

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

v.

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-220066  
Docket UG-220067  
(consolidated)**

**PUGET SOUND ENERGY'S  
PETITION TO AMEND FINAL  
ORDER**

**I. INTRODUCTION AND RELIEF REQUESTED**

1. Pursuant to WAC 480-07-875(1), Puget Sound Energy (“PSE”) petitions the Washington Utilities and Transportation Commission (“Commission”) to amend Final Order 24 issued December 22, 2022, with respect to a settlement provision regarding PSE’s existing credit and collection processes. PSE is serving this petition on all parties in the underlying proceeding.
2. In its Final Order 24 the Commission approved three partial multiparty settlements, subject to limited conditions, including the Revenue Requirement Settlement. The Revenue Requirement Settlement included provisions regarding low-income customer programs and PSE’s credit and collection processes. PSE hereby requests the Commission amend Final Order 24 to add a condition removing a requirement that PSE continue its existing credit and collection

processes until the conclusion of the proceeding currently being conducted in Docket U-210800. Specifically, PSE requests that the Commission amend Final Order 24 to add a condition to paragraph 268 as follows: “We accept the Settlement’s terms regarding low-income customer programs with the exception of requiring PSE to continue its existing credit and collection processes until the conclusion of the proceedings currently being conducted in Docket U-210800.” This request is pursuant to WAC 480-07-870(1), based on changed conditions since the Commission entered Final Order 24.

## **II. BACKGROUND**

### **A. The Revenue Requirement Settlement**

3. On January 31, 2022, PSE filed its general rate case, which included PSE’s proposed multiyear rate plan. On August 26, 2022, PSE filed a Settlement Stipulation and Agreement on Revenue Requirement and All Other Issues Except Tacoma LNG and PSE’s Green Direct Program (“Revenue Requirement Settlement”). PSE, Commission Staff (“Staff”), the Alliance of Western Energy Consumers (“AWEC”), The Energy Project, (“TEP”), Microsoft Corporation (“Microsoft”), Walmart, Inc. (“Walmart”) Nucor Steel, Federal Executive Agencies (“FEA”), and the Joint Environmental Advocates<sup>1</sup> (collectively, “Settling Parties”) signed the Revenue Requirement Settlement and filed supporting testimony and exhibits relating to the settlement the same day.<sup>2</sup> The Public Counsel Division of the Washington Attorney General’s Office (“Public

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<sup>1</sup> NW Energy Coalition (“NVEC”), Front and Centered, and Sierra Club make up the Joint Environmental Advocates.

<sup>2</sup> Final Order 24 at ¶ 31.

Counsel”), the Coalition of Eastside Neighborhoods for Sensible Energy, King County, and the Puyallup Tribe of Indians are additional parties to these consolidated proceedings but were not signatories to the Revenue Requirement Settlement.

4. Following a virtual settlement hearing and briefing from all parties except for Microsoft, the Commission entered Final Order 24 on December 22, 2022.<sup>3</sup> The order, among other things, approved the Revenue Requirement Settlement with conditions. Among the Revenue Requirement Settlement provisions approved by the Commission is a term stating,

Credit/Collection. PSE agrees to continue its existing credit and collection processes until the conclusion of the proceeding currently being conducted in Docket U-210800.<sup>4</sup>

As described below, changed conditions since the time of the order have led to unforeseen and unintended consequences that warrant amendment of Final Order 24 to remove the above-referenced requirement.

**B. Rulemaking Docket U-210800**

5. On October 19, 2021, the Commission opened Docket U-210800, a rulemaking to consider possible changes to customer notice, credit, and collection rules, late fees, disconnection fees, reconnection fees, and deposits.<sup>5</sup> On March 18, 2022, the Commission filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) and issued a Notice of Opportunity to File

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<sup>3</sup> Final Order 24 at ¶ 43.

<sup>4</sup> Final Order 24 at ¶ 265, citing Revenue Requirement Settlement ¶ 40 (App. A to Final Order 24).

<sup>5</sup> Docket U-210800, UTC Case Docket Details: <https://www.utc.wa.gov/casedocket/2021/210800>.

Written Comments (“Notice”) regarding the same.<sup>6</sup> In its Notice, the Commission presented several questions to electric and natural gas companies subject to the Commission’s jurisdiction. All regulated electric and natural gas companies were expected to respond to the questions, and other interested stakeholders were invited to submit comments in response to the questions. After the Commission received responses to the Notice, it convened a virtual workshop to address comments filed in response to the Notice.<sup>7</sup> The rulemaking, therefore, had been well underway by the time the Settling Parties entered into the Revenue Requirement Settlement and Final Order 24 was issued.

6. On October 17, 2022, after PSE submitted the Revenue Requirement Settlement in this proceeding, Public Counsel, The Energy Project, Front and Centered, NW Energy Coalition, and Sierra Club jointly filed eleven pages of comments in Docket U-210800, expanding on its prior recommendations in the rulemaking.<sup>8</sup> The Commission subsequently issued a notice for two additional workshops to “facilitate additional discussions with interested persons on proposed changes to the rules.”<sup>9</sup> The workshops were set for March 14, 2023, and March 17, 2023.

7. On December 28, 2022, the Commission issued a notice rescheduling one of the workshops due to a scheduling conflict.<sup>10</sup> On February 24, 2023, the Commission issued another notice rescheduling both workshops: “Due to Commission staff (Staff”) workload and

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<sup>6</sup> Docket U-210800, Notice of Opportunity to File Written Comments at p.1 (March 18, 2022).

