

The Public Counsel Unit of the Washington Attorney General's Office, The Energy Project, NW Energy Coalition, Sierra Club, Front and Centered, and Puget Sound Sage (collectively "the advocates") submit a response to terms provided jointly by the utilities.

Where applicable, terms from the utilities' joint proposal are referenced in relation to the terms proposed by the advocates. If a new term is newly proposed by the advocates, that is also indicated.

I. Disconnection moratorium. (*Joint Utility Proposal Items 2, 3, and 4*) The disconnection moratorium should be extended until such time as economic reopening and recovery is evident. The COVID-19 pandemic is fluid and rapidly changing, and the state's phased recovery is not linear. Furthermore, economic recovery will not likely coincide directly with Phase 4 or full economic reopening. The ultimate decision on when to lift the moratorium should be made by the Washington Utilities and Transportation Commission (UTC or Commission), based on the public health response to the pandemic, economic recovery, and utility readiness to respond to customers with financial need.

The advocates propose the following terms related to extending the disconnection moratorium:

1. The utilities agree to extend the disconnection moratorium until at least April 30, 2021. The moratorium shall apply to residential and small business customers (i.e. those commercial customers not served on a large consumption tariff).
2. Each investor-owned utility may request that the UTC open a proceeding to consider lifting the moratorium through an order effective May 1, 2021, or later.
 - a. The process for review will include the opportunity for stakeholder written and oral comment. The parties agree to Commission review through the Open Meeting process, or other procedure established by the Commission.
 - b. The utility request must be filed February 1, 2021 or thereafter, 90 days in advance of the requested end of the moratorium. The request must include information regarding the criteria described in Item I.3, with a copy provided to the non-company stakeholders in the COVID-19 workgroup.
3. To obtain a Commission order lifting the disconnection moratorium, the utility request must show that it has complied with the terms of the Stipulation and that all counties within a utility's service territory are in Phase 4 of the Safe Start Plan. In addition, in reviewing a Company request to lift a moratorium, the parties agree that the Commission should consider the following criteria:
 - a. Whether utility bill assistance programs have adequate balances and funding to assist customers facing disconnection, and the utility has consulted with low-income advisory groups and the community action agencies administering assistance programs to verify that they have the capacity and are ready to respond to the demand from eligible customers.

- b. Whether the utility has developed and implemented programs to address customer arrearages, including Arrearage Management Plans (AMPs) that include debt relief.¹
 - c. Whether the utility has 50% of its customers with arrears on a plan or receiving benefits prior to the disconnection moratorium being lifted.
 - d. Any other criteria the Commission deems necessary.
 4. The UTC will make a separate determination regarding whether the disconnection moratorium may be lifted for Puget Sound Energy, Avista Corporation, PacifiCorp, NW Natural Gas Company, and Cascade Natural Gas Corporation.
 - a. If the Commission does not approve the utility's request to lift the moratorium, the utility may file a new request to lift the moratorium at any time.
 5. After a Commission order authorizing resumption, utility service disconnections will not occur until:
 - a. The utility has provided 30 day notice to the Commission, residential and commercial customers, and all parties to the Stipulation of when collection activities including disconnection will resume.
 - b. The customer has received the disconnection notices(s) specified in WAC 480-90-128 (natural gas) and/or 480-100-128 (electric) and the utility's tariff.
 - c. The utility has made a good faith effort to contact the residential or commercial customer to inform the customer of flexible payment options, financial assistance programs, and any other means to avoid disconnection. This includes notifying in writing all of its customers with past due balances of: (1) the resumption of disconnections, and fees, if any; (2) all financial assistance programs and flexible payment options that are available to avoid disconnection, including long-term payment options, and how to enroll in each flexible payment or financial assistance option. The written notification must be provided to customers no later than 15 days prior to the resumption of disconnection.
 - d. The requisite period of time specified in the utility's tariff for the customer to enter into an arrangement to avoid disconnection has passed.

