BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Regulated Utility Response to the COVID-19 Pandemic	DOCKET U-200281 SUPPLEMENTAL COMMENTS OF THE ENERGY PROJECT

SUPPLEMENTAL COMMENTS OF THE ENERGY PROJECT

May 7, 2021

I. INTRODUCTION

1 The Energy Project (TEP) files these Supplemental Comments in response to the Notice of Opportunity to File Written Comments, served March 31, 2021.

2 Subsequent to or coincident with TEP's April 30, 2021, Comments, a significant amount of new information was filed by the utilities with the Commission, including: (1) arrearage and other data for first quarter 2021 updating the prior data filings required by Order 01; (2) responses to the Commission data request regarding the new COVID-19 bill assistance programs that were beginning to be offered in April; (3) utility responses to the Staff April 15 information requests regarding communications and outreach; and (4) utility comments responsive to the March 31 Notice. Accordingly, TEP files these supplemental comments, after review of the new information, prior to the Open Meeting.

3 These comments finalize TEP's recommendations regarding the moratorium and the resumption of collection activities, and describe the factors supporting these recommendations,

including updated arrearage analysis and zip code analysis for each company (Attachments A and B) and additional information regarding the "gap" in energy assistance provision.

4 The overarching issue before the Commission at this stage of the docket is not whether companies will ultimately recover arrearages. Millions of dollars of taxpayer and ratepayer funds are available for that purpose, with more on the way from the American Rescue Plan. Utilities have been authorized to defer bad debt for potential future collection. In addition, many customers are, or will be, paying their own arrearages. Utilities are not facing financial jeopardy and do not make that claim. The real issue is one of timing -- whether the transition back to resumption of collection and disconnection will be managed fairly and rationally so as to avoid harm and disruption to customers, especially low-income and vulnerable customers.

II. DISCUSSION

A. Overview and Summary Of Recommendations

5 The Energy Project's initial Comments deferred final recommendations regarding the disconnection moratorium and resumption of collection, pending review of the utility company data to be filed on April 30, 2021. We have now reviewed the first quarter 2021 data filings and updated our arrearage and zip code analyses, and reviewed the utility comments of April 30. The results confirm the earlier indicators and the preliminary conclusions discussed in our prior comments. Based on this analysis and review, TEP provides the following recommendations for the Commission's consideration:

- The moratorium on disconnections should be extended by at least 60 days, until September 30, 2021.

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- Collection activity should not resume until after the end of the moratorium, whatever date is established.[1]
- Energy assistance efforts should prioritize customers with arrearages in excess of 90 days overdue, and on zip codes with the most vulnerable populations.
- The Commission should direct companies without an Arrearage Management Program (AMP) to work with their low-income advisory groups to develop an AMP program that would be operational by October 1, 2022, for the 2022-2023 program year.

The factors supporting these recommendations are discussed below, including (1) updated data analysis, (2) the "gap" between the number of customers served by new COVID-19 relief programs and the total eligible customer population with arrearages; (3) the status of outreach and federal funding; and (4) problems with resumption of collection activities while the disconnection moratorium is still in place. Evidence presented in this docket shows clearly that the state's most vulnerable and highly impacted communities, particularly communities of color, would experience the greatest harm if the moratorium is not extended and collection activities resume.

[1] The date would be August 2 under the current moratorium (next business day after August 1), or October 1 under the TEP recommended extended moratorium.

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B. Analysis Of Data Filed By The Washington Investor-Owned Utilities (IOUs).

1. The Energy Project's updated zip code and arrearage data analyses are attached.

6 As part of the April 30 comments, TEP provided the results of a detailed analysis of Washington IOUs by zip code, examining the links between where arrearages occur and the social and health characteristics of those communities. Those individual company analyses have been updated with the first quarter 2021 data. For each IOU, we have prepared an updated two-page summary analysis of zip codes in graphic and tabular form.[2] The first page of each company summary presents an overview of the data, and the second page provides a more detailed analysis of the five zip codes with the highest residential and known low-income arrearages, including whether areas have been designated as Highly Impacted Communities by the Department of Health (DOH). These summaries are included in Attachment A. The table below provides an excerpt showing some of TEP's research regarding PSE's top five zip codes with the highest residential arrearages.

