed only through “additional” programs, if that is the intent or interpretation of Staff’s terms, would be duplicative, inefficient, wasteful of resources, and confusing and counterproductive for customers, as explained in more detail below.

²⁶ This language is perhaps based on a misunderstanding of the Advocates’ concerns about program duplication. This language was not proposed by the Advocates in their term sheet.

²⁷ Appendix A, at 3.

(1) Existing program infrastructure

53. There is already a well-developed infrastructure for delivery of utility bill assistance programs throughout the state. Every regulated IOU in Washington has a ratepayer-funded bill assistance program: the Avista Low Income Rate Assistance Program (LIRAP),²⁸ the PSE Home Energy Lifeline Program (HELP),²⁹ the PacifiCorp Low Income Bill Assistance (LIBA) program,³⁰ the Cascade Washington Energy Assistance Fund (WEAF),³¹ and the NW Natural Gas Residential Energy Assistance Tariff (GREAT)³² These tariffed programs have been developed and refined over many years under Commission supervision and with stakeholder input.³³ The programs have a strong track record in distributing bill assistance funds. Over the last five years (2015–2019), Avista LIRAP has distributed on average over 95 percent of available funds, while the PSE HELP program (with the exception of 2019) has also distributed over 95 percent of funds on average.³⁴

54. The Federal Low-income Heat Energy Assistance Program (LIHEAP) is also delivered in every service territory. Along with the ratepayer-funded and federal programs, most utilities also have independent “fuel funds” supported by charitable donations, such as the Salvation Army Warm Home Fund offered to PSE customers, or Avista’s Project Share.

²⁸ Schedules 92 and 192. Avista’s program includes LIRAP Heat, LIRAP Emergency Share, LIRAP Senior and Disabled Rate Discount, and Temporary COVID-19 Hardship Assistance. Avista also recently conducted an Income Based Payment Plan Pilot and a Balance Management Arrangement Pilot.

²⁹ PSE Home Energy Lifeline Program (HELP), Schedule 129.

³⁰ PacifiCorp Low Income Bill Assistance (LIBA), Schedule 17.

³¹ Cascade Washington Energy Assistance Fund (WEAF), Schedule 303, including Hardship Economic Assistance Receivable Temporary (HEART).

³² NW Natural Gas Residential Energy Assistance Tariff (GREAT), Schedule J.

³³ As of the most recent PacifiCorp settlement, every IOU now also has a low-income advisory group in place to help manage these programs. *Wash. Utils. & Transp. Comm’n v. PacifiCorp*, Dockets UE-191024 et al., Settlement Stipulation, ¶34 (July 17, 2020).

³⁴ Based on TEP calculations from available data. PSE HELP spending in 2019 was 77 percent of the budget.

55. In addition to these programs, all of which are already responding to the COVID-19 crisis, as noted above, in direct response to COVID-19 some utilities have also implemented “hardship grants” to supplement existing bill assistance programs. Avista has established the “Temporary COVID-19 Hardship Assistance” program. Cascade Natural Gas has implemented the HEART program. These allow emergency grants to customers experiencing financial hardship from COVID-19. Avista has worked proactively in collaboration with agencies to identify past recipients of bill assistance with current arrearages in order to provide them with additional help.

(2) Existing delivery infrastructure

56. The delivery infrastructure includes at least one Community Action Agency in each county of the service territory. For the five IOUs regulated by the UTC, a total of 26 community action agencies are involved in delivering the ratepayer-funded assistance listed above, under the terms of the program tariffs and under contract with the companies. These agencies have long-standing and deep ties to their local communities, with governing boards drawn from local business, government, and community members. They have a physical presence through local offices, and dedicated and experienced staff members from the area they serve with intimate working knowledge of their low-income communities.

57. These programs have a trust relationship with customers, many of whom may be reluctant or fearful of providing information to utilities or government agencies in general. Community action agencies also provide “one-stop” services to customers by offering LIHEAP assistance in addition to HELP, LIRAP, or the other similar programs. The agencies coordinate between LIHEAP and ratepayer funded programs, as well as help the customer navigate the

application and eligibility process. At the same time, the community action agency can also provide housing and other types of assistance.

(3) “Direct utility assistance” issues

58. Under the heading of “Additional Customer Programs,” the Staff Proposal provides that the new funding for “additional programs” could be used for “direct utility assistance.” While at first blush, there may be some appeal to this concept, it poses a number of serious drawbacks.

59. As the term is currently written, there is no limitation on the amount of the new funding that could be used for this purpose. This has the potential to require or permit utilities to establish a set of entirely new programs with \$30 million in new funding from ratepayers, with little or no guidance as to program structure or accountability. The result could be a duplicate parallel system approximately equal in scale to the current system. This risks a wasteful use of new ratepayer-provided funds and an abandonment of ratepayer investment in the current infrastructure.

60. There is very limited experience with “direct utility assistance” by IOUs in Washington. Only one utility has implemented such a program on a temporary basis to deal with a specific set of circumstances.³⁵ Utilities in the Workgroup process did not provide any new proposals, detailed or otherwise, for what direct utility assistance would look like for each company. If there is a need to redesign low-income assistance programs it should not be undertaken ad hoc in

³⁵ The only current program to Advocate’s knowledge is PSE’s CACAP. CACAP was a “one-off” COVID-19 relief program designed to reduce an anomalous surplus in the HELP program and an imbalance between electric and natural gas programs. It does not represent a template for statewide programs. No other IOU has established a direct utility assistance plan during the pandemic.

the middle of a crisis. Experience in Washington has demonstrated that good program design is a complex process that requires time, resources and substantive involvement of stakeholders.³⁶

61. The current delivery infrastructure is up and running now, helping Washingtonians with their utility bills as the new heating season approaches. Setting up new programs could lead to delay. Customers would have to apply both at the agency and the utility to access all available help, and navigate different application and documentation requirements. Creating and receiving approval for new programs could slow the availability of new funds, divert resources from existing efforts, and introduce new administrative costs into the system both for the utilities and for agencies that must create new systems coordinate with new programs. The utilities' costs of delivery for "direct utility assistance", which are likely to include IT, staffing, marketing, and administration costs are unknown.

