



U-200281

ATTORNEY GENERAL OF WASHINGTON

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September 24, 2021

SENT VIA WUTC WEB PORTAL

Amanda Maxwell
Executive Director and Secretary
Washington Utilities and Transportation Commission
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UTIL. AND TRANSP.
COMMISSION

Re: *Washington Utilities & Transportation Commission v. Puget Sound Energy*, Dockets UE-190529 and UG-190530 (*Consolidated*) (PSE 2019 GRC);
In the Matter of Response to COVID-19 Pandemic, Docket U-200281

Dear Amanda Maxwell:

The Public Counsel Unit of the Washington State Attorney General's Office ("Public Counsel") respectfully submits comments on Puget Sound Energy's (PSE or "Company") Disconnection Reduction Plan. PSE filed the Disconnection Reduction Plan as required in the Final Order of its 2019 General Rate Case (GRC), Dockets UE-190529 and UG-190530. Because issues raised in our comments apply to issues in the COVID-19 Relief Docket U-200281, Public Counsel concurrently files these comments in both the 2019 PSE GRC dockets and the COVID-19 Relief Docket.

In the GRC Final Order 08, ("Final Order") the Commission required PSE to file a Disconnection Reduction Plan within one year of the order being entered.¹ The Company timely filed a plan on July 8, 2021, and provided stakeholders, including Public Counsel, with the opportunity to informally offer comments and ask clarifying questions. Public Counsel appreciates the Company's detailed responses to several questions from Commission Staff and Public Counsel through that process.

PSE's Disconnection Reduction Plan provides an extensive overview of the programs the Company is currently undertaking to keep customers connected to their electric and natural gas service, along with a number of future steps that will be taken. However, Public Counsel believes that the Disconnection Reduction Plan does not comply with the Final Order because it outlines the elimination of critical customer protections that have kept customers connected through the COVID-19 pandemic and associated economic crises. In particular, PSE intends to eliminate

¹ Dockets UE-190529 and UG-190530, Final Order 08, ¶ 546 (July 8, 2020).

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18-month extended payment plans, reinstate all customer fees, and resume reconnection deposits 180 days after the disconnection moratorium ends. Public Counsel recommends that the Commission keep these protections in place to prevent an increased risk of disconnection. Public Counsel also urges the Commission to proceed immediately with the investigation into customer fees and disconnection practices per Order 01 and Order 03 in Docket U-200281.²

Public Counsel's Recommendation

Public Counsel believes that PSE's Disconnection Reduciton Plan is not in compliance with the Commission's Final Order. The Company's plans to eliminate critical customer protections will increase risk of customer disconnection and disproportionately harm highly-impacted and vulnerable communities, particularly communities of color.

The Commission's Final Order, Dockets UE-190529 and UG-190530, simply directs PSE to consult the Low-Income Advisory Committee and file a Disconnection Reduction Plan within one year of the Order being entered into the record.³ Beyond this, the Order does not provide additional guidance for compliance, such as content the Plan must include. The Company did consult the Advisory Committee and timely filed their Disconnection Reduction Plan, meeting the explicit guidance provided in the Final Order.

Public Counsel believes the plain language of "Disconnection Reduction Plan" means that the content of the Plan must be (a) forward looking and (b) describe programs and efforts that will reasonably reduce the risk of customer disconnections. Actions that would increase the risk of disconnection should not be included in the Plan, nor should the Company pursue them.

A significant portion of PSE's Disconnection Reduction Plan describes the current state of PSE's efforts to keep customers connected to service, including bill assistance and business practices in place if customers fall behind on payments. While the Plan includes forward-looking components and describes measures that the Company intends to implement to reduce customer disconnections for non-payment, it also includes measures that will increase the likelihood of disconnection. Componets of PSE's Disconnection Reduction Plan that Public Counsel supports include development of a low-income discount rate, expansion of fee-free cash pay stations,⁴ reduction of barriers to enrollment in bill assistance, development of an arrearage management program, and enhanced customer outreach. The low-income discount rate is being developed as a result of SB 5295, which was passed in the 2021 Legislative Session. The arrearage management plans are the result of the Commission's order in the COVID-19 Emergency Response Docket

² Docket U-200281, Order 01, ¶¶ 17, 43 (Oct. 20, 2020) (paragraph 43 references Appendix A); Docket U-200281, Order 03, ¶ 41 (May 18, 2021).