<sup>7</sup> Docket U-210800, Notice of Virtual Workshops at p. 1 (Nov. 2, 2022).

<sup>8</sup> Docket U-210800, Comments of Joint Advocates at p. 3 (October 17, 2022).

<sup>9</sup> Docket U-210800, Notice of Virtual Workshops at p. 1 (Nov. 2, 2022).

<sup>10</sup> Docket U-210800, Notice Rescheduling Virtual Workshop (Dec. 28, 2022).

scheduling commitments, the Commission must now reschedule both workshops.”<sup>11</sup> The workshops were rescheduled from March 2023 to May 2023. Then, on April 21, 2023, the Commission issued another notice rescheduling both workshops. “Due to Commission staff (Staff) workload and scheduling commitments, the Commission must again reschedule both workshops. The first workshop will now be held on June 21, 2023, at 1 p.m. and the second on June 23, 2023, at 9 a.m.”<sup>12</sup> Next, the Commission issued a notice cancelling the earlier workshop and extending the time for the second workshop to a full day.<sup>13</sup> As explained by the Commission, the workshops originally set for March 14 and 17, 2023, were rescheduled several times due to Commission staff workload and scheduling conflicts.<sup>14</sup> The workshop was held on June 23, 2023. On August 8, 2023, the Commission issued a Notice of Opportunity to Provide Written Comments and scheduled another workshop for September 7, 2023.<sup>15</sup> A copy of the above-referenced notices are attached hereto as Exhibit A.

8. The workload and scheduling conflicts in the rulemaking proceeding were unforeseen, and the related delays have extended the rulemaking several months beyond what was anticipated when the Settling Parties executed the Revenue Requirement Settlement and the Commission issued Final Order 24. Scheduling constraints continue due to workload,<sup>16</sup> and it is

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<sup>11</sup> Docket U-210800, Notice Rescheduling Virtual Workshops at p. 1 (Feb. 24, 2023).

<sup>12</sup> Docket U-210800, Notice Rescheduling Virtual Workshops at p. 1 (April 21, 2023).

<sup>13</sup> Docket U-210800, Notice Canceling Virtual Workshop and Notice Extending Virtual Workshop (May 23, 2023).

<sup>14</sup> Docket U-210800, Notice of Opportunity to Provide Comments and Workshop Agenda, note 1 (June 2, 2023).

<sup>15</sup> See Docket U-210800, <https://www.utc.wa.gov/casedocket/2021/210800/docsets> (accessed Aug. 10, 2023).

<sup>16</sup> See, e.g., *In the Matter of the Petition of Puget Sound Energy for Penalty Mitigation Associated with Service Quality Index No. 11-Electric Safety Response Time Annual Performance for Period Ending December 31, 2021*, Docket UE-220216, Notice Extending Deadline for Entry of Initial Order at p. 2. (July 31, 2023) (“The Commission

not currently known when the rulemaking docket will be concluded. There is no statutory deadline for a rulemaking proceeding, and it is not clear when Docket U-210800 and PSE's related dunning restrictions will conclude.

### C. Impacts of Delays in Docket U-210800

9. As stated in its recent comments submitted in Docket U-210800, PSE is currently facing staggering and growing arrearage balances.<sup>17</sup> PSE's current level of past-due balances is unprecedented and is much larger than any other Washington State investor-owned utility.<sup>18</sup> PSE's total arrearages increased by 127 percent from \$71.1 million in May of 2020 to \$161.0 million in May 2023, despite significant energy assistance provided by PSE.<sup>19</sup> The status quo of freezing credit and collections processes is not working for PSE, as stated in PSE's comments (attached hereto as Exhibit B).

10. To address the sheer volume of customers in arrears following the COVID-19 disconnection moratorium, PSE developed a process that facilitated a gradual return to normal disconnect process operations, creating multiple phases of dunning activity.<sup>20</sup> PSE resumed

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finds good cause to extend the deadline for filing an initial order in this docket due to the workload of the assigned administrative law judges.”).

<sup>17</sup> Docket U-210800, Comments of PSE at p.1 (June 21, 2023).

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at pp. 1-2 As explained on page 2 of Exh. B, PSE's low-income assistance included \$84 million from the COVID-19 Crisis Affected Customer Assistance Program (“CACAP”)-1, CACAP-2, CACAP-3, and Commerce Arrearage Relief distributed to 91,307 PSE customers and \$80.6 million through Low Income Home Energy Assistance Program (“LIHEAP”) to 36,248 PSE customers and PSE Home Energy Lifeline Program (“HELP”) to 42,135 PSE customers. Both PSE HELP and LIHEAP offer up to \$1,000 of assistance per year towards bills or arrearages. Still, as of May 31, 2023, there were approximately 9,000 residential customers with past due balances of \$2,000.00 or more.

<sup>20</sup> *Id.* at pp. 2-3.

disconnects in May 2022 with a small subset of customers in arrears.<sup>21</sup> That first phase, Phase 1, included customers with an arrearage of \$1,000 or more and excluded all known and estimated low-income customers.<sup>22</sup> PSE then planned to gradually decrease the \$1,000 arrearage threshold and to add back in low-income customers over several months to give customers the opportunity to apply for assistance, make long-term payment plans, or both.<sup>23</sup> PSE has also conducted extensive outreach to inform customers of assistance options and payment arrangements,<sup>24</sup> and PSE plans additional outreach as it implements the gradual return to normal disconnection processes.<sup>25</sup> However, as an outcome of the Revenue Requirement Settlement, PSE has been required to hold dunning to Phase 1, which excludes customers with a balance lower than \$1,000 dollars and all known and estimated low-income customers, until the conclusion of Docket U-210800.<sup>26</sup> Holding dunning to Phase 1 also means that PSE is unable to expand its customer and outreach practices aimed at addressing the arrearages.