62. Customer access may be an issue as well. To the extent that a "direct utility assistance" program relies solely upon customers using an electronic interface to apply and establish eligibility, such a program has a built-in bias against the customers most in need of help, customers without computer skills or internet or cell phone service, customers with language barriers, disabilities, or seniors. The Seattle Times reported in June 2020, for example, that 25 percent of those living in poverty did not have access to the internet.³⁷ Effectively, access to new

³⁶ Pursuant to recent rate case settlements, for example, PacifiCorp and NW Natural will be looking at low-income program design. *Wash. Utils. & Transp. Comm'n v. PacifiCorp*, Dockets UE-191024 et al., Settlement Stipulation, ¶34 (July 17, 2020); *Wash. Utils. & Transp. Comm'n v. NW Nat. Gas*, UG-181053, Order 06: Final Order, ¶¶ 85–86 (Oct. 21, 2019).

³⁷ Anna Patrick & Melissa Hellmann, *Disconnected in isolation: How the coronavirus pandemic shed light on the digital divide*, THE SEATTLE TIMES, available at <https://www.seattletimes.com/seattle-news/disconnected-in-isolation-how-the-coronavirus-pandemic-shed-light-on-the-digital-divide/> (last updated June 10, 2020).

funding available primarily on-line will be skewed towards those customers with more education, income, resources, and electronic communications equipment and skills.

63. Finally, there is the trust issue. Many members of low-income and vulnerable communities are more comfortable working with the existing infrastructure of agencies, dealing with local people in local offices in their communities. Many will not wish to take the perceived risk of providing personal information to show eligibility to an institutional entity, such as the utility company, through an impersonal electronic interaction.

e. Summary — Don't change horses in midstream

64. The better approach in the midst of this crisis is not to require new programs, but to strengthen existing programs, including the “hardship grant” programs. It is also essential that, in conjunction with this, the substantial resources of the utilities (credit and collection staff, low-income program staff, marketing, and outreach) should be working in concert with the existing programs to increase participation, strengthen outreach and streamline access and eligibility, not diverted to set up untried and duplicative mechanisms. Avista’s recent efforts with local agencies described above are a good example of this approach. A Commission order in this docket should include direction to the utilities to work closely with the existing delivery infrastructure to help broaden the reach of the programs through increased participation, more outreach, and streamlining of access and eligibility.

65. In summary, the Advocates propose that the Commission require that the majority of new funding go to existing assistance programs, and to hardship programs of the type already established. Up to 20 percent of the new funding would be available if a utility wished to

establish a new direct utility assistance programs, which amount the utilities would be free to expand using shareholder contributions.

5. Long-term payment arrangements

66. The Advocates appreciate many aspects of Staff’s Proposal for Long-Term Payment Arrangements. Specifically, accepting an 18-month time period for residential customers, ability to renegotiate terms if income changes, ability to miss up to two payments, and no documentation requirements are all components of Long-Term Payment Arrangements that are in the public interest and will assist customers in getting current on their bills. Long-Term Payment Arrangements are a reasonable option for customers who do not qualify for debt forgiveness through bill assistance, Arrearage Management Plans, or through other potential means.

67. The Advocates recommend two specific amendments to the Long-Term Payment Arrangements proposal as presented by Staff relating to the length of the terms provided to small business customers and down payment requirements.³⁸

a. Term length for residential and small commercial customers (Item 1)

68. First, it is critical that Long-Term Payment Arrangements are offered to small commercial customers on similar terms as residential customers. Small businesses have also been severely impacted by this crisis. Restrictions still remain for business operations in all Washington counties, with some businesses remaining completely shuttered at this time. With reduced capacity to earn revenue, many small businesses have had to lay off employees and face

³⁸ Appendix A, at 3–4.

the possibility of permanent closure. Just as residential utility customers have had to prioritize their expenses month to month during this crisis, small business owners are facing the same difficult budgeting decisions.

b. Down Payments (Item 2)

69. Residential and small commercial customers seeking a Long-Term Payment

Arrangement should not be required to make a down payment at the time of enrollment. The Advocates recommend adding the following to this term: “No customer will be required to make a down payment.” If customers, regardless of income, have had difficulty making regular utility payments, it is unlikely that they will have the cash on hand to make a significant lump-sum down payment. The 18-month term, suggested in the Staff Proposal, offers a significant enough time frame that monthly payments on arrearages will be reasonable and affordable for most customers who need this option. In addition, the Utilities will still be able to recoup all of the arrearages for customers enrolled in this option, even without a down payment.

6. Arrearage Management Plans (AMPs)

70. The Advocates appreciate Staff’s recognition of the importance of AMPs in keeping lower-income customers connected to service. As the above comments illustrate, low-income customers who struggled to pay their bills before the crisis are generally even further behind on their utility bills. This crisis can be used as a transformative opportunity in the way customers relate to their utilities and strengthen programs seeking to keep customers connected to vital services. With this in mind, the Advocates believe that the Commission should provide the strongest possible encouragement for utilities to develop AMPs, or similar programs designed to provide relief to income-qualifying utility customers.

a. Exploration of AMP development (Item 1)

71. The first change Advocates recommend is to simplify the request of utilities. Rather than explore “development of an AMP, Percentage of Income Payment Plan (PIPP), or other potential programs,” the Advocates recommend the Commission require utilities to explore development of “an AMP or similar programs.”³⁹

72. The intent of an AMP is to establish affordable payments for income-qualifying customers after all other bill assistance has been applied to their arrearages, and to eliminate any remaining debt on their accounts after the customer completes the payment plan. AMPs complement assistance programs described in Section II.B.4 above, and generally benefit both the customer and the utility.

b. Utility reporting on AMP development (Items 3 and 4)

73. Furthermore, the Advocates recommend strengthening the requirement for utilities in their report back to the Commission on the progress toward implementing an AMP.⁴⁰ Given the critical role that AMPs play in keeping customers connected by eliminating arrearages, the Advocates recommend that the Commission create the assumption that Utilities will implement an AMP. Not only does this recognize the importance of AMPs, but it also explicitly requires the Utilities to provide clear rationale in the undesirable outcome that no AMP is implemented.⁴¹

³⁹ Appendix A, at 4.

⁴⁰ Appendix A, at 4.

⁴¹ Appendix A, at 4.

