

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

Response to the COVID-19 Pandemic

DOCKET U-200281

**SUPPLEMENTAL COMMENTS OF
THE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

May 6, 2021

I. INTRODUCTION

1. The Public Counsel Unit of the Washington State Attorney General’s Office (“Public Counsel”) filed comments in the above-referenced docket on April 30, 2021 pursuant to the Utilities and Transportation Commission’s (“Commission”) Notice of Opportunity to file Written Comments dated March 31, 2021. Public Counsel noted that we may file supplemental comments based on updated information from the Utilities.¹ Public Counsel offers these supplemental comments.

II. ARREARAGE DATA CONTINUES TO SHOW THAT THE 90-PLUS DAY ARREARAGES ARE THE LARGEST ISSUE

2. The Utilities filed 2021, Quarter 1 information in the docket, which continues to show that customers with 90-plus day arrearages continue to struggle during the pandemic. At some point before the Open Meeting, Public Counsel anticipates that the Utilities will file arrearage information for April, but that information is not yet available from all Utilities. As a result, Public Counsel compared the year-over-year data for March 2019, 2020, and 2021, as shown in Table 1, below.

Table 1: Year-Over-Year Arrearage Data (90-Plus Day Arrearage)

		March 2019	March 2020	2019-20 Percent Increase	March 2021	2020-21 Percent Increase
Avista	Total Arrearages	\$5,332,699.64	\$5,641,851.04	5.80%	\$10,670,984.30	89.14%
	90+ Day Arrearages	\$1,041,721.52	\$1,051,589.92	0.95%	\$7,727,545.69	634.84%
Cascade Natural Gas	Total Arrearages	\$3,497,098.51	\$3,377,895.18	-3.41%	\$4,545,207.72	34.56%
	90+ Day Arrearages	\$743,356.75	\$878,445.81	18.17%	\$1,455,527.15	65.69%
Northwest Natural Gas	Total Arrearages	\$874,082.00	\$921,159.91	5.39%	\$1,843,859.58	100.17%
	90+ Day Arrearages	\$32,910.08	\$44,647.44	35.66%	\$620,310.08	1289.35%
Pacific Power	Total Arrearages	\$4,806,693.17	\$5,814,961.76	20.98%	\$10,227,742.19	75.89%
	90+ Day Arrearages	\$631,492.86	\$925,716.92	46.59%	\$5,015,520.06	441.80%
Puget Sound Energy	Total Arrearages	\$49,000,949.52	\$51,576,224.86	5.26%	\$49,645,865.15	-3.74%
	90+ Day Arrearages	\$6,033,040.32	\$8,513,483.03	41.11%	\$29,816,926.77	250.23%

¹ “Utilities” refers collectively to Puget Sound Energy, Avista Utilities, Pacific Power and Light, Cascade Natural Gas, and NW Natural Gas.

3. *Analysis:* This table describes a year-over-year trend for 2019 to 2021, encapsulating arrearage data for the months of March before the crisis, at the beginning of the crisis, and at the current status. As is clear, the biggest area of concern is the explosion of arrearages for customers with past due bills of 90 or more days between March 2020 and March 2021. The customers who were struggling before and at the beginning of the pandemic are hurting even more severely today. Utility efforts should be focused on these customers, and the Commission should endeavor to protect these most vulnerable customers through its policy actions.

4. Until the 90-plus day arrearages are adequately addressed, these customers face the real risk of being disconnected if the Commission lifts the disconnection moratorium. Moreover, allowing the Utilities to begin collection activities ahead of lifting the moratorium will unnecessarily confuse and stress household that are already bearing the burden of the pandemic.

5. In Public Counsel’s April 30, 2021 Comments, we presented charts comparing Avista and Pacific Power’s 90-day past due balances. Those charts illustrated the dramatic increase in the balances. Below, Figures 1 and 2 shows data from Pacific Power, which reflects January through March 2021, for 30-day and 90-day past due balances.