II. Late fees. (*Joint Utility Proposal Items 2*) Each utility agrees to eliminate late fees as applied to residential and small business customers during the term of the disconnection moratorium. In addition, the utility agrees to eliminate late fees after resumption of disconnection until a Commission order in the rulemaking described in Section XII, or November 15, 2021, whichever is earlier.

III. Disconnection and reconnection fees. (*Joint Utility Proposal Item 7*) Each utility agrees to eliminate disconnection and reconnection fees as applied to residential and small business customers during the term of the disconnection moratorium. In addition, the utility agrees to eliminate disconnection and reconnection fees after resumption of disconnection until a Commission order in the rulemaking described in Section XII, or November 15, 2021, whichever is earlier.

¹ The advocates consider the basic program described in [this article](#) to serve as a model. Avista's pilot AMP is another example.

IV. Deposit requirements. (*Joint Utility Proposal Item 6*) During the disconnection moratorium, each utility agrees to eliminate security deposits for residential and small business customers and direct utilities to return existing security deposits to customers who have a deposit held longer than 6 months. In addition, the utility agrees to eliminate security deposits after resumption of disconnection until a Commission order in the rulemaking described in Section XII, or November 15, 2021, whichever is earlier.

V. Affordability, payment plans, and arrearage management. Customer bills ultimately should be affordable and disconnections should be avoided in the immediate wake of this crisis. A variety of measures are needed to address the different needs of customers.

1. **Debt Relief.** (*New Proposal*) During the disconnection moratorium plus 180 days after the moratorium is lifted, debt relief should be provided for certain low-income households with outstanding account balances. Debt relief programs can be applied concurrently with bill assistance, and debt relief grants will be a maximum of \$2,500 per household. Debt relief should be provided in the following amounts for the following household income levels, up to the maximum allowable grant:
 - a. 100 percent of arrearages for households earning up to 30 percent of Area Median Income (AMI).
 - b. A portion of arrearages for households earning 31 to 80 percent of AMI, or to any household expressing need. Program design, as it pertains to debt relief based on income qualifications, will be made in consultation with the low-income advisory groups and local community action agencies.
2. **Development and implementation of Arrearage Management Plans (AMPs).** (*Joint Utility Proposal Item 13*) By April 30, 2021, utilities must develop and implement AMPs that include debt relief. At a minimum, households making up to 80 percent of AMI or 200 percent of federal poverty level (FPL), whichever is greater, must be eligible for an AMP.
3. **Long-term payment agreements.** (*Joint Utility Proposal Item 5*) Each utility agrees to offer payment arrangements for up to 24 months during the disconnection moratorium, plus 180 days after the disconnection moratorium is lifted. Payment plans will be offered to customers who do not income qualify for Arrearage Management Plans.
 - a. Missing up to two consecutive payments will not constitute default on the payment plan.
 - b. Customers may renegotiate the payment plan at any time based on a change of financial circumstances.
 - c. The plans must be tailored to a customer's circumstances.
 - d. Financial hardship may be verbally expressed and does not require documentation.
 - e. The utility must disclose to customers seeking long term payment arrangements all of the programs available to address arrearages, including bill assistance.

- f. For residential customers who do not qualify for low-income bill assistance, down payments are capped at 7 percent.
4. **Bill assistance.** (*Joint Proposal Item 10*) In consultation with low-income advisory groups and community action agencies responsible for administering funds, utilities agree to modify existing bill assistance programs to reduce energy burden, expand eligibility, and increase enrollment by implementing the following:
 - a. Utilities agree to plan their existing program budgets based on doubling the number of households served, using 2019 program data, or based on 1 percent of Washington retail revenues, and would not increase this amount without prior Commission approval. Bill assistance funding increases will be allocated to existing programs (PSE HELP, Avista LIRAP, PacifiCorp LIBA, NWN GREAT, CNG WEA) or to “hardship grant” programs comparable to the existing Avista and CNG programs.
 - b. Increase eligibility to include customers earning up to 200 percent of the FPL.
 - c. Increase maximum award amounts to \$2500 per household annually.
 - d. Consider implementing a Percentage of Income Payment Program (PIPP).
 - e. These modifications do not end when the disconnection moratorium is lifted and would remain in place through September 30, 2022.
5. **Reduce barriers to access.** (*New Proposal*) For each of the items listed in Section V, the utilities will take steps to eliminate administrative obstacles for customer enrollment, including minimizing eligibility documentation requirements, allowing self-certification, auto-enrollment, multi-year qualification, providing remote enrollment opportunities, translation, and language access.
6. **Maintaining service connection.** (*New Proposal*) Each utility agrees that a customer applying for debt relief, an AMP, a long-term payment plan, bill assistance, or medical certificate protection will not be disconnected from service.