11. As described above, the conclusion of Docket U-210800 has been delayed multiple times since the Revenue Requirement Settlement was filed and since Final Order 24 was issued. The long, drawn-out process was unanticipated by the Commission and all Settling Parties, and it represents changed conditions since Final Order 24 was issued. Maintaining PSE's credit and

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<sup>21</sup> *Id.* at p. 3.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Id.* at p.2.

<sup>25</sup> *Id.* at pp. 7-8.

<sup>26</sup> *Id.* at p. 3. *See also*, Final Order 24 at ¶ 265.

collection processes at the status quo until the conclusion of Docket U-210800 under these changed conditions will result in unintended consequences that are not in the public interest.

12. Although PSE is unable to state with certainty how rates will be impacted by remaining at Phase 1 for a prolonged period, using the May 31, 2023, arrearage data and estimated forecasted revenue at rates effective May 1, 2023, PSE estimated in Docket U-210800 that a prohibition on all customer disconnections will result in an approximate rate increase for electric customers of 4.8 percent and 3.2 percent for gas customers.<sup>27</sup> It is reasonable to anticipate similar increases in rates as a result of the delayed Phase 1 period. It is also important to note that these estimated rate impacts would be regular, annual, and would last until PSE is able to move beyond its Phase 1 dunning process.<sup>28</sup> Additionally, the amount of bad debt currently being recovered in rates is \$16,161,840 (electric) and \$4,454,334 (gas).<sup>29</sup> If PSE is unable to adjust its credit and collection processes before the conclusion of Docket U-210800, consumers will experience higher energy costs and rates due to covering the cost of uncollected revenue in bad debt write offs. Also, the above-referenced rate impacts do not include the cost of increased debt, which is necessary to fund utility service in lieu of revenue from customers.<sup>30</sup>

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<sup>27</sup> *Id.* at p. 10.

<sup>28</sup> *Id.* at note 2.

<sup>29</sup> *Id.* at p. 9.

<sup>30</sup> *Id.* at note 2.

### III. DISCUSSION

13. Under WAC 480-07-875(1), the Commission may propose, or may act in response to a petition, to alter, amend, or rescind any order that the commission has entered. Any such petition must comply with the requirements in WAC 480-07-870 for a petition for rehearing. A petition for rehearing requires sufficient grounds supported by substantial evidence or an offer of proof consisting of the following:

- (a) Changed conditions since the commission entered the order;
- (b) Harm to the petitioner resulting from the order that the commission did not consider or anticipate when it entered the order;
- (c) An effect of the order that the commission or the petitioner did not contemplate or intend; or
- (d) Any good and sufficient cause that the commission did not consider or determine in the order.

14. While only one of the above-referenced grounds is required to warrant amendment of Final Order 24, in this case all four grounds exist. The conclusion of the rulemaking in Docket U-210800 has been extended multiple times following execution of the Revenue Requirement Settlement and the issuance of Final Order 24. While there is no statutory deadline for a rulemaking, the multiple rescheduled workshops have without doubt extended the timeframe for conclusion of the rulemaking by at least several months. The magnitude of the workload and scheduling conflicts that led to the several extensions were not known to the Commission when the Commission issued Final Order 24, as demonstrated by the multiple notices. The Commission could not have known about the delays or considered their effects when it approved the Revenue Requirement Settlement and issued Final Order 24. Therefore, the delays represent changed conditions under WAC 480-07-870(a).

15. Further, as described above in Exhibit B, arrearages continue to accumulate, and lost revenue will continue to rise until PSE is able to return to dunning procedures beyond Phase I. The more customers who are unable to pay their bills, and the higher the arrearages, the more PSE must finance those uncollected revenues in the form of debt. This harms PSE in the form of unanticipated costs. The Commission could not have considered or anticipated the harm to PSE resulting from the delays in Docket U-210800 and the increased arrearages at the time it issued Final Order 24 because the delays were unknown to both PSE and the Commission.
16. Finally, good and sufficient cause exists that the Commission did not consider or determine in Final Order 24 in the form of harm to consumers. As explained in Exhibit B, individual customers have a more difficult time paying off their balances as those balances grow.<sup>31</sup> Other consumers will also experience higher energy costs as rates increase due to covering the costs of uncollected revenue resulting in bad debt write offs.<sup>32</sup> These individual balances and bad debt write offs are likely to increase as a result of the prolonged rulemaking.
17. PSE is open to solutions for addressing the extraordinary and increasing arrearages but recommends that the Commission amend Final Order 24 to remove the requirement that PSE continue its existing credit and collection processes until the conclusion of the proceedings currently being conducted in Docket U-210800. Such an amendment will allow PSE to move beyond its Phase 1 dunning process to reduce the arrearages and stem the unintended consequences of the prolonged rulemaking proceeding. Such an amendment will also allow PSE

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<sup>31</sup> *Id.* at p. 12.

<sup>32</sup> *Id.*

to change or expand its customer notification and outreach efforts, including helping customers apply for assistance or make long-term payment plans.