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[2] To perform this analysis, TEP reviewed the arrearage data by zip code filed by the Washington IOUs in Docket U-200281 and correlated the zip code data with information developed by the Washington DOH, including the DOH EHD mapping tool, to identify HIC. The DOH EHD map identifies census tracts designated as HIC under the Clean Energy Transformation Act (CETA), and also ranks Washington communities according to environmental factors and social and health vulnerability measures that influence health outcomes.

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Table 1. Highly Impacted Communities & DOH Social and Health Vulnerability Measure Rankings in PSE's Top 5 Zip Codes

Top 5 Zip Codes with Highest Arrears	Communities Served	Number of Census Tracts per Zip Code	Range of DOH Disparities Ranks				
			People of Color	Unemployed	Social Vulnerability to COVID-19	Pop. In Poverty ≤ 185% FPL	Highly Impacted Community
98003	*Federal Way*	15	8-10	3-9	6-10	4-9	Yes
98002	*Auburn*	8	7-9	2-9	8-10	6-10	Yes
98023	*Federal Way*	10	7-10	2-10	6-9	4-7	Yes
98092	*NE Auburn*	15	2-10	1-10	1-9	1-8	Yes
98032	*Kent*	13	8-10	4-10	7-10	5-10	Yes

Sources: WA Dept. of Health (DOH) Environmental Health Disparities (EHD) Mapping tool. <<https://fortress.wa.gov/doh/wtn/WTNIBL>>; Washington Tracking Network Mapping tool; Geography Division, U.S. Census Bureau, Geocorr 2018 (census tracts within zip codes).
-Highlighted cells indicate zip codes with a census tract that ranked 9 or 10 by DOH, on a scale of 1-10, or have been designated as Highly Impacted Communities (HIC).[3]

7 The Energy Project also conducted a separate detailed analysis for each Washington IOU of the arrearage data filed by the IOUs in this docket, pursuant to Order 01. Our previous Comments provided preliminary conclusions from the data. The Energy Project has now updated our analysis to include the new first quarter 2021 data filed on April 30. This data completes the picture for arrearages through the winter of the pandemic. The up-to-date analysis is included in a one-page summary for each company in Attachment B. These analyses look at the period from March 2020 to March 2021.

2. Highlights of zip code and arrearage data analysis.

8 The following are the key findings of TEP's data analysis:

[3] Highly Impacted Communities (HIC) meet one of two criteria: 1) a census tract is at least partially covered by Tribal Lands, or 2) a census tract ranks 9 or 10 on the DOH Environmental Health Disparities Map.

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- **There is a strong correlation between the zip codes with the highest arrearages and how they rank on the DOH EHD Map.** As noted, the DOH EHD map identifies census tracts designated as HIC under CETA, and ranks Washington communities according to environmental factors and social and health vulnerability measures that influence health outcomes, including people of color, social vulnerability to COVID-19, unemployment and percent of population in poverty.[4] For example, our review found:
  - PSE's top five zip codes have the highest correlation with people of color and social vulnerability to COVID-19 of any of the IOUs.
  - All of PSE’s top five zip codes have areas designated as HIC.[5]
  - All of PacifiCorp’s top five zip codes have areas that rank highest in the DOH analysis in each of the social and health measures shown in Table 2 of the zip code summaries.
- **A high percentage of residential arrearages are concentrated in only a few zip codes.** For example, 21 percent of all PSE residential arrearages come from the top 10 (4.3 percent) of PSE’s 232 zip codes.[6]
- **A high percentage of known low-income arrearages are concentrated in only**

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[4] The DOH EHD mapping tool is part of the DOH Tracking Network (WTN) mapping tool. The EHD includes several socio-economic measures and the WTN includes a measure of “Social Vulnerability to COVID-19.” https://fortress.wa.gov/doh/wtn/WTNIBL

[5] *See,* Attachment A, Table 2 in each of the company zip code summaries for a breakdown of the top five zip codes and their DOH social and health vulnerability measures and HIC rankings.

