

Agenda Date: April 10, 2020
Item Numbers: A4 and A5

Dockets: UE-200331 and UG-200332
Company Name: Puget Sound Energy

Staff: Jing Liu, Regulatory Analyst – Energy Regulation
Amy White, Regulatory Analyst – Energy Regulation
Andrew Roberts, Regulatory Analyst – Consumer Protection

Recommendation

Issue an order granting less than statutory notice, allowing the revisions to Schedule 129 filed by Puget Sound Energy on April 6, 2020, in Dockets UE-200331 and UG-200332 to become effective April 13, 2020.

Summary of Filing

On April 6, 2020, Puget Sound Energy (PSE or Company) filed revisions to Schedule 129 – Low Income Program of its electric and natural gas tariffs. The revisions implement a temporary “Crisis Affected Customer Assistance Program” to provide quick relief to households whose incomes have been affected by the ongoing COVID-19 pandemic. These tariff revisions do not affect Schedule 129 rates.

PSE has requested that the commission allow these tariff revisions to go into effect on April 13, 2020, with less than statutory notice per WAC 480-80-122.

Background

Schedule 129 rates fund PSE’s Home Energy Lifeline Program (HELP) which provides bill assistance to low income households below 150 percent of the federal poverty line. PSE contracts with community action agencies to administer the HELP program.

Currently, PSE’s HELP fund has a cumulative balance of over \$22 million carried over from prior years.¹ In this filing, PSE proposes to allocate about half of this unspent carry-over balance, or \$11 million, to fund its proposed Crisis Affected Customer Assistance Program (CACAP). CACAP is designed to address the potential surge in demand for bill assistance, targeting households whose incomes have been affected by COVID-19. PSE proposes to administer CACAP as a temporary supplement to HELP.

¹ This does not include an additional \$11 million available for the current program year.

Discussion

Need for Emergency Assistance

Social distancing policies implemented in response to the ongoing COVID-19 pandemic, most notably Governor Inslee's March 23 Stay Home Proclamation,² have led to a surge in unemployment, reducing or eliminating income for many of PSE's customers. PSE has already voluntarily suspended disconnections and late fees for non-payment during this pandemic, but the large number of income-affected customers is likely to induce a substantial increase in demand for utility bill assistance in the immediate future.

The Governor's Stay Home Proclamation also has begun to affect community action agencies' ability to interact with customers and the efficiency of processing applications for assistance. Most agencies have begun serving customers by phone and mail which can slow the process significantly relative to the standard in-person application process. The increased demand for assistance, including for PSE HELP as well as federal Low Income Home Energy Assistance Program (LIHEAP), is likely to put serious strain on the agencies' capacity to process applications quickly and efficiently.

PSE Administration of CACAP

Under the CACAP, PSE customers facing financial hardship due to COVID-19 can submit an application for bill assistance to PSE directly through PSE's online portal, though PSE will also accept applications by phone and mail. PSE will require proof of income or proof of loss of income, but also will allow self-declaration on loss of income for self-employed customers. To qualify for CACAP, a customer's monthly income must be at or below 250 percent of the federal poverty line.

PSE staff will review applications and issue a credit to qualifying accounts. The credit amount will be based on the household's energy bills from March through August 2019, with a maximum benefit of \$1,000 per household. The total CACAP spending, with electric and gas combined, is capped at \$11 million.

Staff Assessment and Conclusion

Staff believes the current health and economic crisis creates an urgent need for rapid deployment of bill assistance funds. Staff further believes that the administrative burdens currently placed on community action agencies justifies PSE's active involvement in the review of applications and delivery of available funds.

² See Proclamation of the Governor Amending Proclamation 20-05; 20-25 Stay Home – Stay Healthy (Mar. 23, 2020).

In staff's assessment, PSE's proposal is cost-effective and represents efficient administration. PSE's proposal comes at no additional cost to ratepayers; the program will use funds that have already been collected but have yet to be distributed, PSE will use its internal staff to process the applications without any additional administrative expense, and the online portal has been provided by Avertra free of charge. PSE's ability to receive and process online applications offers significant value. Customers can submit an application at any time without an appointment, and documentation can be easily uploaded. Additionally, applying online allows applicants to avoid the sense of embarrassment or shame they may feel with in-person or phone interviews.

CACAP is fully compatible with other programs offering low-income assistance, namely LIHEAP and PSE HELP. CACAP will compliment LIHEAP and PSE HELP by primarily focusing on customers with COVID-related loss of income, including customers who never received any energy assistance before and customers who previously received energy assistance but still have difficulty paying their bill.³ CACAP will not impact HELP resources. For the current program year, after allocating \$11 million for CACAP, HELP still has a total of over \$22 million available for use until September 2020.

To ensure accountability, PSE is committed to keeping track of the application data and will provide a summary report in the annual PSE 2021 Low Income Program Outcome report.

Conclusion

In light of the COVID-19 crisis and the emerging need for rapid, large scale distribution of bill assistance to income-impacted customers, staff believes that PSE's CACAP proposal is appropriate and consistent with the public interest. The program uses existing funds in a cost-effective and efficient manner and relieves some of the administrative burden placed on community action agencies. Therefore, staff recommends the commission allow the tariff revisions to go into effect on April 13, 2020, with less than statutory notice.

³ After receiving CACAP, customers can still seek LIHEAP and/or PSE HELP if they need additional assistance.