7. Credit and collection process

74. Preventing reporting instances of non-payment to credit bureaus and reporting is a critical way to prevent further financial harm to those already facing hardship during the worst economic crisis experienced in decades. The Advocates recommend that utilities and their contractors refrain from reporting any customer account to collection agencies, credit bureaus, or reporting agencies until 180 days after the Resumption Date. The Advocates offer an alternative solution if the Commission allows utilities to send customer accounts to collection agencies as well. Under that circumstance, Utilities must ensure that the collection agencies used not report non-payments to credit bureaus or reporting agencies.⁴²

75. Most Utilities do not report customer non-payment to credit bureaus when an account goes to collections. However, some Utilities reported that while the contractors hired for collections make reports to credit bureaus, the Utilities can request that contractors discontinue the practice. Given the compounding negative financial effects of this crisis, the Commission should provide clear guidance to not allow reporting non-payment to the credit agencies. The Advocates' recommended edit augments Staff's term, which also recognized the importance of shielding vulnerable customers from this unnecessary, additive harm during the crisis.

8. Principles for addressing COVID-19 costs and benefits

76. Advocates agree that the COVID-19 pandemic presents exceptional circumstances, and that the Commission can appropriately approve tracking and deferral of certain carefully defined COVID-19 net incremental costs incurred by utilities for review and recovery later in a general

⁴² Appendix A, at 4.

rate case. Reasonable cost recovery by utilities is necessary to preserve the utility's ability to provide service to the public. This does not mean, however, that utilities should be allowed to defer for recovery any and all costs, without limitation.

77. The Staff Proposal includes a section addressing "Cost Recovery." In this section, Staff proposes principles for the Commission to consider regarding COVID-19 deferred accounting. In addition, the Staff Proposal provides a statement describing the types of costs the Staff would support for deferral treatment. Staff's memorandum "recommends that the Commission approve COVID-19 petitions for deferred accounting"⁴³ on certain terms.

78. While it is reasonable to explore cost recovery principles in this docket, the Advocates believe it would be premature for the Commission to make any specific decisions in this docket regarding the pending accounting petition dockets. Each of Washington's five IOUs has filed a separate accounting petition regarding COVID-19 cost-recovery.⁴⁴ Those have been separately docketed, and it is our understanding the current plan is to take these up for a decision at the November 24 Open Meeting. The merits of those specific dockets are not currently before the Commission in this docket, nor has the Commission provided notice to the parties in the accounting petition dockets that those dockets are at issue here. The terms of the petitions are not identical, nor are the parties. The petitions as filed do not contain the provisions presented in the Staff proposed terms. Parties are conducting detailed discovery on the deferral petitions and will not have received or analyzed all materials by September 30. Advocates expect that review of the

⁴³ UTC Staff Proposed COVID-19 Response Term Sheet Memo, at 6.

⁴⁴ Avista: UE-200407 and UG 200408; Cascade Natural Gas: UG-200479; NW Natural Gas: UG-200264; PacifiCorp: UG-200234; Puget Sound Energy: UE-200780 and UG 200781. PSE did not file its petition until earlier this month on September 3.

ongoing discovery will provide a basis for more detailed recommendations at the appropriate time in the pending accounting petition proceedings.

79. However, because Staff’s term sheet and memorandum discuss the deferred accounting issues, and so as not to leave the record bare, the Advocates will address Staff’s points and cost recovery generally,⁴⁵ while reserving the right to provide any additional evidence or argument with regard to the accounting petitions when they come before the Commission.

a. Deferred accounting is an exceptional remedy and should be narrowly tailored to protect consumers

80. As a special remedy, deferred accounting should be narrowly tailored, to the extent possible, in order to protect ratepayers from the risk of unfair and unbalanced rates. Deferred accounting is a form of single-issue ratemaking and, as such, is generally disfavored. Because normal, ongoing levels of revenues and expenses have been embedded within each utility’s Commission-approved base rates, it is generally inappropriate to cherry pick isolated types of costs on a single-issue basis for piecemeal accounting and separate recovery of increasing costs. COVID-19 has undoubtedly caused utilities to incur increased costs of certain types, but has enabled or demanded the avoidance or deferral of other discretionary costs, where such cost “savings” should not be ignored.

81. As Staff notes, “it is neither normal Commission practice, nor Staff’s preference, to allow the deferral of revenues.”⁴⁶ It is only allowed as an exceptional remedy in cases where there are

⁴⁵ Appendix A, at 5.

⁴⁶ UTC Staff Proposed COVID-19 Response Term Sheet Memo, at 6.

extraordinary circumstances,⁴⁷ and only where the costs at issue are material.⁴⁸ While the pandemic clearly creates exceptional circumstances, that does not resolve all the issues around cost-recovery or the deferred accounting petitions.

b. Customers have a right to expect “Shared Sacrifice” from Washington utilities

82. A principle that should be applied to cost-recovery in the COVID-19 era is the concept of “shared sacrifice.” It is a violation of basic notions of fairness for the utility and its shareholders to ask to be fully indemnified and “held harmless” by customers from any adverse impact from COVID-19. Utilities should not seek to impose on their customers every penny of additional expense incurred by the utility company as a result of the pandemic when customers are already struggling to survive. Utility shareholders are paid a return to compensate them for the risk of their investment and utility operations. That risk includes the risk that costs and revenues will fluctuate. Customers are not intended to be the guarantors of the shareholders’ return or of recovery of all costs as the extremely broad and vague accounting petitions appear to contemplate.

83. The Advocates, therefore, urge the Commission to establish an expectation of “shared sacrifice” where the utilities and their shareholders are offered an opportunity to show how they will shoulder part of the burden of the pandemic. The Michigan Public Service Commission, in

⁴⁷ *Wash. Utils. & Transp. Comm’n v. PacifiCorp*, Docket UE-140762 et al., Order 08: Final Order, ¶¶ 273-274 (Mar. 25, 2015)(that costs are extraordinary is “a criterion that should apply to a cost deferral accounting mechanism at the time requested and at the time any recovery is sought.”).