#### IV. CONCLUSION

18. For the reasons set forth above, PSE respectfully requests that the Commission grant PSE's petition and amend Final Order 24 accepting the Revenue Requirement Settlement to add a condition to paragraph 268 of Final Order 24 as follows: "We accept the Settlement's terms regarding low-income customer programs with the exception of requiring PSE to continue its existing credit and collection processes until the conclusion of the proceedings currently being conducted in Docket U-210800." By allowing PSE to move its dunning procedures beyond Phase I prior to the conclusion of Docket U-210800, the Commission may resolve the unintended consequences of changed conditions that have occurred since the issuance of Final Order 24.

RESPECTFULLY SUBMITTED this 10th day of August, 2023.

#### PERKINS COIE LLP

By 

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Attorneys for Puget Sound Energy

# **EXHIBIT A**



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

621 Woodland Square Loop S.E. • Lacey, Washington 98503  
P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • TTY 1-800-833-6384 or 711

March 18, 2022

**NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS**  
**(By Friday, April 29, 2022, at 5 p.m.)**

Re: Rulemaking to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including permanent elimination of late fees, disconnection and reconnection fees, and deposits,  
Docket U-210800

TO ALL INTERESTED PERSONS:

On March 18, 2022, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including the permanent elimination of late fees, disconnection and reconnection fees, and deposits. The Commission filed the CR-101 under Docket U-210800.

The Commission seeks stakeholder input to inform its inquiry, including general comments related to the scope and purposes of this rulemaking. Electric and natural gas companies subject to the Commission’s jurisdiction are expected to respond to the questions below. Other interested stakeholders are invited to submit comments in response to the questions in this notice.

**Questions**

For the purpose of this Notice, “low-income customers” refer to customers who have received any form of energy assistance in the 2018 and 2019 calendar years.

**Disconnection and Reconnection**

1. Does your company currently have a residential disconnection and/or reconnection fee in its filed tariff?
  - a. If so, please provide citations to all appropriate tariff references.
2. Please provide the following information regarding the fees your company collected in 2018 and 2019, respectively:
  - a. Please provide the total dollar amount collected from residential customers for

- disconnection fees and reconnection fees each year, identifying each fee category separately.
- b. Please provide the total number of residential customer accounts and the number of customer accounts assessed disconnection fees or reconnection fees each year. Please identify each fee category separately, include only reconnection fees for previously disconnected customers, and exclude new customers reconnecting at an existing service address.
  - c. Please provide the percentage of retail revenue your company derived from residential customer disconnection fees and reconnection fees each year, identifying each fee category separately.
  - d. If these disconnection fees and reconnection fees were removed from the company's tariff and recovered in base rates instead, how much would residential bills increase based on your company's currently approved rate spread? Please provide both a percentage increase and an average residential customer bill increase amount.
3. Please provide the following information regarding the cost of disconnection and reconnection in 2018 and 2019, respectively, identifying each fee category separately.
- a. What is the total cost the company incurred disconnecting residential customers each year?
  - b. What is the total cost the company incurred reconnecting residential customers each year?
  - c. What is the average annual cost for disconnection and reconnection by year?
  - d. If your company has deployed advanced metering infrastructure (AMI), please provide separately a cost breakdown of disconnection and reconnection fees for residential customers with AMI meters installed. Please also provide a side-by-side comparison of costs incurred both to disconnect and reconnect non-communicating meters with costs incurred to disconnect and reconnect AMI meters.
4. Please provide the following information related to residential disconnections for non-payment in 2018 and 2019, respectively.
- a. The number of disconnections
  - b. The average duration of disconnection
  - c. The average duration of disconnection for non-payment for low-income customers each year?
5. Please provide the following information regarding disconnections among low-income residential customers:
- a. In each of 2018 and 2019, what percentage of total residential customer disconnection fees and reconnection fees were charged to low-income customers? Please identify the percentage for each fee category separately.
  - b. What percentage of customers facing disconnection successfully applied for and

received energy assistance that allowed them to avoid disconnection in 2018 and 2019, respectively?

6. Please identify barriers you have encountered to payment for low-income customers, members of highly impacted communities, and/or vulnerable populations. For the companies, what steps has your company taken to address identified barriers, if any? Please describe the results of these steps and provide any data you have relied upon for this analysis.

### **Deposits**

7. Does your company currently collect deposits from residential customers?
  - a. If so, please identify all references in your tariff governing residential customer deposits.
8. Please provide the following information regarding the residential customer deposits collected by your company in 2018 and 2019, respectively:
  - a. Please provide the total dollar amount collected for residential customer deposits each year.
  - b. How many customer accounts paid deposits each year?
  - c. What percentage of retail revenue did your company derive from residential customer deposits each year?
  - d. How many customers used part or all their deposit to offset account balances?
  - e. What percentage of customers who used part or all their deposit to pay for account balances each year requested reconnection within 12-months of disconnection?
9. Please provide the following information regarding deposits among low-income customers in 2018 and 2019, respectively:
  - a. What percentage of customers who paid deposits were low-income customers?
  - b. If possible, please identify the percentage of customers who paid deposits who are members of a highly impacted community or vulnerable population.

### **Late fees**

10. Does your company's tariff currently include a late fee for residential customers?
  - a. If so, please identify all the appropriate tariff references.
11. Please provide the following information regarding the late fees your company collected in 2018 and 2019, respectively:
  - a. Please provide the total dollar amount collected in late fees for each year.
  - b. How many residential customer accounts paid late fees each year?
  - c. What percentage of retail revenue did your company derive from residential late fees each year?

