



Puget Sound Energy  
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PSE.com

April 30, 2021

**Filed via WUTC Web Portal**

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

Received  
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State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

**Re: U-200281 Update on COVID-19 Related Efforts**

Dear Mr. Johnson,

Puget Sound Energy (“PSE”) appreciates the opportunity to update the Commission and stakeholders on the status of its COVID-19 Debt Relief Program; communications and outreach actions for customers with past due balances and communications regarding the availability of energy assistance and the resumption of disconnections; current customer COVID-19 data as specified in Order 01; progress on the development of Arrearage Management Plans or Percentage of Payment Plans; including whether each utility intends to implement such plans; and plans to resume credit and collection processes, including efforts to develop customer notices.

**COVID-19 Debt Relief Programs** (*including number of customers served, remaining fund availability, and projected needs*)

PSE filed an update on February 26, 2021 to revise PSE’s Schedule 129 Crisis Affected Customer Assistance Program (“CACAP”) as required by Order 01 in Docket U-200281 to provide additional bill payment assistance to customers who are impacted by the on-going COVID-19 pandemic. Consistent with the Additional Funding for Customer Programs established in Paragraph 18 of Order 01 of Docket U-200281, the CACAP benefits available exclusively to PSE electric customers are targeted at \$20 million and the CACAP benefits available exclusively to PSE natural gas customers are targeted at \$7.7 million. The benefits became available on April 13, 2021.

PSE’s revised CACAP program is an arrearage management program that pays eligible customers’ arrearage up to \$2,500 in a program year. It is available to current PSE residential customers who meet these criteria:

1. A past due balance on their PSE residential electric and/or gas service account and
2. Household income at or below 200% of the Federal Poverty Level guidelines, in the month prior to application.

*Automatic Awards*

A total of \$8.7M in CACAP awards were granted automatically to nearly 7,500 residential customers that (1) have a past due balance greater than 60 days old and (2) are known to be income eligible because they received bill assistance in the prior program year plus current year (i.e., PSE HELP, LIHEAP, Warm Home Fund, or CACAP). Each of these customers received up to \$2,500 to pay-off their past-due balance. PSE has notified these customers to let them know that PSE has paid off their balance.

*Manual Applications and Projected Need*

Customers can apply for CACAP through PSE’s on-line Energy Portal available through pse.com, mobile app or by requesting a paper application from PSE Customer Care. This customer group includes 39,250 customers that may meet program eligibility criteria based on estimated third party income data and current past-due balances totaling \$17.8M (\$13.7M electric, \$1.5M gas, and \$2.6M electric & gas).

<b>PSE Low Income Energy Assistance Program</b>	Total Auto Apps Created	Customers Served	Gas \$\$\$ Spent	Electric \$\$\$ Spent	Gas \$\$\$ Remaining	Electric \$\$\$ Remaining	Average Posted
CACAP2 Assistance	7437	3690	\$ 864,751	\$ 3,671,417	\$ 6,835,249	\$ 16,328,583	\$ 1,229
PSE HELP	N/A	20022	\$ 1,354,231	\$ 8,129,308	\$ 4,671,243	\$ 13,323,390	\$ 474
LIHEAP	N/A	24228	\$ 1,593,667	\$ 7,854,856	N/A	N/A	\$ 390
<b>TOTAL</b>	<b>7437</b>	<b>47940</b>	<b>\$ 3,812,649</b>	<b>\$ 19,655,581</b>	<b>\$ 11,506,492</b>	<b>\$ 29,651,973</b>	<b>\$ 490</b>
<b>WARM HOME FUND TOTAL DOLLARS SPENT SINCE 1/1/2021:</b>				<b>\$ 629,006</b>			

In order to streamline application processes, if the customer is income qualified, a subsequent PSE HELP application will also be created, and vice versa; if the customer is approved for PSE HELP, a CACAP application will be created. This will maximize the assistance that a customer can receive without the extra burden of them applying multiple times. Customers can re-apply for and receive CACAP assistance if they meet eligibility criteria and have not hit the \$2,500 cap within the program year.