⁴⁸ *Wash. Utils. & Transp. Comm’n v. NW Nat. Gas*, UG-080519 & UG-080530 et al., Order 01, ¶ 7 (May, 2, 2008)(“ In prior decisions concerning accounting petitions, the Commission has determined that deferred amounts must be of a magnitude such that recording the costs under the Federal Energy Regulatory Commission’s uniform system of accounts has a material impact on company earnings.”).

in its comprehensive order on COVID-19 response and cost-recovery, expressed this point eloquently:

Regarding potential cost recovery for utilities' COVID-19-related expenses, the Commission finds it important to point out the financial hardship that individuals and businesses across the state are experiencing. While rate-regulated energy providers are lawfully entitled to recover reasonably and prudently incurred expenses related to the cost of service, this is also an opportunity for the utilities to share the economic burden that has been brought on by the pandemic and approach cost recovery with the spirit of shared sacrifice.⁴⁹

84. This is based in part on the statutory requirement that all charges demanded by the utility company for gas or electricity service must be “just, fair, reasonable, and sufficient”⁵⁰ and the Commission must set such rates.⁵¹ The legislature has declared that it is the policy of the state to “preserve affordable natural gas and electric services,” maintain the availability of utility service, and “ensure that customers pay only reasonable charges for natural gas and electric service”.⁵² Ultimately the Commission must regulate “in the public interest.”⁵³ Voluntary “shared sacrifice” from the companies and their shareholders can happen in a variety of ways, including shareholder contributions toward bill and arrearage assistance, foregoing recovery of certain costs, and foregoing claims to be reimbursed for revenues not received.

85. It is also reasonable for the Commission to expect Washington utilities to adopt “self-help” measures to offset and mitigate the incremental costs they seek to defer and recover. For example, utilities might aggressively reduce and defer discretionary spending on travel and

⁴⁹ *In the Matter, On the Commission's Own Motion, To Review Its Response To The Novel Coronavirus (COVID-19) Pandemic; Including The Statewide State of Emergency, And To Provide Guidance And Direction To Energy And Telecommunications Providers and Other Stakeholders*, Case No. U-20757-0168, Order, at 30 (Mich. Pub. Serv. Comm'n, July 23, 2020).

⁵⁰ RCW 80.28.010(1).

⁵¹ RCW 80.28.020.

⁵² RCW 80.28.074.

⁵³ RCW 80.01.040.

entertainment, advertising, non-essential customer-facing programs and other projects or programs, where deferral does not compromise service quality or safety. While these dockets do not finally determine whether certain costs will be included in rates, they establish an important framework for later consideration of the issue, and that later consideration should include a demand for full reporting of utility cost reduction initiatives as offsets to proposed recovery of deferred incremental COVID-19 expenses.

c. An “earnings test” should be applied

86. Because deferred accounting is a special remedy that is implicitly designed to protect the utility’s financial stability, it is reasonable for the Commission to inquire into the utility’s financial condition, in effect applying an “earnings test” to the request. A utility that is earning at or above its authorized rate of return can demonstrate no need for deferred accounting that simply boosts its earnings further. The question is whether, even where net incremental costs are unexpected and largely beyond the company’s control, those costs are material to the company’s financial well-being.⁵⁴ Utilities are not guaranteed recovery of their revenue requirement inclusive of all costs incurred, but only the reasonable opportunity to earn a fair return.

87. The Commission could reasonably require a showing that the company is earning below its authorized return before authorizing deferred accounting, providing assurance that not only were incremental costs incurred to deal with COVID-19 challenges, but also that overall costs were higher as a result of such incremental costs. At a minimum, any approval of deferred

⁵⁴ Utilities also have multiple tools to address financial challenges such as under-earning, chief among them, the ability to file a general rates case and the ability file for emergency rate relief. In its 2019 GRC, PSE announced it expected to file another general rate case in 2021. It is the Advocates’ understanding that it is likely that other Washington IOUs will also file for general rate relief in 2021.

accounting should establish that recovery of any deferred amounts should be subject to an earnings test, when recovery is later sought in a GRC context.

d. Deferred accounting requests must be as specific as possible

88. As Staff observes, the appropriate method of establishing deferred accounting is to “establish regulatory assets that provide for specific expenditure and revenue categories and regulatory liability accounts for identified benefits.”⁵⁵ Because deferred accounting is a departure from standard ratemaking and accounting rules, these principles of specificity are designed and intended to protect customers by limiting the scope of the exception. The COVID-19 emergency should not be used as a reason to weaken or waive these principles.

89. Instead, if there was ever a time to hold the line on customer protections it is now. The utility petitions as filed are extraordinarily vague, couched in the broadest generalities providing little specific information about the categories of expenditures and revenues involved, and no estimates of even the most general nature of the estimated deferral amounts.

90. While the Advocates understand that there is difficulty in making predictions in the current environment, it seems very likely that the utilities have at least some information to offer. Utilities are almost certainly tracking costs and forecasting potential financial impacts and the Commission can reasonably expect more clarity in these requests.⁵⁶ Discovery may shed additional light on these issues. While little may have been known when petitions were initially

⁵⁵ UTC Staff Proposed COVID-19 Response Term Sheet Memo, at 6.

⁵⁶ The Commission recently denied an open-ended PSE request for deferred accounting treatment for ongoing future IT investments. *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, UE-190529 & UG-190530 et al., Order 08/05/03, ¶442 (July 8, 2020). Staff had opposed the request on the grounds that the investments were unidentified, and it was not possible to determine in advance if extraordinary circumstances would warrant special treatment, or to assess materiality of the costs.

filed, the companies have been living with pandemic conditions now for six months. The Commission should expect filing of revised petitions from each company providing much more specificity and detailed accounting support for cumulative net deferrals, based on their experience to date.

e. Narrowing allowed cost-recovery under the accounting petitions

91. Consistent with the foregoing principles, there are several ways for the Commission to appropriately narrow the scope of cost recovery through the proper scoping of deferral:⁵⁷

- No deferral of lost revenues due to the changes in customer usage. Staff does not support recovery of these lost sales revenues through deferral. The Indiana Commission rejected future recovery of these costs because it made customers pay for energy that was not ever used.⁵⁸
- No carrying charges on deferred amounts. Neither Avista nor PSE are seeking recovery of carrying charges. The Commission should decline to allow carrying charges for any other IOU deferrals.
- Limit recovery of uncharged late payment fees. From April 17, 2020 through the present, these fees have been prohibited by order of Governor Inslee.⁵⁹ Deferring these prohibited charges for recovery from all customers, including those who might have otherwise have been charged is inconsistent with the proclamation and nothing in the proclamation

⁵⁷ These comments are subject to the caveat discussed above that it is premature for the Commission to rule on specific issues in the accounting petition dockets.

⁵⁸ *Verified Petition of Duke Energy Ind., LLC et al.; Petition of Ind. Off. of Util. Consumer Counselor for Generic Investigation Into COVID-19 Impacts*, Cause Nos. 45377, 4539-, Phase 1 and Interim Emergency Order of the Commission, at 8–9 (Ind. Util. Reg. Comm’n, June 29, 2020).