Figure 1

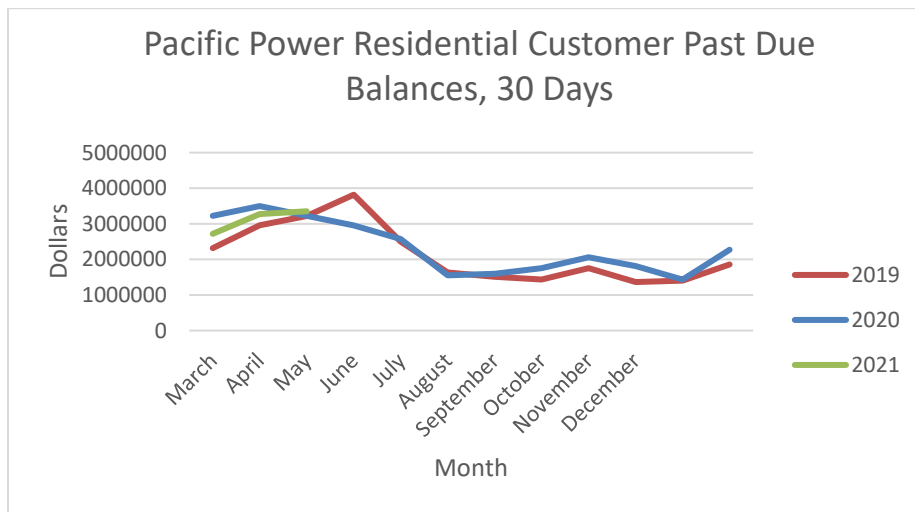
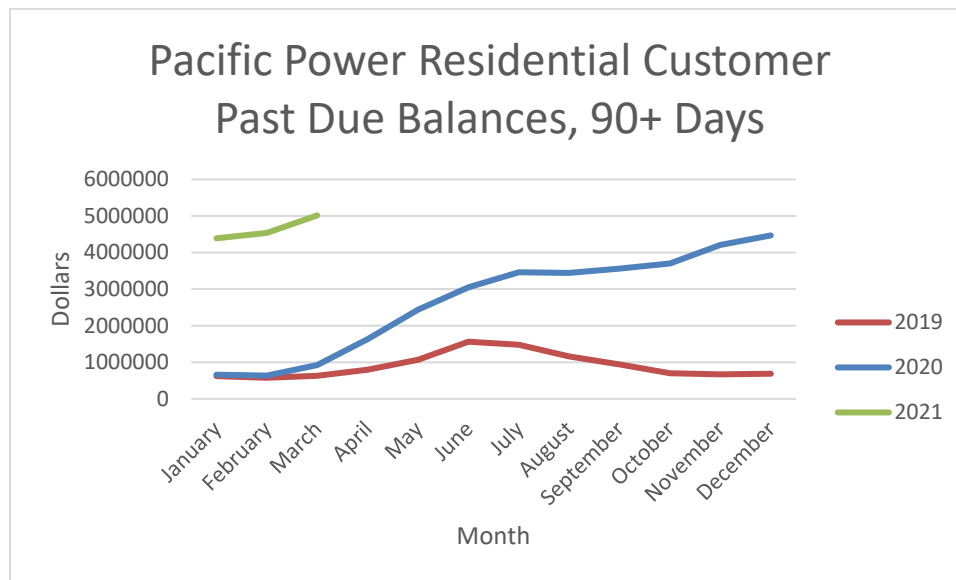


Figure 2



6. *Analysis:* The updated data from the first quarter of 2021 shows the same patterns that were evident earlier. As the data has consistently shown, overall arrearages and 30- to 60-day arrearages have remained relatively stable, despite the crisis. However, the 90-day arrearages have continued to rapidly rise. It is critical to monitor the arrearages for these customers and prioritize efforts to reach these customers with debt relief.

III. EARLY INDICATIONS OF IMPACT OF NEW ASSISTANCE PROGRAMS

7. As Public Counsel mentioned in our April 30, 2021, Comments, newly implemented assistance programs have not had an opportunity to reach vulnerable customers and materially address past-due balances. Cascade Natural Gas has filed information about their program in this docket, and Public Counsel has reviewed that data. Below, Table 2 shows a comparison of arrearage data from March 2021 and April 2021.

Table 2: Cascade Arrearage Data, March 2021 and April 2021

	March 2021	April 2021	Percent Change
Total Arrearages	\$4,553,383.64	\$3,865,782.89	-15.10%
90+ Day Arrearages	\$1,455,527.15	\$1,941,425.95	33.38%

8. *Analysis:* Table 2 shows the difference in arrearages among Cascade’s customers before and after the initial implementation of Cascade’s COVID debt relief programs, which were recently approved by the Commission. While the program has had an overall impact month to month, arrearages actually grew among the most vulnerable customers by over one-third. This is a disturbing trend and more time must be allowed for outreach and Utilities to reduce arrearages among the most vulnerable and hardest hit customers.