VI. Reconnection of disconnected customers. (*Joint Utility Proposal Item 7*) Utilities must contact customers who were disconnected between January 1, 2020 and April 17, 2020,² who have not been reconnected.

1. The utility will reconnect customers unless reconnection will compromise safe operations, the utility has proof that the customer committed theft or tampering, the customer explicitly requests disconnection, or the premises is vacant or unoccupied.
2. Prior obligation protections under WAC 480-90-123 and WAC 480-100-123 are not waived for these customers.
3. The utilities must offer payment plans or other applicable assistance programs to these customers.

² Wash. Exec. Order No. 20-23.2 (April 17, 2020) (“Ratepayer Assistance and Preservation of Essential Services”) Proclamation 20-23.2 prohibited disconnections and assessment of late fees. Prior to that, the Proclamations strongly encouraged utilities to adopt procedures such as not disconnecting for nonpayment. <https://www.governor.wa.gov/sites/default/files/proclamations/20-23.2%20-%20COVID-19%20Ratepayer%20Assistance.pdf>

4. If the utility disconnected customers after April 17, 2020 for nonpayment, the utility must reconnect those customers.

VII. Credit reporting. (*Joint Utility Proposal Item 8*) The utilities should continue their practice of not reporting active accounts to credit bureaus and reporting agencies.

1. Prior obligation customers who have current accounts from March 2020 forward should not be reported to collection agencies, credit bureaus, or reporting agencies.
2. Each utility agrees to that any collection agencies used by the utility will be directed not to report non-payments to credit bureaus or reporting agencies.

VIII. Data (*Joint Utility Proposal Item 9, Exhibit 1*) For the data in Exhibit 1, the utilities will provide baseline data from 2019. To the extent the data is unavailable for 2019, the utility must explain why. For data from March 2020 onward, the data must be provided monthly by zip code, and where possible by 9-digit zip code. The first report is due 15 days after a Commission order in this proceeding.

IX. Communication (*Joint Utility Proposal Item 3*)

1. The utilities must communicate the following to their customers:
 - a. The terms and specific protections contained the Stipulation and the Commission's Order, including the items included in Section I.5.
 - b. Customers are responsible for paying the charges for the energy used, but may be eligible for debt relief, bill assistance, arrearage management programs, and payment plans.
 - c. If customers are having trouble paying their bills, they should contact their utility as soon as possible regardless of whether they think they are eligible for bill assistance.
 - d. If customers were disconnected prior to the disconnection moratorium and have not yet been reconnected, the utility will reconnect them to their service.
2. Utilities will provide the information in all languages, verbal and written, used by at least xx% of the population in any county within their service territory such that it is accessible to customers who do not speak English as their primary language and who do not have email or access to the internet.
3. Communication with customers should 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.
4. Utilities will develop a communication plan in consultation with low-income advisory groups and community-based organizations. Utilities will provide funding and resources related to participation by community-based organizations. The communication plans will take into consideration race, indigenous communities, language, ability, income, and gender as consistent with the utility's service territory.

X. Cost Tracking and Recovery (*Joint Utility Proposal Items 11 and 12*)

1. Utilities will track direct costs and savings for reasonable measures taken by the utility in response to the COVID-19 Pandemic. These costs must be evaluated for prudence in a

future UTC proceeding and must be net of any federal, state or local assistance; shareholder and executive pay contributions; credits; offsets; or benefits.