⁵⁹ Wash. Exec. Order No. 20-23.8 (Sept. 2, 2020) (Ratepayer Assistance and Preservation of Essential Services); Wash. Exec. Order No. 20-23.2 (Apr. 17, 2020).

authorizes recovery of the charges from other customers. In addition, to the extent late fees are primarily designed to create an incentive for payment, rather than being specifically cost-based, recovery is not appropriate.

- Reject deferral of what Staff has captioned “direct costs” that include isolated incremental costs for personal protective equipment, cleaning supplies/services, contract tracing, medical testing, financing costs to secure liquidity, information technology updates, equipment for remote work and undefined “administrative needs” to implement the terms here.

92. A particular area of concern is allowing special recovery of these so-called direct costs addressed in the Staff Proposal. Utilities have experienced many operational changes as a result of COVID-19 challenges, causing travel to be restricted, facilities to be less occupied, and discretionary projects and programs to curtailed or deferred. Offsetting cost saving measures can be reasonably expected to mitigate any COVID direct costs. Rather than prematurely allowing deferred accounting treatment for only the known selected increasing costs characterized as “direct costs” by Staff, the Commission should instead presumptively assume there are offsetting cost savings for this category, subject to a showing by the utilities that no offsetting savings or self-help opportunities were available.

93. Direct costs solely attributable to COVID-19 can be difficult to accurately isolate and likely have been offset by savings within the utilities. For example, cleaning supplies and services have likely declined in less populated non-public utility office buildings and increased in others, such as customer-facing locations, for utilities still maintaining field offices. Medical testing costs that are normally incurred for new hiring have likely decreased, while testing for existing employees has likely increased. Financing costs, IT changes and remote worker

equipment needs should also be viewed on an overall basis, since other major IT projects and capital investments may have been deferred by the utilities due to COVID, creating more “offsetting savings” than incremental costs. Any incremental financing costs to secure liquidity are likely offset by the savings available for any new borrowing at extraordinarily low current market interest rates.

94. The undefined reference in Staff’s Proposal to, “information technology updates” and to “administrative needs to implement the term sheet components accepted by the Commission” are extraordinarily vague and leave the door open for contentious debate around what is eligible for deferral. Only the utilities’ “net” costs that are inextricably linked to COVID relief for ratepayers and that are not offset by savings elsewhere in the business should be deferred for potential future recovery, given the expectation that utility cost savings will offset these so-called direct costs, or that such “net costs” will not be material. For this reason, the Commission could exercise its discretion to preemptively reject requests for deferred accounting in the Staff’s catch-all “direct cost” category.

95. To have an immediately favorable impact upon reported utility earnings, deferred accounting authority must convey reasonable assurance of the existence of a new regulatory asset that is likely to be recoverable in the future. Without such assurance, the Companies will be unable to reduce expenses or recognize foregone late charge revenues by recording regulatory assets for future recovery in compliance with Accounting Standards Codification (ASC) 980. It would be inappropriate for the Commission to grant accounting deferral authority to the utilities for any vaguely defined categories of net costs in a manner that implies future recoverability and the existence of an asset where such recoverability is actually quite uncertain.

96. For “direct” incremental COVID-19 costs the utilities believe were not offset by expense savings or other self-help measures, the utilities could maintain off-book records and submit evidence of the need for extraordinary recovery in future rate case proceedings, where a detailed analysis of all relevant facts and asserted amounts could be undertaken.

(1) Require equal emphasis on tracking benefits/savings

97. Staff correctly notes that regulatory liability accounts should be established for identified benefits. More generally, it is essential that the utilities be required to accurately track and account for savings and financial benefits during the COVID-19 period. Avista has identified the availability of tax benefits under the CARES program, which it has pursued. All utilities should zealously pursue such opportunities.

98. In discussing direct costs, Staff notes, “Direct costs are net of savings, credits, payments, or other benefits received by the Utility from a federal, state, or local government that are directly related to a COVID-19 direct cost, including federal, state, or local tax credits or benefits.” [emphasis added] This phrasing could be read to mean that internal savings that are realized by the utility but not “received” from some third party are not offsets. Any approval of deferred accounting for costs should devote equally careful attention to the tracking of savings and benefits from any source experienced by the utility.

99. For example, even the apparently increased cost of uncollectible accounts is mitigated by the avoidance of expenses normally incurred by utilities for collection agent services and cessation of disconnections for non-payment creates utility expense avoidance for labor and transportation of personnel to perform disconnections and reconnections. It is not consistent with the public interest that the utility be held harmless from incurring any incremental direct cost

from the pandemic, when there are offsetting cost savings elsewhere and the utilities' customers are experiencing significant hardship.

(2) The most immediate priority for the Commission should be consumer protection

100. The Commission Staff argues in its memo that “future financial stability and liquidity is of equal importance to the immediate consumer protections needs.” While it is certainly true, in general, that the utility must have the financial health to provide service, the most pressing need at this time is the protection of consumers. Washington IOUs are not currently asserting that they are facing financial instability or loss of liquidity, either in this docket, or in the accounting petitions. On the contrary, preliminary reports by the utilities to the Commission during the June 16 Special Open Meeting indicated the financial health of the utilities was stable. This is in stark contrast to the extensive financial hardship being experienced by thousands of customers across the state.

101. This docket is not about emergency rate relief. Reasonable cost recovery for the utilities will be addressed at a later time, in future rate cases, with consideration of appropriately deferred net costs, reduced by offsetting cost savings. There is no need in this docket to directly link specific terms of consumer protection to either cost deferrals or future cost recovery for such protections. The priority at this time, in this docket is to ensure that Washington customers are able to continue to receive essential service for electricity and natural gas for heat, light, cooking, and powering communications devices.

9. Data and reporting

102. Advocates generally support the Data and Reporting section of the Staff terms.⁶⁰

Regarding section 1, Advocates support the Commission having the opportunity to reassess the COVID-19 pandemic conditions in February 2021, prior to April 30, 2021, and allowing Workgroup members to suggest health and economic metrics for consideration. Staff has provided a non-exclusive list of potential sources of information to consider. Under the proposal, Workgroup members could make any suggestions of their own by December 1, 2020. Examples of possible additions to the list could include the Washington State Economic Service Administration Technical Advisory group equitable economic recovery metrics, and the Economic Recovery Dashboard recently established by the Department of Commerce.⁶¹ One concern the Advocates have is ensuring that the economic metrics measure not only general economic recovery, but the economic recovery of communities disproportionately impacted by the pandemic and resulting economic fallout, especially low-income Indigenous, Black, and Brown communities.