- d. If late fees were no longer collected and were to be recovered in base rates instead, how much would residential bill increase based on your current approved rate spread? Please provide both a percentage increase and an average residential customer bill increase amount.
12. Please provide the following information regarding late fees affecting low-income customers in 2018 and 2019, respectively:
    - a. What percentage of late fees were charged to low-income customers each year?
    - b. If possible, please identify the percent of customers charged late fees in each year who were members of a highly impacted community or vulnerable populations.

### **Credit and Collection**

13. Please provide all references in your company's tariff, and citations to all applicable rules and regulations, governing the credit and collection processes used by your utility.
14. Please provide the following information regarding credit and collection:
  - a. A detailed narrative describing your company's credit and collection process. As part of this narrative, please identify both internal and external processes and explain how they operate, including any voluntary customer service principles;
  - b. If applicable, the number of customers sent to collections in each of 2018 and 2019; and
  - c. If applicable, the number of low-income customers who had account balances sent to collections in the year the customer received energy assistance.

### **Disconnection Notices**

15. Has your company identified opportunities to improve customer notice rules? Please describe those opportunities and the steps your company is taking to implement them.
16. Please provide a list of all languages in which your company provides translated disconnection notices.
17. How does your company determine in which language(s) the customer should receive written communications (particularly in relation to the disconnection notice)?
18. Has your company identified any barriers in the process of providing notices to customers?
  - a. If so, please identify and describe these barriers.
  - b. Has your company taken steps to address any identified barriers?
  - c. Have the steps taken either reduced the number of disconnections or otherwise yielded results in terms of improving the disconnection process? If so, please provide the results and any analysis your company has conducted of the results.

19. Are you aware of any policies, rules, or guidance concerning equity in developing or providing customer notice in use by other companies or state commissions? If so, please identify the policies, rules, or guidance, referencing the company or state commission that has adopted the policy, rule, or guidance.
20. Are you aware of any best practices or examples from other jurisdictions or other utility sectors that the Commission should consider in this proceeding regarding late fees, disconnection fees, reconnection fees, deposits, credit and collection practices, and customer notices? If so, please identify these best practices or examples, referencing the company or jurisdiction that has adopted these practices.

The Commission invites initial written comments in response to these questions and will conduct a workshop to discuss these issues.

The CR-101, as filed with the Code Reviser, is available for inspection on the Commission's website at <https://www.utc.wa.gov/casedocket/2021/210800/docsets>. If you are unable to access the Commission's web page and would like an electronic copy of the CR-101 emailed to you, please contact the Records Center at (360) 664-1234.

## WRITTEN COMMENTS

Pursuant to WAC 480-07-250(3), written comments must be submitted in electronic form, specifically in searchable .pdf format (Adobe Acrobat or comparable software). As provided in WAC 480-07-140(5), those comments must be submitted via the Commission's web portal at [www.utc.wa.gov/e-filing](http://www.utc.wa.gov/e-filing). If you are unable to submit documents via the portal, you may submit your comments by email to the Commission's Records Center at [records@utc.wa.gov](mailto:records@utc.wa.gov) or by mailing an electronic copy to the Commission's Records Center on a flash drive, DVD, or compact disc that includes the filed document(s). Comment submissions should include:

- The docket number of this proceeding (Docket U-210800).
- The commenting party's name.
- The title and date of the comment or comments.

The Commission will post on its website all comments that are provided in electronic format. The website is located at [www.utc.wa.gov/casedocket/2021/210800/docsets](http://www.utc.wa.gov/casedocket/2021/210800/docsets).

If you are unable to file your comments electronically the Commission will accept a paper document. If you have questions regarding this rulemaking, you may contact staff lead Andrew Roberts at (360) 664-1101, or by email at [andrew.roberts@utc.wa.gov](mailto:andrew.roberts@utc.wa.gov).

Stakeholders will have further opportunity for comment. Information about the schedule and other aspects of the rulemaking, including comments, will be posted on the Commission's

website as it becomes available. If you wish to receive further information on this rulemaking you may:

- Call the Commission's Records Center at (360) 664-1139
- Email the Commission at [records@utc.wa.gov](mailto:records@utc.wa.gov)
- Mail written comments to the address below

When contacting the Commission, please refer to Docket U-210800 to ensure that you are placed on the appropriate service list. The Commission's mailing address is:

Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE, Lacey, WA 98503  
P.O. Box 47250  
Olympia, WA 98504-7250

#### NOTICE

**If you do not want to comment now, but do want to receive future information about this rulemaking, please notify the Executive Director and Secretary in one of the ways described above and ask to be included on the Interested Persons (IP) list for Docket U-210800. If you do not ask to be added to the IP list, you will not receive further communications about this rulemaking.**

AMANDA MAXWELL  
Executive Director and Secretary



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

621 Woodland Square Loop S.E. • Lacey, Washington 98503

P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY 1-800-833-6384 or 711

July 20, 2022

**NOTICE OF VIRTUAL WORKSHOP  
(Set for Monday, August 29, 2022, at 1 p.m.)**

and

**NOTICE OF DATE FOR SUBMISSION OF NOTICE OF INTENT TO SEEK FUNDING  
AND REQUEST FOR CASE CERTIFICATION  
(By Friday, September 30, 2022, at 5 p.m.)**

Re: Rulemaking to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including permanent elimination of late fees, disconnection and reconnection fees, and deposits, Docket U-210800

TO ALL INTERESTED PERSONS:

On March 18, 2022, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including the permanent elimination of late fees, disconnection and reconnection fees, and deposits. The Commission filed the CR-101 in Docket U-210800. That same day, the Commission issued a Notice of Opportunity to File Written Comments (March 18 Notice), which invited interested persons to file written comments and respond to a series of questions designed to inform the Commission's inquiry. The Commission received written comments from 11 interested parties.