9. Arrearage numbers are not static, but they continue to increase until struggling customers receive relief. These customers have accrued arrearages throughout the pandemic because their income evaporated or was severely reduced. The money simply was not available. Until their COVID arrearages are wiped clean, these customers will remain under water and vulnerable to disconnection.

IV. ARREARAGE, INCOME, AND ZIP CODE MAP ANALYSIS

10. In Public Counsel’s April 30, 2021, Comments, we presented an analysis of Puget Sound Energy’s service territory and data related to income and arrearages on a zip code level. Public Counsel has completed its analysis of the remaining utilities and updated its analysis of Puget Sound Energy’s service territory to encapsulate data through March 2021. Below are the resulting maps, showing each service territory’s zip code and associated median income and arrearage data. As in Public Counsel’s April 30, 2021, Comments, the median income data is shown on a yellow to green scale, with yellow depicting lower income and green depicting

higher income. Arrearages are depicted in blue circles, with larger circles representing higher arrearage amounts within the zip code.

11. Similar to the initial analysis presented in Public Counsel’s April 30, 2021, Comments, the Figures below show where arrearages are concentrated. The Utilities can use this data to identify where they should concentrate their outreach efforts, while also reaching all customers needing assistance. Utilities can identify where community partners with trusted relationships with vulnerable, disproportionately impacted, and marginalized communities would be most impactful, and work to forge partnerships to reach those communities.
12. When arrearages occur disproportionately in marginalized, impacted communities, decision-makers must ensure that their actions and policies do not perpetuate disproportionate impact. To that end, allowing utility disconnections and collection activities to resume before arrearages have been adequately addressed will disproportionately impact vulnerable communities. This result can easily be avoided by extending the moratorium to allow for prompt and adequate outreach to effectively distribute assistance dollars. Reaching these customers with the newly approved assistance programs will effectively wipe the slate clean and place customers in a good position to move forward.
13. As the Figures below illustrate, the highest total arrearages tend to be concentrated in specific geographic areas for each utility. That indicates that resumption of disconnections will impact communities differently, and that impact needs to factor in to any decision to lift the disconnection moratorium and resume collection activities.

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Figure 3
Avista Service Territory Median Income and Arrearages