103. Advocates recommend that the Commission add to Section 2 a requirement that the information provided under the “List of Requested Data” include the data from the comparable period in 2019, so as to establish a baseline of data for evaluating the changes during the pandemic.

104. Under the List of Requested Data, the required categories of data are generally reflective of the items included in the Advocates recommendations, however not all of the specific

⁶⁰ Appendix A, at 6–9.

⁶¹ Wash. State Dep’t of Com., *Economic Recovery Dashboard*, available at <https://www.commerce.wa.gov/datadashboard/> (last updated Sept. 9, 2020).

recommended items are included. Advocates recommend that some key elements be restored to the list.

105. The most important missing element included in the Staff terms, is the requirement to provide data by nine-digit zip code or census tract, which is added in section 1 (“General”). Providing information with some reasonable granularity, either by nine-digit zip code or census tract, is essential to enable demographic analysis of the economic impact of the pandemic on vulnerable populations, as well as evaluating the effectiveness of the response plan.⁶²

106. Finally, Advocates recommend that certain items be added to the List of Requested Data, in the indicated categories. To data related to fees, the number of customers who would have been charged fees but for the moratorium should be added. To data related to Long-Term Payment Arrangements, information regarding AMP participation, if a utility establishes a program should be added. To data related to deposits, the number of customers for whom deposits were waived based on the moratorium should be added.

III. CONCLUSION


107. All stakeholders involved in this process understand the severity of this crisis, and bold action is needed to protect customers. The Advocates appreciate the inquiry being made, and the Joint Utilities’ and Staff’s participation in these efforts. It is critically important to establish policies and programs that serve the needs of Washington utility customers during these

⁶² For example, the Eastern Washington University study of Avista’s service territory used census tract information from the American Community Survey to develop demographic information (regarding income). Brian Kennedy, MS & D. Patrick Jones, Ph.D., *An Estimate of the Number of Households in Poverty Served by Avista Utilities in Washington State*, INST. FOR PUB. POL’Y AND ECON. ANALYSIS, E. WASH. U., at 1 (May 2015).


unprecedented times. The Advocates will have representatives present at the Open Meeting on October 6, 2020, and we each look forward to continuing this important discussion.

Dated this 30th of September, 2020.


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Appendix A

Advocates' Edits to UTC Staff Proposed COVID-19 Response Term Sheet

Docket U-200281

September 30, 2020

Disconnection Moratorium

~~Staff recommends that~~ The Commission should:

1. ~~Accept the Utilities and Advocates agreement to voluntarily suspend~~ Suspend disconnection of utility services for residential and small commercial customers (i.e., commercial customers not served on a large consumption tariff) until April 30, 2021 (Resumption Date).
2. Assess the health and economic conditions during its first open meeting of February 2021, or at a recessed open meeting around the same time (additional recommendations on the data or metrics needed are outlined in the *Data and Reporting* section) to determine whether any utility may resume disconnections.
3. Ensure that each utility has verified to the Commission on or before April 30, 2021 that the following provisions have been met prior to resuming disconnections for residential and small commercial customers:
 - a. All counties within their service area are in Phase 4 of the Safe Start Plan, plus any additional criteria the Commission determines to be necessary.
 - ~~a.~~b. Provide a 30 day notice, that is one bill cycle in advance of the resumption of disconnection, to customers in writing (at a minimum in English and Spanish), or by the customer's preferred method of receiving communications, to all of its residential and small commercial customers to include:
 - i. The resumption of utility service disconnection and late fees,
 - ii. All flexible payment options that are available to avoid disconnection and how to enroll in each flexible payment option,
 - iii. For residential customers, outline ~~any~~ all programs that may provide financial assistance,
 - iv. Utility contact information,
 - v. Commission contact information including the commission's toll-free number 888-333-WUTC (9882), email consumer@utc.wa.gov, web address www.utc.wa.gov, and mailing address PO Box 47250, Olympia, WA 98504-7250.
 - c. Make a good faith effort to contact the residential or small commercial customer to inform the customer of flexible payment options, financial assistance programs, and any other means to avoid disconnection.
 - i. A good faith effort requires that communications with customers be widely broadcasted, both directly to customers through direct mailings, calls, and electronic communications, and generally through social media postings, utility websites, and press releases.
 - ~~vi.~~ii. Communications plans should be developed in consultation with low-income advisory groups and community-based organizations. Communications plans will

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take into consideration race, indigenous communities, language, ability, income, and gender as consistent with the utility's service territory. Utilities will provide funding and resources related to participation of community-based organizations, similar to the funding contemplated in Dockets UE-190698 and UE-191023.

- ~~b.d.~~ Provide on the utility website, in a prominent location, all information regarding the flexible payment options and financial assistance programs available to customers.
- ~~e.e.~~ Issue disconnection notices(s) specified in WAC 480-90-128 (natural gas) and/or 480-100-128 (electric) and the utility's tariff where not consistent with the rules.
- ~~d.f.~~ Follow any applicable disconnection processes outlined in WAC and the utility tariff.
- ~~e.g.~~ Customers applying for, receiving, and/or participating in a long-term payment arrangement, bill assistance, or medical certification protection will not be disconnected from service.
- ~~f.h.~~ Ensure language barriers are removed by providing translation and interpretation services either through its own customer service center or a contracted language translation service provider.

Reconnection of previously disconnected customers

~~Staff recommends that~~ The Commission should require that:

1. The Utilities ~~make a good faith effort to contact~~ will reconnect residential customers who were disconnected for nonpayment between January 1, 2020 and April 17, 2020, ~~and offer reconnection~~, except for when:
 - a. Reconnection could compromise safe operations,
 - b. The Utility has proof that the customer benefitted from theft or tampering, or
 - c. The premises are vacant or unoccupied.
2. If reconnection is denied, the utility must provide the Commission's contact information so the customer can dispute the utility's decision.
3. Reconnections only be offered for the same service address that was previously disconnected for nonpayment-, and each utility shall waive any fees for reconnections provided under this section.
4. The Utilities to offer any applicable flexible payment plans or other assistance programs to these customers.

Fees

~~Staff recommends that~~ The Commission should:

1. ~~Accept~~ Require the Utilities ~~proposed term sheet to~~ waive late fees and deposit requirements for new or existing residential customers until 180 days after the Resumption Date.
2. Require the Utilities to waive any applicable disconnection and reconnection fees in the same fashion as late fees.