[6] *See* Attachment A, PSE Table 1 for a breakdown of the top 5 zip codes with the highest total residential arrearages. Due to an Excel formula error, the prior zip code summaries did not count zip codes with no arrears. This has been corrected and thus the total zip code count has increased slightly for each utility.

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a few zip codes. For example, for PSE, 26 percent of known low-income residential arrearages come from the top 10 (4.3 percent) of PSE's 232 zip codes.[7] For Avista, 60 percent of known low-income residential arrearages come from the top 10 (9.5 percent) of Avista's 105 zip codes.[8]

- **For four of the five companies, the share of arrearages 90 days or more overdue for known low-income customers is greater than or equal to the share for residential customers.**[9]
- **The number of households receiving low-income energy assistance is increasing for four of the five companies, but by varying degrees, ranging from 48 percent with PacifiCorp to 638 percent for Cascade.**[10]

3. Highlights of the March 2021 arrearage analysis including changes from the December 2020 data.

9 Below we summarize key highlights from the first quarter 2021 arrearage data filed by the companies. In addition, Attachment C contains further detailed highlights for each IOU.

- **Total residential arrearages grew** across all IOUs.
- 3/5 IOUs showed that **fewer customers hold arrearages** compared to Dec. 2020.
- 3/5 IOUs still show that the **90+ day vintage holds most of their arrearages** (CNG and NWNG shifted away from this vintage).

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[7] *Id.*

[8] Attachment A, Avista, p. 1.

[9] Attachment B. PacifiCorp is the exception, with residential customers overall having a greater share of arrearages 90+ days as compared with known low income, as of March 2021.

[10] Attachment B. Avista's data filing shows a 27% decline in customers receiving bill assistance from March 2020 to March 2021. The Energy Project is inquiring with Avista regarding this decline.

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- 3/5 IOUs show an **increase in the number of residential customers receiving bill assistance from December 2020**.
- There was little change in the portion of total residential arrearages and known low-income residential arrearages that are held in the top 10 zip codes.
- **The top 5 zip codes hold slightly more of the total residential arrearages** compared to Dec. 2020.
- **The top 5 zip codes with the highest total residential arrearages did not show significant change** from December to March. However, there were 2 cases where 2 new zip codes made their way into the top 5.

10 Overall, this analysis continues to highlight that customers facing the financial challenges of large unpaid utility bills are disproportionately concentrated in vulnerable, highly impacted, low-income communities, and communities of color. These are the same communities feeling the greatest job and income losses from COVID-19, and the greatest health impacts of the pandemic itself.[11] These are also the communities which it is often most challenging to reach with bill assistance due to language barriers, lack of technology access, and immigration status. Effective and "dramatic outreach" is critical, as emphasized by Public Counsel as well.[12] The Energy Project is concerned at this point that adequate conditions have not yet been established to resume collection and disconnection in these communities. Resumption of collection activities and expiration of the disconnection moratorium on July 31 would bring further harm

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[11] *See also*, U-200281, Comments of Public Counsel (April 30, 2021), at ¶¶ 10-11.
[12] *Id.*, at ¶ 20.

and distress to the state's most highly impacted and vulnerable communities.

4. Future data reporting.

11 Company reporting of arrearage and related data by zip code under Orders 01 and 02 has been essential in getting an understanding of the economic challenges facing customers and in considering strategies to help those customers. That reporting is currently required to continue until 180 days after the resumption date. The Energy Project recommends that the quarterly reporting should continue through the next winter heating season, at a minimum, until April 30, 2022. In addition, to facilitate tracking conditions on a closer basis, TEP also supports additional monthly reporting following the format of the Data Request that was presented by Staff, agreed to by the utilities and approved at the March 25, 2021, Open Meeting.[13] As discussed below, the companies did not all respond directly to the Commission's request regarding outreach contacts. This information will be critical to the Commission and stakeholders to assess the breadth, impact and effectiveness of the outreach efforts for the COVID-19 relief programs.

C. Resumption of Collection Activity While The Moratorium Is Still In Place Is Premature and Inappropriate

1. The New April 30 utility filings underline the substantial gap remaining to be served by Bill Assistance Programs.

12 The Energy Project appreciates the work of the utilities and stakeholders to implement the COVID-19 relief programs that became effective last month and include automatic grants to customers that have received bill assistance during the past two years. But as discussed in our prior comments, there is a "gap" between those eligible for automatic debt relief, and the substantial numbers of households with arrearages who are eligible for relief but not identified.