Avista Residential Arrearages (Ending March 2021) and Median Incomes by Zip Code

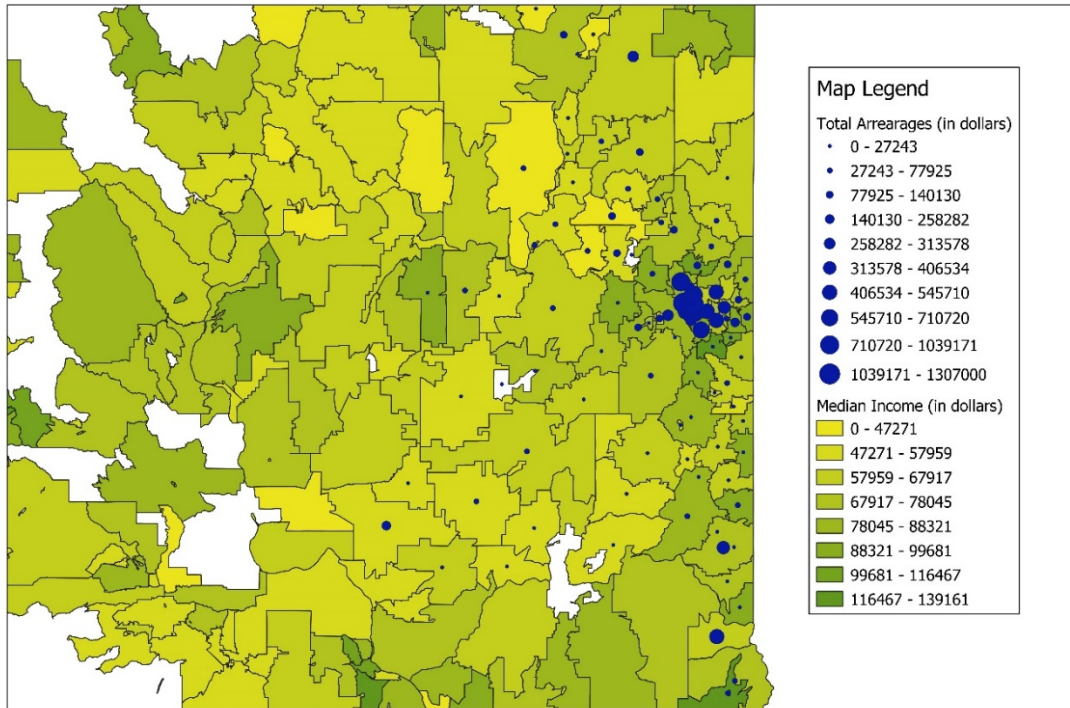


Figure 4
Avista Arrearages and Median Income – Spokane Area

Avista Residential Arrearages (Ending March 2021) and Median Income in the Spokane Area by Zip Code

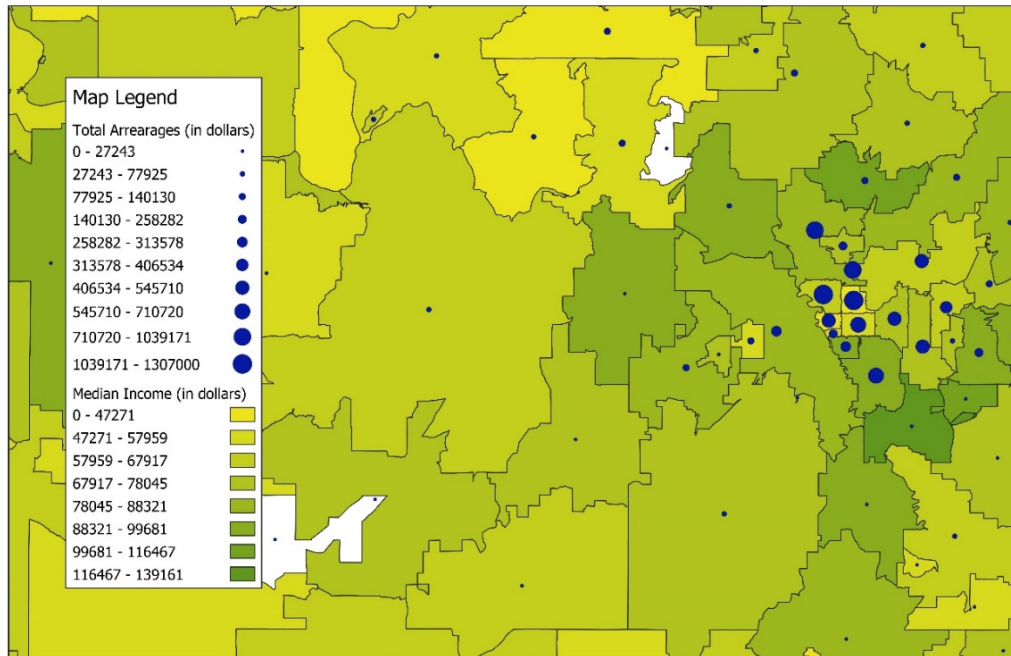


Figure 5
 Cascade Service Territory – Southeast Region – Median Income and Arrearages

Cascade Natural Gas Residential Arrearages (Ending March 2021) and Median Incomes by Zip Code in Southeast Washington