³ Dockets UE-190529 and UG-190530, Final Order 08, ¶ 546.

⁴ These pay stations are intended to replace customer service centers/field offices that the Company chose to eliminate. Public Counsel expressed concern about the impact this business decision would have on unbanked and vulnerable customers.

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U-200281. These are proactive steps to help keep customers current on their bills and connected to service.

Unfortunately, the Company's Disconnection Reduction Plan expresses the Company's intent to roll back critical customer protections that were established in Docket U-200281. PSE customers currently have access to payment plans extending up to 18 months. The Disconnection Reduction Plan indicates that this will be available until January 2022, at which time payment plans will only be offered up to 12 months.⁵ Furthermore, the Company describes reconnection fees and account deposits that are required of customers disconnected for non-payment in order to be reconnected.⁶ These practices are currently suspended and will resume 180 days after the emergency disconnection moratorium expires.⁷ Additionally, these practices will be subject to a forthcoming Commission investigation.

Eliminating 18-month repayment plans and reinstating customer fees and deposits will *increase* the likelihood of customer disconnections, in addition to reimposing barriers to reconnection. It is counterproductive to reverse the protections established in Docket U-200281 in the context of a Disconnection Reduction Plan, particularly when utility disconnection and collections practices will be evaluated in an upcoming Commission investigation. As a result, these practices should remain in place beyond their planned expiration. The Commission should order PSE to maintain current practices. Additionally, the Commission should revisit the issue in Docket U-200281 to ensure appropriate treatment of all utilities and adequate protection of all investor-owned utility customers.

Elimination of the critical COVID-19 protections will place marginalized and vulnerable customers at the highest risk of disconnection. In The Energy Project's Supplemental Comments filed in Docket U-200281 on May 7, 2021, evidence clearly showed that the "state's most vulnerable and highly impacted communities, particularly communities of color, would experience the greatest harm" if the customer protections established in that docket were allowed to expire.⁸ Although the Commission is not currently weighing the same question in reviewing PSE's Disconnection Reduction Plan, the Commission must consider how elimination of these customer protections will disproportionately impact vulnerable customers and communities of color.

Public Counsel's Recommendation

The Commission should immediately initiate a CR-101 to investigate the impact of utility disconnection practices and customer fees, per Commission order in Docket U-200281.

The concept of disconnection reduction plans arose before the COVID-19 pandemic and generally has value. As the pandemic evolves, equity issues and customer impact of

⁵ Disconnection Reduction Plan at 2, Dockets UE-190529 and UG-190530 (July 8, 2021).

⁶ *Id.* at 1.

⁷ Docket U-200281, app. A to Order 04, Amend. Third Revised Term Sheet at 3.

⁸ Supp. Cmts. of The Energy Project at 3, Docket U-200281 (May 7, 2021).

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disconnection practices continue to become more evident. The Commission stated its intention to open an investigation into disconnection practices and customer fees in Order 01 and Order 03 of Docket U-200281. That investigation will consider “potential long-term changes and improvements to the customer notice, credit and collection rules and possible permanent elimination of late fees, disconnection and reconnection fees, and deposits with particular attention to the experience of those [with] limited English proficiency and customers of color as soon as reasonably possible.”⁹ The Commission restated its “direction to Staff to open a rulemaking to examine the consumer protection rules related to disconnection practices” and to “do so specifically through an equity lens.”¹⁰ Public Counsel’s review of PSE’s Disconnection Reduction Plan highlights the need to conduct this investigation, particularly since the investigation will provide an opportunity to establish consistent requirements across the regulated utilities. Public Counsel urges the Commission to open this important investigation immediately.

Questions about these comments can be directed to Corey Dahl at Corey.Dahl@atg.wa.gov or Lisa Gafken at Lisa.Gafken@atg.wa.gov.

Sincerely,

Lisa W. Gafken

/s/

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⁹ Docket U-200281, Order 01, UTC Staff Proposed Term Sheet at 3 (Oct. 20, 2020).

¹⁰ Docket U-200281, Order 03, ¶ 41 (May 18, 2021).