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3. Initiate a CR-101 to investigate the potential long-term changes and improvements to the customer notice, credit and collection rules and possible permanent elimination of disconnection for non-payment, late fees, disconnection and reconnection fees, and deposits with particular attention to the experience of those limited English proficiency and customers of color, no later than July 1, 2021.

Additional Funding for Customer Programs

~~Staff recommends~~ The Commission should require that:

1. Each Utility shall provide a ~~establish a~~ COVID-19 bill payment and arrearage assistance program, subject to cost recovery under Section 8.e. below, as described in this section. The Utility program shall ~~to provide -assistance to eligible residential customers to include customer-~~ earning up to 200 percent of the Federal Poverty Level (FPL), with a priority given to elimination of arrearages. ~~with~~ The annual maximum award will be amount of \$2500 per household. Awards are supplemental to existing program grants.
2. Establish the increased funding level for bill payment and arrearage assistance for each utility at 1 percent of Washington retail revenues. ~~and that no~~ No increase to that funding level would occur without prior Commission approval. The increased funding for COVID-19 bill payment and arrearage assistance must be allocated as follows:
 - a. A minimum 80% to PSE HELP, Avista LIRAP, PacifiCorp LIBA, NNG GREAT, and CNG WEAFF programs, and related "hardship grant" programs (e.g. CNG "HEART" and Avista "Temporary COVID-19 Hardship Assistance")
 - b. Up to 20 percent for a direct utility assistance program developed in consultation with the utility's low-income advisory group. Direct utility assistance may be supplemented by shareholder funds.
 - a.c. The funding increase and program parameters will remain in place until at least September 30, 2022.
3. Each Utility shall work with its Low-Income or Energy Assistance Advisory Group to implement its bill payment and arrearage assistance program, ~~which may include direct utility assistance, but not require existing program modification or require fund administration by the community action agencies unless the Utility believes that is the more efficient strategy.~~
- 2.4. In order to expedite distribution of new and existing bill payment and arrearage assistance, each utility will engage in active outreach and marketing to reach likely applicants, and work with community action agencies to take steps to eliminate obstacles to customer enrollment, including minimizing eligibility documentation, allowing self-certification, auto-enrollment, multi-year qualification, remote enrollment, translation, and language access.

Long-term Payment Arrangements (TPAs)

~~Staff recommends~~ The Commission should require that:

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1. Each Utility should offer extended TPAs for up to 18 months for residential customers and ~~6 months for~~ small commercial customers. For natural gas utilities, TPA's under this section are not available to transportation customers.
2. Each Utility will offer the availability of these TPAs for 180 days after the Resumption Date. Additional plan requires or parameters are provided below:
 - a. No customer will be required to make a down payment.
 - ~~a.b.~~ A residential or small commercial customer whose financial condition changes during the term of a TPA, or a customer who defaults on a TPA and who seeks to reestablish payment arrangements, may do so one time under the same terms described above.
 - ~~b.c.~~ Missing up to two consecutive payments does not constitute default on the payment plan.
 - ~~e.d.~~ Financial hardship may be verbally expressed and does not require documentation.
 - ~~d.e.~~ The Utility must disclose to customers seeking long-term payment arrangements of all the programs available to address arrearages, including bill assistance.

Arrearage Management Plans (AMPs)

~~Staff recommends that~~ The Commission shall require that:

1. The Utilities to explore development of an AMP, ~~Percentage of Income Payment Plan (PIPP), or other potential similar programs, as well as barriers to access, in order~~ to address potential long-term solutions for customers' energy burden beyond TPAs with their Low-Income or Energy Assistance Advisory Group, including the cost of development and implementation.
2. Discussions start within 60 days of Commission action in this proceeding.
3. An update on the progress of those discussions during the February 2021 open meeting referenced in the *Disconnection Moratorium* section, including whether the Utility is moving forward with implementing an AMP.
4. The Utilities to provide the Commission with either a proposed plan, or if the Utility decides not to pursue a plan, its rationale for that decision no later than 180 days after the Resumption Date. The presumption is that the Utility will implement an AMP.

Credit and Collection Process

~~Staff recommends that~~ The Utilities and their contractors shall continue to refrain from sending any active customer accounts to collections agencies, credit bureaus or reporting agencies until 180 days after the Resumption Date. In the alternative, if utilities are allowed to send customer accounts to collection agencies, then those collection agencies shall not report non-payments to credit bureaus or reporting agencies.

Cost Recovery

~~Staff provides~~The Commission should adopt the following guiding principles ~~for the Commission to consider~~ with regard to COVID-19 deferred accounting:

1. Petitions must identify specific categories of expenditures and certain revenues and not include overly broad requests. While it is neither normal Commission practice, nor Staff's preference to allow the deferral of revenues, this is an unprecedented time ~~and the future financial stability and liquidity of the regulated utilities is of equal important to the immediate customer protection needs.~~
2. Establishment of regulatory asset accounts that provide for specific expenditure and revenue categories and regulatory liability accounts for identified benefits. However, due to the unprecedented nature of the COVID-19 pandemic, ~~Staff understands that not all costs and benefits may be known at this time and does not recommend the Commission require the Utilities to provide the estimated deferral amounts at this time.~~
3. Possible recovery of any deferrals ~~be is~~ subject to a future Commission proceeding for prudence review as per the Commission's normal practice.
4. Future reporting that itemizes the utility costs in any approved COVID-19 petitions for deferred accounting in the docket approving the petition.
 - a. The first report should be filed by December 1, 2020, and cover the period between March 1, 2020 and September 30, 2020.
 - b. Subsequent reports should be required 30 days after the close of each quarter and shall include information from the previous quarter to continue until the conclusion of the proceeding in which the Utility requests recovery of the deferred expenses, or until such time the Commission determines the reports no longer provide benefit.
5. Utility companies should approach cost-recovery requests with a spirit of shared sacrifice.
6. Recovery of deferred COVID-19 costs in rates will be subject to an earnings test.
7. Utilities should zealously pursue and document cost-savings. Equal emphasis should be given to tracking and accounting for savings and benefits during the deferral period.