- a. The utility must enumerate its efforts to reduce costs and generate savings.
2. Utilities will not seek recovery of waived or foregone deposits, late fees, disconnection, or reconnection fees.
3. Bad debt exceeding the level allowed in the utility's last rate case may be deferred for later recovery and prudence review.
4. Utilities will track costs related to bill assistance, arrearage management efforts, and other pandemic-related programs.
 - a. For utilities to recover the costs related to bill assistance, arrearage management efforts, and other pandemic-related programs, the following metrics must be met, and the Commission will consider any shortfall in these metric goals proportionally in determining cost recovery:
 - i. Utilities will reduce their arrearages by **xx**% over 2019 levels.
 - ii. Utility should have 90% of its customers in arrears on a plan or receiving benefits
 - iii. The utility will have no more than **xx**% of customers with 60-day or more past due balances.

XI. Shareholder contribution and executive pay issues related to pandemic response. (*New Proposal*) Utilities agree that the costs related to the ongoing crisis should not only be borne by ratepayers.

1. Executive pay. Executives and other utility employees whose income is in the top 1 percent of income in the utility's service territory will receive a 20 percent reduction in total compensation for the duration of the disconnection moratorium plus 180 days.
2. Shareholder costs. After contributions have been netted out of the COVID-related costs - executive pay; any benefits, credits and offsets; and federal, state and local contributions - shareholders will pay 20 percent of remaining COVID-related costs.

XII. Disconnection and Consumer Protection Review. The stakeholders agree that the UTC should open a CR 101 (preproposal statement of inquiry) rulemaking docket within 60 days of an order in this docket to investigate potential long-term changes and improvements to the Commission's credit and collections rules based on the experience and data from the pandemic, with particular attention to the experience of those with limited English proficiency and customers of color. The docket will include investigation of whether disconnections for nonpayment, late fees, disconnection and reconnection fees, and deposits should be eliminated on a permanent basis. Parties agree to support a rulemaking schedule that would result in a Commission order by November 15, 2021.

Exhibit 1: Data

1. General
 - a. The number of customers, by customer class; and
 - b. The retail load by customer class.

2. Disconnections
 - a. The number of customers, by customer class, disconnected each month during the period;
 - b. The number of customers, by customer class, receiving disconnection notices each month during the period;
 - c. The number of customers, by customer class, who would have been disconnected each month for non-payment but for the moratorium; and
 - d. The number and type of communication prior to disconnection, as well as the number of customers who requested language assistance or material in another language.

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
 - b. The number of customers, by customer class, who but for the moratorium, would have been 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 that would have been charged.

4. Long-term Payment Agreement, Arrearage Management Plans (AMPs), and debt relief
 - 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;
 - 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. The number of customers, by customer class, enrolled in an AMP, renegotiating an AMP, and completing an AMP;
 - f. The number of customers, by customer class, who received debt relief and had earnings up to 30 percent of AMI, 31 to 50 percent of AMI, and 51 to 80 percent of AMI;
 - g. The number of customers who applied but were denied for long-term payment agreements, an AMP, or debt relief; and
 - h. The number of customers informed about long-term payment agreements, AMPs, and debt relief, and the number of those who requested language assistance or material in another language.

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;
- d. The number of customers renegotiating medical payment arrangements plans each month during the period; and
- e. The number of customers requested medical payment arrangements who were denied.

6. Deposits

- a. The number of by 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;
- e. The number of customers for whom deposits were waived based on the moratorium and for whom deposits were not waived; and
- f. The total amount of deposits waived by customer class.

7. Grant-based Bill Assistance

- a. Number of customers contacting the utility for assistance paying bills and quantification of those efforts;
- b. Number of customers by customer class who are receiving bill assistance or enrolled in any other assistance program;
- c. Number of customers who applied for bill assistance but were denied; and
- d. Number of customers informed about bill assistance.

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 average amount of arrearages by customer class;
- e. The amount of past-due balances classified as uncollectible;
- f. If different than item 3, the amount of past-due balances written off and classified as bad debt; and
- g. 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.