On August 29, 2022, the Washington Utilities and Transportation Commission (Commission) will convene a virtual workshop to address comments filed in response to the March 18 Notice. Workshop discussions will focus on initial comments. The Commission will issue a notice and agenda prior to the workshop identifying additional topics for discussion.

**THE COMMISSION GIVES NOTICE that it will convene a virtual workshop in this matter on August 29, 2022, beginning at 1 p.m.** Although persons may participate by telephone, participation by computer or mobile application will make it easier to facilitate the

workshop, which will include a visual presentation and interactive discussion. To participate via Zoom, [click here to join meeting](#).<sup>1</sup>

To participate by phone, call (253) 215-8782, and enter Meeting ID 833 0942 4915# and the Passcode: 106727#.

## **PARTICIPATORY FUNDING.**

There may be financial assistance available for qualifying organizations to participate in this proceeding.<sup>2</sup> Qualifying organizations must represent broad customer interests, and include but not limited to organizations that represent low-income customers, commercial customers, industrial customers, vulnerable populations, or highly impacted communities.<sup>3</sup>

On February 24, 2022, the Commission approved an interim participatory funding agreement for qualifying organizations.<sup>4</sup> A copy of the interim agreement is available [here](#).

In 2022, a maximum of \$300,000 in program spending was made available from each electric or natural gas utility. The Commission may change the amount of program spending in future years.<sup>5</sup>

Organizations interested in applying for funding in this docket should follow the steps outlined in the interim agreement, which include (1) filing an agreement signature page in Docket U-210595, if one has not already been filed, and (2) filing a Notice of Intent to Seek Funding and Request for Case Certification in this docket (Docket U-210800) by September 30, 2022. Additional steps for seeking funding are outlined in the interim agreement.

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<sup>1</sup> <https://utc-wa-gov.zoom.us/j/83309424915?pwd=empYVzk4RElKZTFJVldlZGpldzIzQT09>.

<sup>2</sup> Docket U-210800 is an energy regulatory proceeding as contemplated by RCW 80.28.430, which requires energy utilities to provide financial assistance to certain organizations participating in regulatory processes before the Commission, and as contemplated by the Commission's Policy Statement in Docket U-210595, which provides high-level guidance for the implementation of RCW 80.28.430.

<sup>3</sup> RCW 80.28.430(1). The Commission prioritizes vulnerable populations and highly impacted communities (Prioritized Organizations) and has set aside at least one-third of each utility's funding cap for such Prioritized Organizations. The Commission provides for the interim payment of expenses incurred by these Prioritized Organizations during regulatory proceedings in order to support their participation, a lowered threshold for their eligibility such that it is easier for them to qualify for funding, and continued outreach to and training for these Prioritized Organizations to understand the opportunities provided by participatory funding.

<sup>4</sup> *In re Petition of Puget Sound Energy, et. al., for an Order Approving and Interim Participatory Funding Agreement Between Puget Sound Energy, et. al.*, Docket U-210595, Order 01 Approving Agreement with Modifications (Feb. 24, 2022).

<sup>5</sup> The Commission determines the amount of financial assistance, if any, that may be provided to any organization; the way the financial assistance is distributed; the way the financial assistance is recovered in a utility's rates; and other matters necessary to administer the agreement. Agreements for participatory funding must prioritize organizations that represent highly impacted communities and vulnerable populations.

**THE COMMISSION GIVES NOTICE that persons interested in applying for participatory funding must file a Notice of Intent to Seek Funding and Request for Case Certification in this docket by 5 p.m. on September 30, 2022.**

The Commission will review all Notices of Intent to Seek Funding and Requests for Case Certification, and will approve them, approve them with modifications, or reject them based on the public interest considerations outlined in the Commission's Policy Statement and in the approved interim agreement.

For more information, please see [Docket U-210595](#), including the Commission's [Policy Statement on Participatory Funding for Regulatory Proceedings](#) and to [Order 01](#).

### **MEETING PARTICIPATION**

If you wish to participate and need an interpreter, one will be provided at no cost to you. If you need an interpreter, please contact the Commission at least one business day prior to the meeting by calling (360) 664-1140 or by sending an email to [paige.doyle@utc.wa.gov](mailto:paige.doyle@utc.wa.gov).

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If you have questions regarding this Docket or the upcoming workshop, you may contact Andrew Roberts at [andrew.roberts@utc.wa.gov](mailto:andrew.roberts@utc.wa.gov) or (360) 664-1101.

*/s/ Amy Andrews on behalf of*  
AMANDA MAXWELL  
Executive Director and Secretary



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

621 Woodland Square Loop S.E. • Lacey, Washington 98503

P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY 1-800-833-6384 or 711

November 2, 2022

**NOTICE OF VIRTUAL WORKSHOPS**

**(Set for March 14, 2023, at 1 p.m. and  
March 17, 2023, at 9 a.m.)**

Re: Rulemaking to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including permanent elimination of late fees, disconnection and reconnection fees, and deposits, Docket U-210800

TO ALL INTERESTED PERSONS:

On March 18, 2022, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including the permanent elimination of late fees, disconnection and reconnection fees, and deposits. The Commission filed the CR-101 in Docket U-210800.

On August 29, 2022, the Commission convened the first virtual workshop addressing these issues.

