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July 15, 2020

***Filed Via Web Portal***

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

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State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

**Re: Docket U-200281: PSE Comments in Response to the Commission’s Notice of Opportunity for Comment Dated July 1, 2020**

Dear Mr. Johnson:

Puget Sound Energy (“PSE”) appreciates the opportunity to respond to the Commission’s Notice of Opportunity to Comment (“Notice”) issued on July 1, 2020. PSE commends the leadership and openness to creative thinking exhibited by the Commission since the beginning of the unprecedented economic downturn resulting from the response to the ongoing COVID-19 pandemic. The Commission’s approval of PSE’s highly successful Crisis-Affected Customer Assistance Program (“CACAP”) exemplifies the leadership and forward-thinking needed to ensure those most directly and substantially impacted by this current economic downturn maintain access to essential utility services.

PSE also supports the Commission’s decision to convene this workgroup to discuss the transition in utility operations after the expiration of the Governor’s Proclamation 20-23.2, which among other things placed a moratorium on disconnects for nonpayment. There are important and urgent issues to discuss to ensure a successful transition for all involved. PSE is optimistic that stakeholders in this workgroup will work diligently towards a set of solutions that work for everyone and appreciates the opportunity to help inform these discussions.

At this time, PSE has few substantive comments to add beyond those already shared by its representatives in the virtual special open meeting held by the Commission on June 16, 2020. However, in the spirit of attempting to facilitate stakeholder discussions of a preferred set of principles to guide the actions of utilities following the expiration of the Governor’s proclamation, PSE offers the following guiding principles for the Commission’s and the workgroup’s consideration.

## Guiding Principles

1. Customer disconnections for non-payment should be the option of last resort: Electricity and natural gas services are essential utility services that should be available to everyone within a utility's service area, including those that lack the ability to pay. All reasonable actions should be taken by the utility to ensure that their customers maintain access to these essential services.
2. Customers who can pay should pay an affordable amount for their utility services: Not all customers are experiencing the same level of hardship in the current economy or in general, even under normal economic conditions. Most utility customers have little difficulty paying their utility bills. For others, the difficulty in paying their bill can range from mere inconvenience to being nearly impossible. Recognizing that the less customers pay for their services, the more others will likely have to, each customer's responsibility to cover the full cost of their essential utility services should be informed by their ability to pay. Moreover, this expectation should be conveyed to all utility customers as transparently and simply as possible.
3. Customers should have access to arrearage repayment plans that maintain affordability: For some customers, what is not affordable now (e.g., due to a job loss) may be later, or vice versa. Therefore, utilities should provide payment plans that are as reasonably flexible as necessary to maintain customer affordability. These payment plans should extend not only to residential customers, but to non-residential customers as well under reasonable terms. Utilities should consider payment plans up to at least 12 months in duration.
4. Utilities should proactively communicate options available to customers struggling to pay their utility bills: While some customers have chronic challenges in paying for their utility services and therefore have some understanding of the assistance that may be available and how to get it, many others may only need such assistance infrequently and therefore need more guidance in navigating their way through the various channels available to assist them. The availability of options for customers in need should be proactively communicated by utilities to ensure their service is maintained.
5. Disconnects for non-payment should only be allowed after all reasonable efforts to offer payment assistance have been exhausted: There will inevitably be customers that are otherwise able to pay for utility services, including those that are eligible to receive bill assistance, that choose not to. In the interest of all, utilities should be allowed to disconnect customers for non-payment after all reasonable efforts to offer payment assistance have been exhausted.
6. Disconnects for non-payment should only be allowed to begin after the county in which service is provided has an unemployment rate below an agreed-upon threshold: While the severity of the pandemic may subside, the economic consequences may persist for some customers. Generally speaking, affordability is tied to the availability of jobs. Therefore, it is appropriate to tie the reinstating of disconnects to the widely available

metric of the county unemployment rate or some other objective metric indicative of economic recovery.<sup>1</sup>

7. Customers should have advance notice of the re-instatement of disconnects for non-payment: Customers should have a reasonable expectation to know well in advance of the lifting of the moratorium on disconnects, so that they may plan and educate themselves accordingly regarding the rights and options (e.g., payment plans) available to them. PSE proposes that customers be given no less than 60 days-notice before the lifting of this moratorium to allow a reasonable time for its customers to plan and respond, as necessary.
8. Utilities should eliminate fees for late payment, disconnection of service, reconnection of service and deposits for customers receiving utility assistance to maintain service affordability: It is counter-productive to help customers who are struggling to pay their normal monthly bill while at the same time charging them these fees and charges. While these costs could be funded through low-income bill assistance programs or directly in utility rates, PSE believes it is best to preserve the limited available bill-assistance funding for maintaining access to utility service. Costs that would otherwise be recovered directly from these customers would then be recovered in the rates charged to all customers.
9. The Commission should have ready access to data necessary to inform decisions related to customer assistance and bill affordability: That which is measured is managed. This is as true in policy as in business. Therefore, to effectively manage the issue of utility bill affordability and assistance, a common set of foundational information should be tracked and reported by utilities on a regular basis. A starting point for this data may include that which has been requested through the Governor's office or Department of Commerce. This data includes the number and amounts of arrearages of different durations, the number of customers eligible for disconnects, the number and duration of payment plans, the number of premises enrolled in bill assistance programs, etc.
10. Utilities should be allowed the opportunity to recover prudently incurred costs to keep customers connected to utility service: Utilities have an obligation to serve and, in return, are afforded a reasonable opportunity to recover their costs. This principle extends to different and potentially more liberal policies meant to ensure customers maintain access to utility service. If well crafted, policies that ensure continued service could reduce costs for all over the long term. However, over the near term, these policies may entail higher costs and higher risks. To the extent that increased costs result from changes in regulatory policy, it is reasonable for utilities to expect an opportunity to recover these costs.

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<sup>1</sup> PSE does not currently have a particular threshold in mind, but offers the concept to the Commission and workgroup for its consideration. If the concept is found to have merit, an appropriate threshold could be considered.

PSE appreciates the opportunity to provide responses to this Notice. Please contact me at (425) 456-2142 or Carol Wallace at (425) 424-7351 for additional information about these comments.

Sincerely,

*/s/ Jon Piliaris*

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