**Communication and outreach actions**

PSE has created a comprehensive communications and outreach plan to reach out to customers with past due balances regarding the availability of energy assistance and the resumption of disconnections. PSE has launched an advertising and public relations campaign that reaches two audience segments:

1. All of PSE’s service territory, including stakeholders and local elected officials for broad awareness (referred to as “Securing the trust”); and
2. Specific customer segments most likely to benefit from the assistance (referred to as “Serving the need”)

The plan continues to focus on generating broad awareness of PSE’s efforts to help its customers during the COVID-19 pandemic across PSE’s service territory, with primary goals of being a proactive community partner in getting customers back on track with their energy bills and

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providing customers who need support with their energy bills the information they need to get assistance.

PSE is using a broad array of communications and outreach tactics, including paid social media ads, digital banner ads, NPR sponsorship, and media partnerships with KOMO (English) and KUNS (Spanish). The June issue of “The Voice” (a monthly publication sent to our customers by mail or email depending on their preference,) is dedicated to education and awareness about PSE’s assistance programs, as well as the end of the disconnect moratorium, and it reaches an audience of 1.45 million customers. Email marketing campaigns continue, as well as updates to the website and app, in-language videos on social media, and digital banner ads that target audiences by zip code. Additionally, PSE can segment messages by a variety of languages, including Spanish. PSE will have radio sponsorships run across 20+ radio stations in the Puget Sound region, and ads will run adjacent to weather and traffic reports in English and Spanish. Broadcast radio reaches a broader audience and these ads will run from May through July.

In addition to the Spanish channels where PSE is advertising, PSE will purchase ad space in the following publications, including the Seattle Chinese Post, NW Asian Weekly, The Seattle Medium, The Facts, South Seattle Emerald, Converge Media and Tulalip News.

In addition to the marketing and outreach efforts described above, PSE staff will engage directly in the community through:

- Presentations at virtual events and meetings, including city and county council meetings with an emphasis on cities where PSE provides natural gas; and
- Partnership toolkit distribution to existing and new community partners, elected officials, government agencies, and other community validators.

In order to reach our target audiences of customers that qualify for CACAP 2, PSE will engage the following individuals and organizations to circulate program information to drive applicant numbers:

- Local elected officials
- Government agency communications staff, including public health, Office of Economic Development, transportation, etc.
- Other utilities
- Other organizations providing COVID assistance
- Fire, police, and emergency management public information officers (PIOs)
- Community organizations
- Tribal leaders and Tribal personnel

To ensure PSE is reaching “in need” communities, PSE will engage with community non-profits throughout its service territory to communicate energy assistance information to their clients, targeting areas with the highest concentration of income qualified and language challenged

customers. PSE will be providing written communications to these agencies in English, Spanish, Hindi, Mandarin and Vietnamese to distribute to their clients who may need assistance.

A copy of PSE's Marketing Communications Plan is also attached as Appendix A.

### **Overview of current customer COVID-19 data as specified in Order 01**

As of March 31, 2021 PSE has \$101.9 million in total arrearages which is 38% higher than March 2020 (\$73.6 million) and 55% higher than March 2019 (\$65.7 million). The increase in total arrearages continues to be driven by growing past due balances and not by an increase in the number of customers past due. Average past due balances are now \$537, which is 70% higher than March 2020 (\$315) and 92.5% higher than March 2019 (\$279). On the other hand, the number of customers past due as of March 31, 2021 is 189,600 which is actually 19% lower than both March 2020 (233,000) and March 2019 (235,000).

The COVID-19 data specified in Order 01 covering the period January 31, 2021- March 31, 2021 is contained in a separate compliance filing also submitted April 30, 2021.

### **Development of Arrearage Management Plans or Percentage of Payment Plans**

As indicated in PSE's written comments submitted on February 26, 2021, PSE examined arrearage management plans (AMPs) or debt forgiveness plans and Percentage of Income Plans (PIPPs) currently available throughout the country and consulted with its Low-Income Advisory Committee (LIAC) on these programs. PSE will develop a pilot for an AMP in early 2022 to better understand and develop a program design. PSE will be working with its LIAC to create the program, including determining customer eligibility requirements, structure of arrearage forgiveness, determine what technology changes will required to facilitate changes to its billing system, application of credits, and resources required to manage the program.

This program may align with existing programs and any reduced rate programs for seniors and low income eligible customers developed in the future consistent with direction provided in recent legislation, SB 5295. We will analyze developing one or more low-income rates for the next GRC and will consider PIPPs alongside other rate designs. PSE is giving an update on the AMP and plans for future actions at its next LIAC meeting on May 11th.