To facilitate additional discussions with interested persons on proposed changes to the rules, the Commission will convene two additional workshops in this Docket, the first beginning at 1 p.m. on March 14, 2023, and the second beginning at 9 a.m. on March 17, 2023. The Commission will issue a notice and agenda prior to the workshops identifying topics and materials for discussion.

**THE COMMISSION GIVES NOTICE that it will convene a virtual workshop in this matter on March 14, 2023, beginning at 1 p.m.** Although persons may participate by telephone, participation by computer or mobile application will make it easier to facilitate the workshop, which will include a visual presentation and interactive discussion. To participate via Zoom, [click here to join meeting](https://utc-wa-gov.zoom.us/j/82306392410?pwd=b245cytoM2VNT2NXbUR4ZWJnVDdzUT09).<sup>1</sup>

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<sup>1</sup> <https://utc-wa-gov.zoom.us/j/82306392410?pwd=b245cytoM2VNT2NXbUR4ZWJnVDdzUT09>.

To participate by phone, call (253) 215-8782, and enter Meeting ID 823 0639 2410# and the Passcode: 814413#.

**THE COMMISSION GIVES NOTICE that it will convene a virtual workshop in this matter on March 17, 2023, beginning at 9 a.m.** Although persons may participate by telephone, participation by computer or mobile application will make it easier to facilitate the workshop, which will include a visual presentation and interactive discussion. To participate via Zoom, [click here to join meeting](#).<sup>2</sup>

To participate by phone, call (253) 215-8782, and enter Meeting ID 885 8243 5463# and the Passcode: 822187#.

### MEETING PARTICIPATION

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If you have questions regarding this Docket or the upcoming workshops, you may contact Andrew Roberts at [andrew.roberts@utc.wa.gov](mailto:andrew.roberts@utc.wa.gov) or (360) 664-1101.

AMANDA MAXWELL  
Executive Director and Secretary

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<sup>2</sup> <https://utc-wa-gov.zoom.us/j/88582435463?pwd=dINtMmdHRzM0NzgrcDlnakhVZWlwUT09>.



STATE OF WASHINGTON  
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(360) 664-1160 • TTY 1-800-833-6384 or 711

December 28, 2022

**NOTICE RESCHEDULING VIRTUAL WORKSHOP  
(Now set for March 13, 2023, at 9 a.m.)**

Re: Rulemaking to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including permanent elimination of late fees, disconnection and reconnection fees, and deposits, Docket U-210800

TO ALL INTERESTED PERSONS:

On March 18, 2022, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including the permanent elimination of late fees, disconnection and reconnection fees, and deposits. The Commission filed the CR-101 in Docket U-210800.

On August 29, 2022, the Commission convened the first virtual workshop addressing these issues.

On November 2, 2022, the Commission issued a notice setting time for two more workshops to facilitate additional discussions with interested persons on proposed changes to the rules, the first beginning at 1 p.m. on March 14, 2023, and the second beginning at 9 a.m. on March 17, 2023. Due to a scheduling conflict, the Commission must now reschedule the workshop previously scheduled for March 17, 2023, to March 13, 2023, beginning at 9 a.m. The workshop scheduled to begin at 1 p.m. on March 14, 2023, will convene as originally scheduled.

**THE COMMISSION GIVES NOTICE that the virtual workshop in this matter previously scheduled for March 17, 2023, is rescheduled to March 13, 2023, beginning at 9 a.m.**

Although persons may participate by telephone, participation by computer or mobile application will make it easier to facilitate the workshop, which will include a visual presentation and interactive discussion. To participate via Zoom, [click here to join meeting](#).<sup>1</sup>

To participate by phone, call (253) 215-8782, and enter Meeting ID 885 8243 5463# and the Passcode: 822187#.

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AMANDA MAXWELL  
Executive Director and Secretary

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<sup>1</sup> <https://utc-wa-gov.zoom.us/j/88582435463?pwd=dINtMmdHRzM0NzgrcDlnakhVZWlwUT09>.



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(360) 664-1160 • TTY 1-800-833-6384 or 711

February 24, 2023

**NOTICE RESCHEDULING VIRTUAL WORKSHOPS**

**(Now set for May 4, 2023, at 9 a.m. and  
May 11, 2023, at 1 p.m.)**

Re: Rulemaking to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including permanent elimination of late fees, disconnection and reconnection fees, and deposits, Docket U-210800

TO ALL INTERESTED PERSONS:

On March 18, 2022, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including the permanent elimination of late fees, disconnection and reconnection fees, and deposits. The Commission filed the CR-101 in Docket U-210800.

On August 29, 2022, the Commission convened the first virtual workshop addressing these issues.

On November 2, 2022, the Commission issued a notice setting time for two more workshops to facilitate additional discussions with interested persons on proposed changes to the rules, the first beginning at 1 p.m. on March 14, 2023, and the second beginning at 9 a.m. on March 17, 2023.

On December 27, 2022, the Commission issued a further notice rescheduling the March 17 workshop for March 13. Due to Commission staff (Staff) workload and scheduling commitments, the Commission must now reschedule both workshops. The first workshop will now be held on May 4, 2023, at 9 a.m. and the second on May 11, 2023, at 1 p.m. The Commission will issue a notice and agenda prior to the workshops identifying topics and materials for discussion.

**THE COMMISSION GIVES NOTICE that the workshop previously scheduled for March 14, 2023, is rescheduled to May 4, 2023, beginning at 9 a.m.** Although persons may participate by telephone, participation by computer or mobile application will make it easier to

facilitate the workshop, which will include a visual presentation and interactive discussion. To participate via Zoom, [click here to join meeting](#).<sup>1</sup>

To participate by phone, call (253) 215-8782, and enter Meeting ID 885 8243 5463# and the Passcode: 822187#.