[13] Dockets UE-210114 et al., Staff Open Meeting Memorandum, March 25, 2021, Attachment A.

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The utilities have acknowledged the scale of the issue, estimating at the March 25 Open Meeting that automatic grant programs are expected to reach only between approximately 10 percent (PSE, PacifiCorp, Cascade) to one third (Avista) of customers.[14] Consequently, the bulk of customers with arrearages will not be served by the automatic grants, but instead through the manual, customer-initiated process.

13 Based upon reporting to the Commission, it appears that four of the five IOUs have begun to award automatic grants as of the end of April. As expected, however, these automatic grants are only reaching a small portion of the residential customers with arrearages, and represent the "low hanging fruit," as we observed in our initial Comments. Specifically:

- **The utilities have just begun to issue automatic grants, and in some cases grants have yet to be posted to customer accounts.** Northwest Natural Gas, for example, has identified 150 customers that will be eligible for an automatic grant, and intends to begin to post those to customer accounts in May.[15] PSE has identified 7,437 accounts eligible for an initial disbursement of automatic grants, to those with amounts 60 days or more past due, and had disbursed 3,690 of those automatic credits as of April 30, 2021.[16]
- **Only a small portion of residential customers with arrearages (10-20 percent) will benefit from the automatic grant process.** The vast majority of residential customers will need to utilize the manual, customer-initiated process to benefit from

[14] U-200281, Comments of The Energy Project (April 30, 2021), ¶¶ 17-20.
[15] U-200281, Comments of Northwest Natural Gas (April 30, 2021), p. 2.
[16] U-200281, PSE Update on Covid-19 Related Efforts (April 30, 2021), p. 2.

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the COVID-19 assistance programs. The portion of customers reached through automatic grants varies somewhat by utility:

- **Avista** has issued 4,782 automatic grants, or 17 percent of the 28,437 residential customers with arrearages as of March 30, 2021.[17]
- **PSE** plans to issue 7,437 automatic grants as part of its initial disbursement, which is 6 percent of the 125,000 customers PSE states are in 'active dunning' and presumably at risk of disconnection.[18]
- **PacifiCorp** has issued about 2,300 automatic grants, or 9 percent of the 24,408 residential customers with arrearages as of March 30, 2021.[19] Similarly, **Cascade** has issued 1,129 automatic grants, or 8 percent of the 14,374 residential customers with arrearages.[20]

- **Substantial numbers of customers are projected as eligible, but have not yet been served and will be harder to reach.** Based on existing needs assessment and poverty data, we know that many households are living at or below 200 percent of the Federal Poverty Level, but have not yet been served through the automatic grant

[17] U-200281, Comments of Avista (April 30, 2021), pp. 2-3.

[18] U-200281, PSE Update on Covid-19 Related Efforts (April 30, 2021), p. 2 (automatic grants) and p. 5 (active dunning). PSE states that 189,000 customers had arrearages as of March 31, 2021, but that figure includes customers with arrearages less than 30 days past due, and also appears to include commercial customers. *Id.* p. 4.

[19] U-200281, PacifiCorp Comments and Data Report (April 30, 2021), p. 1 (automatic grants); Attachment A (residential arrearage data).

[20] UG-210145, Cascade Natural Gas Data Report for the Commission's May 12 Open Meeting (May 5, 2021)(automatic grants); U-200281, Cascade Response to Commission Request for Covid-19 Data (April 30, 2021) (residential arrearages).

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process.[21] The zip code analysis prepared by TEP shows that residential customer arrearages are concentrated in communities that have been hit particularly hard by the pandemic, have more people of color, higher rates of unemployment and populations in poverty, and have been designated as **highly impacted communities** by the Department of Health. As discussed in our prior comments and reiterated in these comments, robust outreach efforts will be critical and necessary to distribute funds to remaining hard-to-reach customers.

- **About two-thirds of the COVID-19 relief funds have yet to be disbursed to eligible customers.** As shown in the table below, the amount of remaining assistance funds varies from 53 percent to nearly 70 percent for most of the utilities.