~~Staff supports~~The Commission should consider the following for deferral treatment:

~~Direct costs for reasonable measures taken by the Utility in response to the COVID-19 pandemic, including incremental costs associated with: personal protective equipment, cleaning supplies and services, contact tracing, medical testing, financing costs to secure liquidity, information technology updates, equipment needed for remote work options, and the administrative needs to implement the term sheet components accepted by the Commission. Direct costs are net of savings, credits, payments, or other benefits received by the Utility from a federal, state, or local government that are directly related to a COVID-19 direct cost, including federal, state, or local tax credits or benefits.~~

- ~~• Any amount of bad debt expense accrued in 2020 and 2021 above the bad debt baseline as defined below. While the Utilities will defer the bad debt expense that is accrued above the baseline being collected from customers today, it will not collect any amount above the actual amount that is~~

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~~written off. The bad debt expense baseline is the amount that is currently being collected from customers for bad debt, as determined in their last general rate proceeding as of October 1, 2020.~~

- ~~• The average annual amount of late payment fees collected over the previous five years (2015-2019) less the actual amount collected by the Utility from January 1, 2020 through March 1, 2020 for calendar year 2020. For 2021, the Utility may defer that same average prorated on a monthly basis for the period of January 1, 2021 through the Resumption date plus 180 days.~~
- ~~• The average annual amount of reconnection charges collected over the previous five years (2015-2019) less the actual amount collected by the Utility from January 1, 2020 through March 1, 2020 for calendar year 2020. For 2021, the Utility may defer that same average prorated on a monthly basis for the period of January 1, 2021 through the Resumption date plus 180 days. However, Utilities with Advanced Metering Infrastructure must prorate the average annual amount by the percentage of AMI meters installed as of March 1, 2020 for calendar year 2021 and January 1, 2021 for calendar year 2021.~~
- Costs to fund a COVID-19 bill payment assistance program, as described in the *Additional Funding for Customer Programs* section.

~~Staff opposes~~ The Commission should not allow the deferral of lost revenues due to the any reduction in customer usage.

Data and Reporting

~~Staff recommends:~~

1. The Commission requests the Workgroup members to submit suggested health and economic metrics for consideration by December 1, 2020, in order for the Commission to reassess the COVID-19 pandemic conditions in early February 2021.
 - a. Initial Staff suggestions include:
 - Health Considerations –
 - What Safe Start Phase are each of the counties in by utility service territory?
 - Has public education returned to in-person learning?
 - Economic Considerations –
 - Unemployment rate and trend
 - United States Census Bureau Economic Indicators (Source www.census.gov)
 - Consumer Price Index, West Region (Source www.bls.gov)
 - Washington State Economic Services Administration Technical Advisory Group equitable economic recovery metrics (Source <https://www.commerce.wa.gov/datadashboard/>)
 - Monthly GDP Trends (Source www.bea.gov)
2. The Utilities provide the data listed below (by month) to this docket:
 - a. No later than December 1, 2020, for the period of March 1, 2020 through September 30, 2020,

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- i. Including baseline data from March 1, 2019 through September 30, 2019 as a comparison
 - b. No later than February 1, 2021 for the period of October 1, 2020 through December 31, 2020, and
 - ii.i. Including baseline data from October 1, 2019 through December 31, 2019 as a comparison
 - ii.c. On a quarterly basis until 180 days after the Resumption Date.
3. The Utilities work with Staff to develop a reporting template for ease of review by the Advocates, Staff, and interested members of the public.

List of Requested Data:

1. General:
 - a. All data sections 1-8 must be provided either by census tracts or by zip code and where possible by 9 digit zip code.
 - a.b. The number of customers, by customer class; and
 - b.c. The retail load by customer class.
2. Disconnections
 - a. The number of customers, by customer class, disconnected each month during the period;
 - b. Average duration of disconnection by customer class;
 - c. The number of customers, by customer class, receiving disconnection notices each month during the period; and
 - d. The number of customers, by customer class, who would have been disconnected each month for non-payment but for the moratorium; ~~and~~
3. Fees
 - a. The number of customers, by customer class, assessed late payment fees, disconnection fees, or reconnection fees or charges each month during the period, and the aggregate amount of each type of fee charged; and
 - a.b. The number of customers, by customer class, who by for moratorium, would have been assessed late payment fees, disconnection fees, or reconnection fees or charges each month during the period.
4. Long-term Payment Agreement, Arrearage Management Plans (AMPs), and ~~debt relief~~ bill payment and arrearage assistance
 - a. The number of customers, by customer class, taking service at the beginning of each month during the period under existing long-term payment agreements;
 - b. The number of customers by customer class, completing long-term payment agreements each month during the period;

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- c. The number of customers, by customer class, enrolling in new long-term payment agreements each month during the period;
- d. The number of customers, by customer class, renegotiating long-term payment agreements each month during the period;
- e. If and when a Utility establishes an AMP, the number of customers, by customer class enrolled in an AMP, renegotiating an AMP, and completing an AMP; and
- ~~d.~~f. The number of customers, by customer class, receiving bill payment and arrearage assistance.

5. Medical Certificate Data

- a. The number of customers taking service at the beginning of each month during the period under existing medical payment arrangements;
- b. The number of customers completing medical payment arrangements each month during the period;
- c. The number of customers enrolling in new medical payment arrangements each month during the period; and
- d. The number of customers renegotiating medical payment arrangements plans each month during the period; ~~and~~

6. Deposits

- a. The number of customers, by customer class, with required deposits with the company at the beginning of each month during the period;
- b. The number of customers, by customer class, required to submit new deposits or increased deposits each month during the period;
- c. The number of customers, by customer class, whose required deposits were reduced in part or foregone each month during the period; ~~and~~
- d. The number of customers, by customer class, whose deposits were returned in full each month during the period; and
- ~~d.~~e. The number of customers for whom deposits were waived based on the moratorium.

7. Bill Assistance

- a. Number of premises receiving bill assistance or enrolled in any other assistance program;

8. Past Due Balances

- a. The number of customers by customer class with past-due balances (arrearages);
- b. The amount of past-due balances, by customer class, that are 30, 60, 90, and more than 90 days past due, and the total amount of arrearages;
- c. The amount of past-due balances for known low-income households that are 30, 60, 90, and more than 90 days past due, and the total amount of these arrearages;
- d. The amount of past-due balances classified as uncollectible;

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- e. If different than item d, the amount of past-due balances written off and classified as bad debt; and
- f. The number of customer accounts referred to collection agencies, the total amount of debt referred for collection, and total revenue to the company from the collection process.

Reporting on Utility costs in responding to COVID-19 should be reported as recommended in the *Cost Recovery* section of this document.