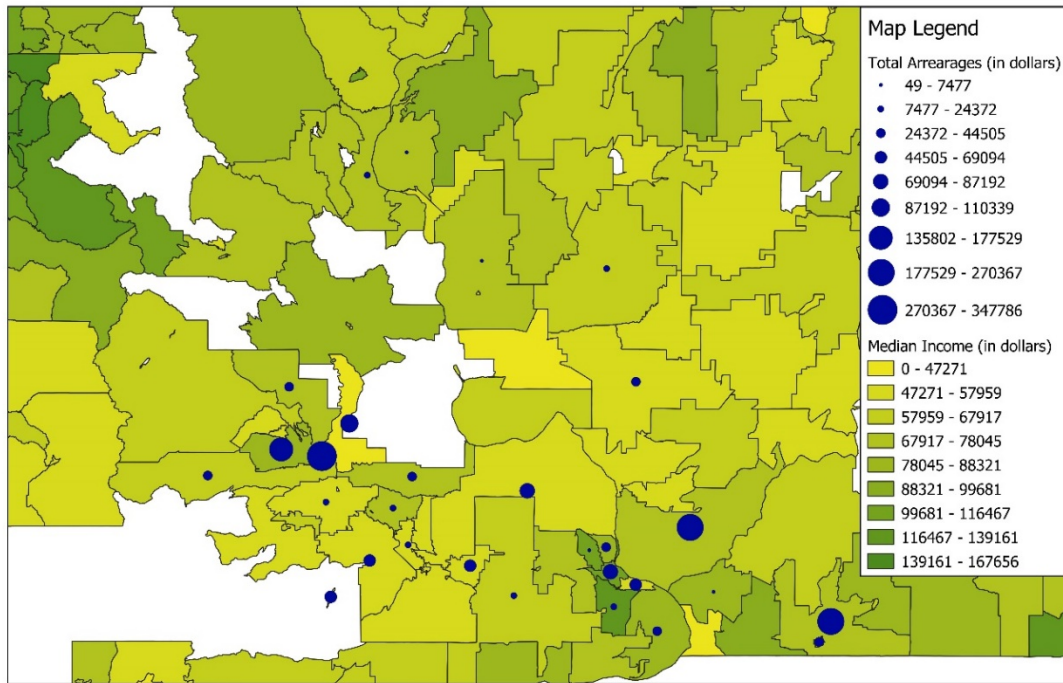


Figure 6
 Cascade Service Territory – Southwest Region – Median Income and Arrearages

Cascade Natural Gas Residential Arrearages (Ending March 2021) and Median Income by Zip Code in the Southwest Region

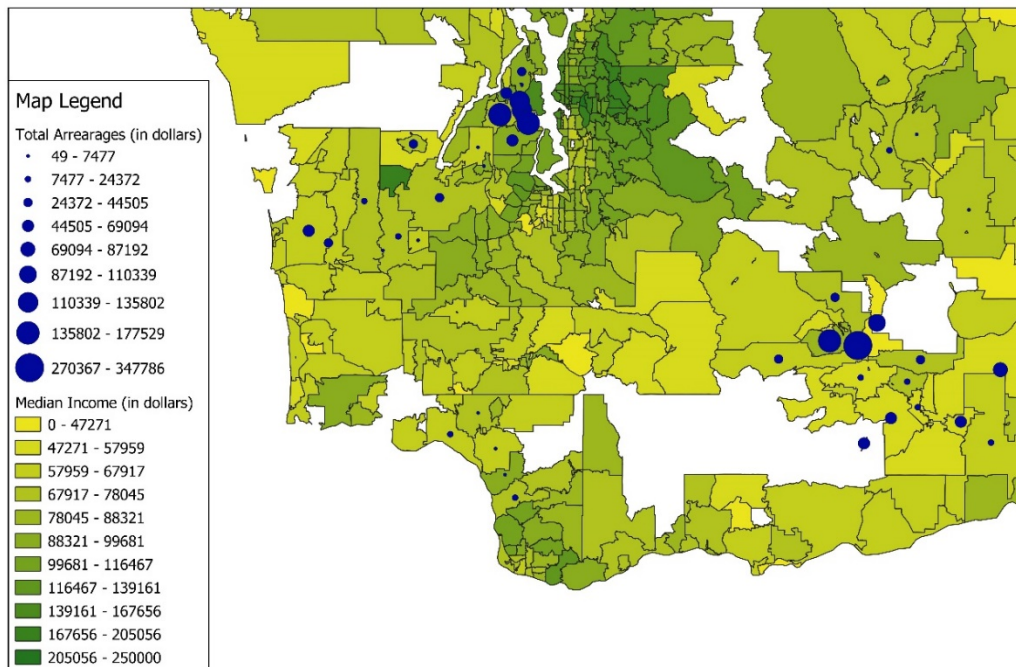


Figure 7
 Cascade Service Territory – Northwest Region – Median Income and Arrearages

Cascade Natural Gas Residential Arrearages (Ending March 2021) and Median Incomes by Zip Code in Northwest Region