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[21] A recent needs assessment for PSE conducted by Cadmus projects that 290,000 households in PSE's service territory are living at or below 200 percent FPL. *See* U-180680, *PSE Low-Income Household Needs Assessment,* Prepared for PSE by Cadmus (October 2020), p. 11.

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Table 2. COVID-19 Relief Funds Issued & Remaining as of April/May, 2021

Utility	Automatic Grants Issued (April-May)	Manual / Customer Initiated Grants (April)	COVID-19 Relief Assistance Funds	Remaining Funds Available	Percent of Funds Remaining
	(a)	(b)	(c)	(d)=(c) - (a+b)	(e)=(d)/(c)
Avista	$ 2,884,792	$ 161,744	$ 6,500,000	$ 3.45 M	53%
Puget Sound Energy (PSE)	$ 8,700,000		$ 27,700,000	$ 19.0 M	69%
PacifiCorp	$ 1,100,000		$ 3,100,000	$ 2.0 M	65%
Cascade	$ 480,112	$ 488,586	$ 2,500,000	$1.5 M	61%
Northwest Natural Gas*	$ 47,000		$ 650,000	$0.603 M	93%
TOTAL	**$ 13,211,904**	**$ 650,330**	**$ 40.45M**	**$ 26.58M**	**66%**

*NWN estimates 150 customers are eligible for automatic grants totaling $47,000 and will issue grants in May.

2. Approving collection activity during the moratorium is not in the public interest – it is poor public policy, harmful to customers, and premature.

14 The Energy Project strongly urges the Commission to not authorize collection activity to resume *during* the moratorium, whenever the moratorium is determined to end. As things stand, under the terms of Order 02, as of the May 12 Open Meeting companies would start sending out 30-day notices on June 1, in just 20 days. This is a full two months before the moratorium ends. Customers will simply not understand, and with good reason, why they are receiving collection and disconnection notices while there is still a moratorium in effect.

15 Customers are in dire economic straits due to forces beyond their control. The situation is not of their own making. Allowing acceleration of collection activity even before the

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moratorium is over is not consistent with the intent and spirit of a having a moratorium in the first place. For example, PSE's April 30 comments indicate that they have 125,000 customers in "active dunning"[22] and eligible for disconnection. PSE states it would start that process during the moratorium, with dunning customers receiving an "Urgent Notice/Final" on June 15. This is problematic, since it comes only two weeks after the 30-day notice of resumption of disconnection, and is not consistent with the timeline in Diagram 1 in Order 02.[23]

Particularly notable, in terms of "readiness" assessment is PSE's statement that:

> PSE is considering a number of data and other 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 service.*[24]

The Energy Project agrees with PSE that this careful analysis is important. The point is that to be effective it should be a pre-requisite to resumption, not something done after disconnections have begun. That is the nature of "readiness." PSE's statement appears to indicate that the details of this important analysis are still under consideration and have not been implemented. Without adequate planning, customers' economic stress will simply be exacerbated further, and unnecessarily, when the focus should be on making resources available rather than disconnection. The Commission should not allow the utilities to place customers in this distressing position and there is no compelling reason to do so. Collection should only begin after the moratorium is over.

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[22] PSE Comments, p. 5 (April 30, 2020). For comparison, as of the April 30 filing, PSE had identified nearly 7,500 customers eligible for automatic grants and had actually issued 3,690 of those grants to customers through the new COVID-19 CACAP-2 program, as noted earlier. *Id.*, p. 2.

[23] Order 02, Attachment A, Section A, Diagram 1: Example Disconnection Timeline.

[24] PSE Comments, April 30, 2021, p. 5 (emphasis added).

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16 In theory, sending the 30-day notice of resumption of collection one month prior to the end of the moratorium would be a reasonable alternative approach,[25] with collection activity not beginning until the moratorium actually ends. However, because the Governor has the authority to extend the moratorium, and has done so on multiple occasions throughout the pandemic, the Commission's moratorium end date is not certain. This could result in the scenario where IOU customers have received a notice of resumption of collection, only to learn later on that the moratorium has been extended by action of the Governor. This highly undesirable "whiplash" scenario can be avoided if the 30-day notice is not sent until after the moratorium has definitely ended.