CACAP is meeting the current need as an arrearage program, providing debt relief for income qualified customers with a past due balance. The current CACAP program will run through September 30<sup>th</sup>, 2022. PSE is hopeful that its customers and communities will be on the path to recovery from the COVID-19 pandemic by the time CACAP ends in late 2022.

## **Plans to resume credit and collection processes**

### *Pre-Awareness: June 1st - July 31st*

1. June 1- The Voice which will serve as the 30-day notice will go out to all customers so they have awareness of PSE's upcoming collections and disconnection processes resuming.
2. June 1- Customers will see a message on their actual bill in the informational bubble with a reminder that the moratorium will be lifted as of 7/31.
3. June 15th- Customers in the dunning process will begin to receive the revised Urgent Notice, Final notice, if appropriate, and PSE field staff will begin dropping an 'interim' door hanger shortly thereafter.

PSE will be utilizing a combination of manual and remote disconnects depending on the type of meter a customer has and whether they have been identified as low income or have an existing medical emergency, as described below. All notices and actions taken by the company will comply with WAC 480-90-128 and WAC 480-100-128. If the customer has been identified as low income or has a medical certification, regardless of meter type, PSE will have a Customer Field Representative (CFR) visit the premise and attempt to make contact with the customer. The CFR may take a payment at the door and/or provide further detailed information, as needed. They may leave a 24-hour notice, providing information on how to obtain assistance, make a payment or make payment arrangements to avoid disconnection. Service will not be disconnected for any customer who has agreed to and maintains agreed-upon payment arrangements, has applied for energy assistance, or has a documented medical certificate.

As of April 30, 2021, PSE has approximately 125,000 customers in active dunning. Disconnection is a last resort, and PSE is actively engaged in getting assistance to its customers to keep them connected. Customers do need to take action to avoid disconnection. PSE is considering a number of data and factors to prioritize which customers may enter the first few rounds of dunning. It is important as PSE restarts this process that it carefully analyze the impacts to customers, the call center and the field workforce to ensure PSE is able to meet the demand and provide required services. This prioritization will allow for as much time as possible for customers to either make a payment, make payment arrangements for up to 18 months and/or apply for energy assistance if they are income eligible.

PSE strongly prefers to assist its customers with past due balances through energy assistance programs and extended payment plans and avoid disconnection whenever possible. It is important to emphasize that disconnections for nonpayment are a last resort and not a tool PSE employs lightly. When a disconnection for nonpayment does occur, PSE provides options for customers to be reconnected quickly through its website, mobile app, and by telephone. For residential customers, once disconnection occurs, the past due account is closed and the balance owed moves to a "prior obligation." Once the customer is reconnected, they start service with a new account without payment of a deposit or a reconnection fee, if that action occurs within 180 days of the disconnection moratorium being lifted.

Meanwhile, PSE is streamlining the reconnection process in alignment with the requirement to suspend reconnection fees and deposits within 180 days of the disconnection moratorium being

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lifted. PSE is temporarily eliminating reconnection fees and deposits on our website and app, which removes four steps from the reconnection process (fee description, payment options, make payment, and payment confirmation). Similarly, we are streamlining reconnection requests when a customer calls PSE's telephone interactive voice response (IVR) system and/or PSE Customer Care by temporarily allowing customers to reconnect service with no reconnection fee or deposit required.

### **Customer Notices**

PSE's urgent and final notices have been significantly revised to ensure customers are receiving the information that they need to avoid disconnection. These revisions are the result of collaboration with the Low-Income Advisory Committee and input received at the open meeting on April 7<sup>th</sup>. PSE also will be using an informational door hanger that will be left at the premise, which also raises awareness of actions customers can take to keep their service connected. The updated notices and a copy of "The Voice" are provided in Appendix B.

### **Conclusion**

PSE is committed to making the process as easy as it can be for its customers - with a goal of minimizing service interruptions as much as possible. We believe that our communications and engagement efforts as outlined in this update will allow us to reach as many customers as we can to keep them informed about what actions they can take to manage their past due balances. The additional COVID-19 bill assistance dollars provided through CACAP, coupled with PSE's existing assistance programs, should provide PSE with the resources it needs to reach a substantial number of its customers that have suffered economic hardship due to the effects of the pandemic. It is PSE's sincere hope that the strategies and tools described above will be effective in helping these customers.

If you have any questions about the information contained in this filing, please contact Carol Wallace at 425-424-7351. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

*/s/ Jon Piliaris*

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Attachments:

Appendix A

Appendix B