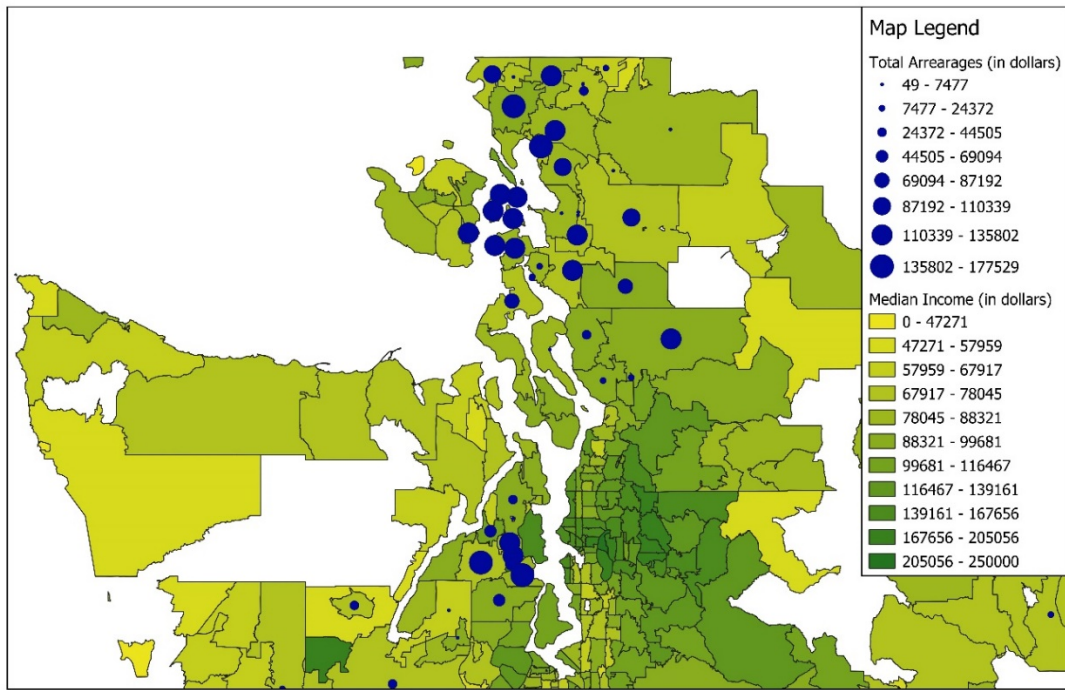


Figure 8
 NW Natural Gas Service Territory – Median Income and Arrearages

Northwest Natural Gas Company Residential Arrearages (Ending March 2021) and Median Income by Zip Code

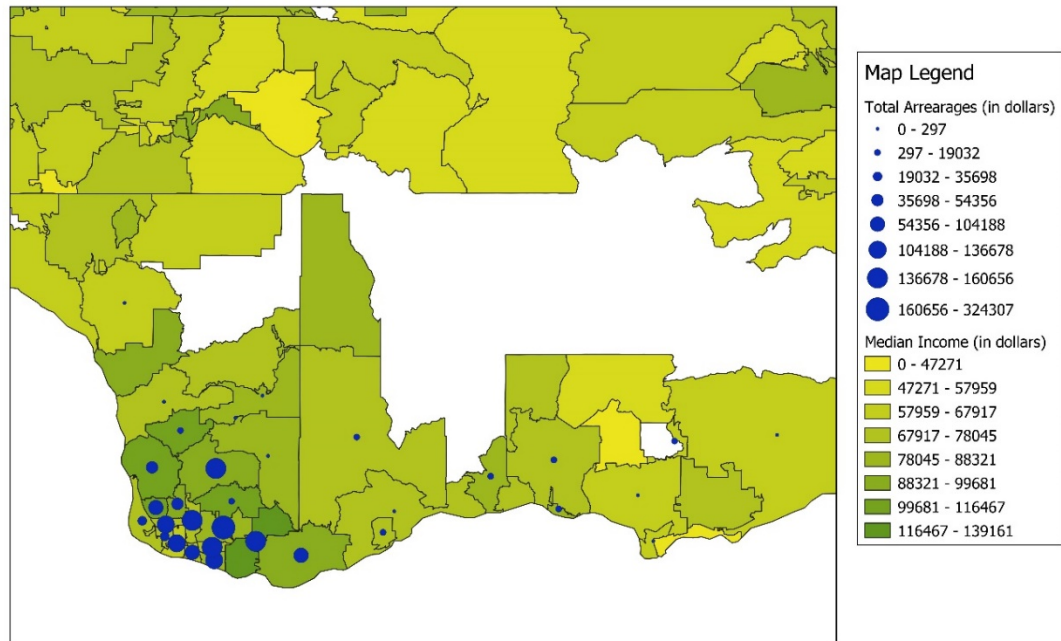


Figure 9
Pacific Power and Light Service Territory –Median Income and Arrearages

PacifiCorp Residential Arrearages (Ending March 2021) and Median Income by Zip Code