3. Assistance delivery status.

17 As detailed above, even looking only at the new COVID-19 relief programs, the reports from several of the companies indicate that distribution of the funds is taking several stages or phases to accomplish, with only a portion of the funds distributed to date. Again, it must be recalled that these funds, even when fully expended, will reach only a small percentage of the customers with arrearages. As noted in the prior section, the automatic grants had begun at four of the five companies as of the end of April, but the process is ongoing. In addition, only Cascade and Avista reported that they had begun to enroll customers through the manual customer-initiated process. In terms of targeted outreach efforts, Avista is taking a "staggered" approach to deployment of energy assistance in its Compassion In Action program which initially targets customers with arrearages over 90 days past due. Avista explains that this is

[25] Under the current moratorium, the 30-day notice would go out no earlier than July 1, or no earlier than September 1 under TEP's recommended extension.

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intended to give these customers the opportunity to be first to seek assistance, and that "[s]taggered communications will also help ensure that the Company can respond to elevated phone calls into its Call Center in a timely manner."[26] The Energy Project sees merit in this approach and commends Avista for targeting this group of customers. However, TEP would respectfully submit that the reasons Avista has chosen to use a "staggered" approach lend support to our view that collection should not resume prematurely.

18 Finally, while substantial new federal funding for LIHEAP and other programs will be available to help customers in the "gap," the majority of households with arrearages, those funds take time to be deployed to the states and out to the agencies delivering the assistance at the local level. The American Rescue Plan funds were just released by the federal government last week, with almost $90 million allocated to Washington.[27]

19 Ending the moratorium and resuming disconnection should be synchronized with the availability of all funding to customers to address the arrearage problem. Postponing resumption of collection/disconnection by a matter of a few weeks, as TEP recommends, will cause utilities discernible harm, but will be of real tangible benefits to customers. This should be the paramount concern in this docket.

4. There is insufficient evidence that outreach is fully active and deployed.

20 The Commission has been clear that effective outreach is essential to readiness and accordingly required companies to provide information about their efforts, including the

[26] Avista Comments, April 30, 2021, p. 5.
[27] https://www.acf.hhs.gov/ocs/policy-guidance/liheap-dcl-2021-05-supplemental-funding-release-fy-21

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"specific number of contacts the company made by phone, mail, email, etc."[28] While all the companies have provided general descriptive statements in their April 30 comments regarding outreach, these vary significantly in the detail provided. PSE provides the most complete description of its outreach plans, while other companies provide only a cursory description. As a general matter, even where detail is provided, it is unclear from the company filings what efforts are already under way, when specific elements of the plans will be put into action and how long they will continue. Of concern, only Cascade provided the requested detail regarding the actual contacts with customers by the company, notwithstanding that all companies agreed to provide this information at the March 25 Open Meeting. The Energy Project remains concerned that there is insufficient information provided to the Commission regarding the details and timing of these outreach programs to assess "readiness." Of particular importance is the fact that the targeting of outreach to the most vulnerable communities, such as those identified in our zip code analysis, is not clearly defined in many cases.

5. Focus on 90-day arrearages.

21 As TEP's arrearage analysis shows, the heart of the arrearage problem is cases where past due balances are over 90 days old. This group represents customers with the greatest need, as well as the greatest financial impact on the company. The Energy Project recommends that this group of customers should be protected from disconnection until the companies can demonstrate that all reasonable efforts have been undertaken to reach customers with past due balances and are eligible for the relief programs.

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[28] Dockets UE-210114 et al., Staff Open Meeting Memorandum, March 25, 2021, Attachment A.

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22 The Energy Project's recommendations to the companies in their consideration of how to deploy the COVID-19 relief dollars has been focused on prioritization of customers who are at the greatest risk of disconnection once the existing disconnect moratorium ends. As a practical matter, this means those accounts with high dollar arrearage balances in the 90 day past due category. The utilities generally agree that this is the most problematic customer segment. The Energy Project recommends that companies prioritize assistance funds by beginning with the accounts at 90 days or more past due, followed by accounts 60 days past due, and so on, until all eligible past due customers are addressed with assistance funds or until the funds are exhausted. Any COVID-19 relief funds remaining could be used for ongoing bill payment assistance. Prioritization in this manner will ensure that COVID-19 relief dollars are working effectively to reduce arrearages and thereby prevent disconnection once utilities resume that practice. Some companies (e.g., Avista) are already taking this approach.