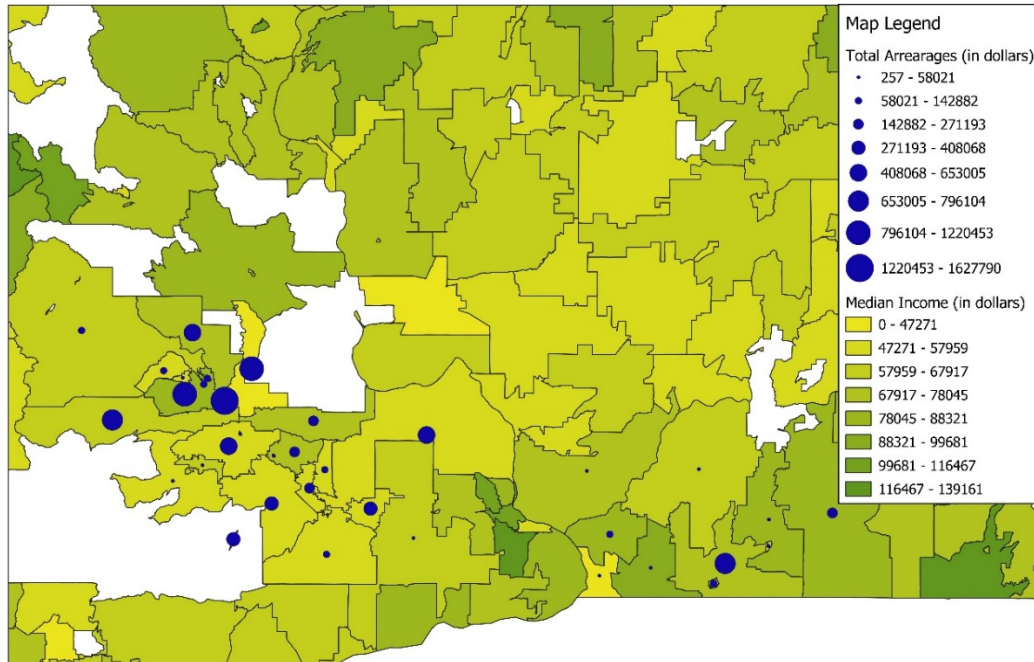


Figure 10
Puget Sound Energy Service Territory – Median Income and Arrearages

PSE Total Customer Arrearages (Ending March 2021) and Median Incomes by Zip Code

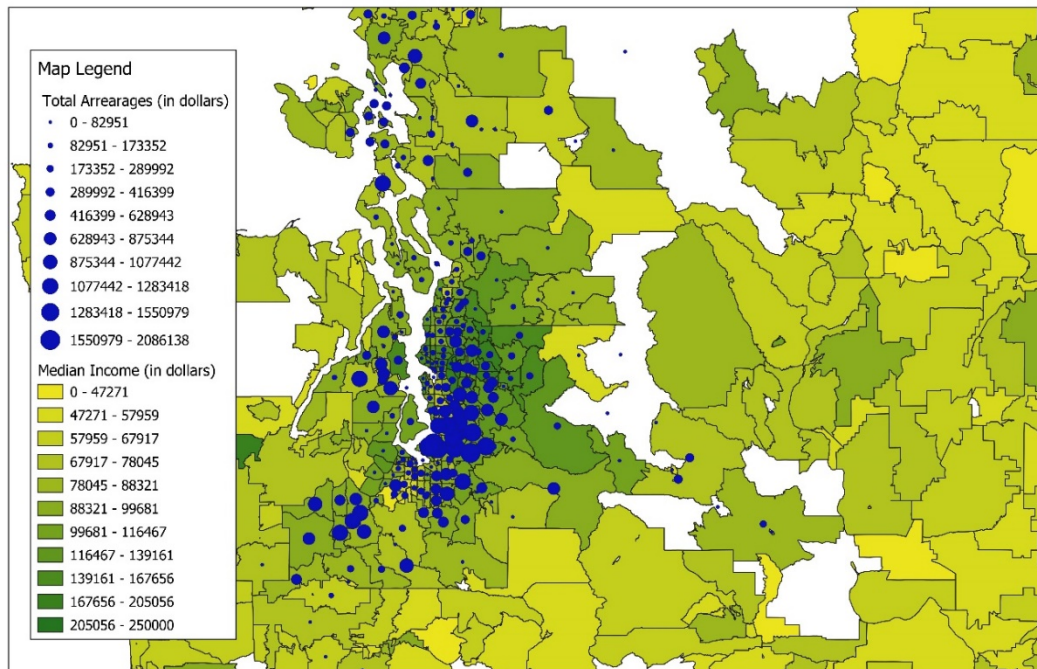
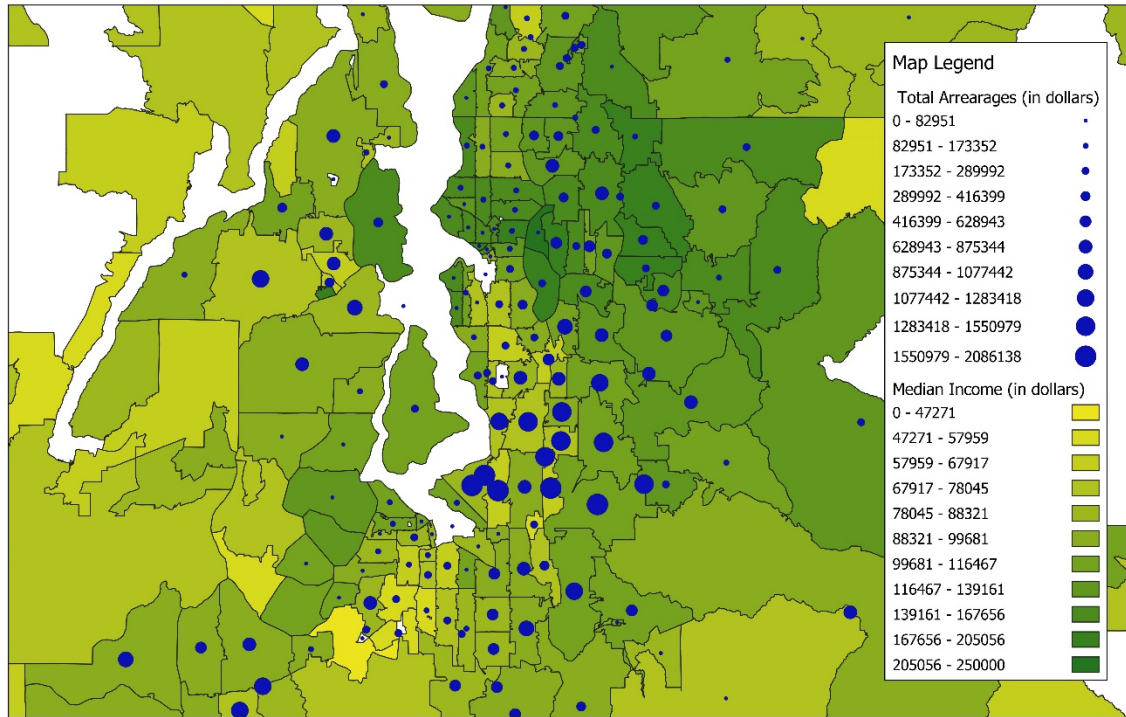


Figure 11
 Puget Sound Energy Service Territory – South King County – Median Income and Arrearages
 PSE Arrearages (Ending March 2021) and Median Income in South King County



V. CONCLUSION

14. Public Counsel appreciates the work being done in this docket. While we do see progress, more is needed to ensure that Washington’s most vulnerable households are not abandoned before the pandemic ends. If there are questions about the analysis presented in these comments, please contact Corey Dahl at corey.dahl@atg.wa.gov and (206) 464-6380. For all other questions, please contact Lisa W. Gafken at lisa.gafken@atg.wa.gov or (206) 464-6595.

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