23 The Energy Project has a specific recommendation regarding customers with accounts 90 days or more past due. After resumption, customers in this category should be exempt from disconnection until they have been provided with COVID-19 Bill Assistance funds or have failed to maintain a long-term payment plan.

24 Finally, using COVID-19 relief funds to address arrearages also serves the purpose of complementing existing bill assistance programs. By focusing relief funds on past due balances, existing LIHEAP and IOU bill assistance programs can thereby be used to address ongoing utility bill affordability. This should help to provide, to some extent, a 'safety net' from

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disconnection for households in dire economic straits by providing them with an account credit for future bills during the pandemic.

D. Arrearage Management Plans

25 The Commission has recently re-emphasized that AMPs are an important tool for utilities and has asked companies in the March 31 Notice to be prepared to discuss status and progress regarding the "[d]evelopment of AMPs or Percentage of Income Payment Plans [PIPP], including whether each utility intends to implement such plans." In response, the April 30 company comments reflect a mixed bag of approaches:

- Avista has adopted an AMP which has been approved by the Commission and will take full effect for the next Low-Income Rate Assistance Program year, beginning October 1, 2021.
- PSE states that it will have a pilot program in effect in 2022.
- PacifiCorp states that it will not adopt an AMP and will instead focus on CETA implementation.
- Northwest Natural states it is discussing an AMP with its GREAT Advisory Group and is encouraging consideration of its Oregon AMP as a model.
- Cascade does not appear to have addressed the issue.

26 The Energy Project agrees with the Commission regarding the importance of this tool. TEP worked extensively with Avista for several years in the development of its AMP and PIPP programs. We urge the Commission to not accept a company's statement that it declines to adopt an AMP program. The Energy Project recommends that companies without an AMP

program be required to work with their low-income advisory groups to develop a program that would be operational by October 1, 2022, beginning for the 2022/23 program year. The program would be submitted for Commission review at an Open Meeting by late summer 2022.

III. CONCLUSION

27 Evidence presented in this docket shows clearly that the state's most vulnerable and highly impacted communities, particularly communities of color, would experience the greatest harm if the moratorium is not extended and collection activities resume. The data also indicate that the existing COVID-19 relief funds, in combination with existing bill assistance programs, may be able to cover a significant portion of the past-due balances for eligible households. There is simply no need for customers to face any possibility of disconnection for arrearages in most cases. Proper planning and an adequate timeframe are needed for this to be achieved, however. Furthermore, any disconnections that occur unnecessarily will increase the likelihood of bad debt that utilities will need to recover. But more importantly, customers would experience tremendous unnecessary distress and negative impacts from being sent to collections for these debts. Unfortunately, premature and unneeded disconnections of households who are eligible for assistance will be a likely result of poor planning, an inadequate implementation period, and a premature effort on behalf of the utilities to return to "business as usual."

28 Accordingly, TEP respectfully recommends that the Commission adopt the following recommendations:

- The moratorium on disconnections should be extended by at least 60 days, until September 30, 2021.

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- Collection activity should not resume until after the end of the moratorium, whatever date is established.[29]
- Energy assistance efforts should prioritize customers with arrearages in excess of 90 days overdue, and on zip codes with the most vulnerable populations.
- The Commission should direct companies without an AMP to work with their low-income advisory groups to develop an AMP program that would be operational by October 1, 2022, for the 2022-2023 program year.
- Adopt monthly reporting for the utilities as described in these comments, based on the Staff March 25 Data Request Attachment A, as well as continued quarterly reporting of arrearage and zip code data until April 30, 2022 at a minimum.

RESPECTFULLY SUBMITTED

Dated May 7, 2021.

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[29] The date would be August 2 under the current moratorium (next business day after August 1), or October 1 under the TEP recommended extended moratorium.