**THE COMMISSION GIVES FURTHER NOTICE that the virtual workshop previously scheduled for March 13, 2023, is rescheduled to May 11, 2023, beginning at 1 p.m.** Although persons may participate by telephone, participation by computer or mobile application will make it easier to facilitate the workshop, which will include a visual presentation and interactive discussion. To participate via Zoom, [click here to join meeting](#).<sup>2</sup>

To participate by phone, call (253) 215-8782, and enter Meeting ID 823 0639 2410# and the Passcode: 814413#.

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If you have questions regarding this Docket or the upcoming workshops, you may contact Andrew Roberts at [andrew.roberts@utc.wa.gov](mailto:andrew.roberts@utc.wa.gov) or (360) 664-1101.

AMANDA MAXWELL  
Executive Director and Secretary

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April 21, 2023

**NOTICE RESCHEDULING VIRTUAL WORKSHOPS**

**(Now set for June 21, 2023, at 1 p.m. and  
June 23, 2023, at 9 a.m.)**

Re: Rulemaking to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including permanent elimination of late fees, disconnection and reconnection fees, and deposits, Docket U-210800

TO ALL INTERESTED PERSONS:

On March 18, 2022, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including the permanent elimination of late fees, disconnection and reconnection fees, and deposits. The Commission filed the CR-101 in Docket U-210800.

On August 29, 2022, the Commission convened the first virtual workshop addressing these issues.

On November 2, 2022, the Commission issued a notice setting time for two more workshops to facilitate additional discussions with interested persons on proposed changes to the rules, the first beginning at 1 p.m. on March 14, 2023, and the second beginning at 9 a.m. on March 17, 2023.

On December 27, 2022, the Commission issued a further notice rescheduling the March 17 workshop for March 13. The Commission issued a further notice rescheduling both workshops to May 4 and May 11. Due to Commission staff (Staff) workload and scheduling commitments, the Commission must again reschedule both workshops. The first workshop will now be held on June 21, 2023, at 1 p.m. and the second on June 23, 2023, at 9 a.m. The Commission will issue a notice and agenda prior to the workshops identifying topics and materials for discussion.

**THE COMMISSION GIVES NOTICE that the workshop previously scheduled for May 4, 2023, is rescheduled to June 21, 2023, beginning at 1 p.m.** Although persons may participate

by telephone, participation by computer or mobile application will make it easier to facilitate the workshop, which will include a visual presentation and interactive discussion. To participate via Zoom, [click here to join meeting](#).<sup>1</sup>

To participate by phone, call (253) 215-8782, and enter Meeting ID 885 8243 5463# and the Passcode: 822187#.

**THE COMMISSION GIVES FURTHER NOTICE that the virtual workshop previously scheduled for May 11, 2023, is rescheduled to June 23, 2023, beginning at 9 a.m.** Although persons may participate by telephone, participation by computer or mobile application will make it easier to facilitate the workshop, which will include a visual presentation and interactive discussion. To participate via Zoom, [click here to join meeting](#).<sup>2</sup>

To participate by phone, call (253) 215-8782, and enter Meeting ID 823 0639 2410# and the Passcode: 814413#.

## MEETING PARTICIPATION

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AMANDA MAXWELL  
Executive Director and Secretary

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May 23, 2023

**NOTICE CANCELING VIRTUAL WORKSHOP  
(Previously set for June 21, 2023)**

and

**NOTICE EXTENDING VIRTUAL WORKSHOP  
(Set for June 23, 2023, at 9 a.m.)**

Re: Rulemaking to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including permanent elimination of late fees, disconnection and reconnection fees, and deposits, Docket U-210800

TO ALL INTERESTED PERSONS:

On March 18, 2022, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including the permanent elimination of late fees, disconnection and reconnection fees, and deposits. The Commission also filed the CR-101 in this Docket.

On August 29, 2022, the Commission convened the first virtual workshop addressing these issues.

On November 2, 2022, the Commission scheduled in this Docket an additional two workshops to facilitate discussions with interested persons on proposed changes to the rules.

On April 21, 2023, the Commission issued a notice rescheduling those workshops to June 21 and June 23, 2023.

The Commission now gives notice that it is canceling the June 21 workshop and extending the June 23, 2023, workshop to begin at 9 a.m. and continue into the afternoon. The Commission

will issue in this Docket a notice and an agenda prior to the June 23 workshop identifying topics and materials for discussion.

**THE COMMISSION GIVES NOTICE that the workshop previously scheduled for June 21, 2023, is canceled.**

**THE COMMISSION GIVES FURTHER NOTICE that the virtual workshop previously scheduled for the morning of June 23, 2023, will now begin at 9 a.m. and extend into the afternoon.** Although persons may participate by telephone, participation by computer or mobile application will make it easier to facilitate the workshop, which will include a visual presentation and interactive discussion. To participate via Zoom, [click here to join meeting](#).<sup>1</sup>

To participate by phone, call (253) 215-8782, and enter Meeting ID 823 0639 2410# and the Passcode: 814413#.

### **MEETING PARTICIPATION**

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AMANDA MAXWELL  
Executive Director and Secretary

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June 2, 2023

**NOTICE OF OPPORTUNITY TO PROVIDE COMMENTS  
AND WORKSHOP AGENDA**

**Workshop set for June 23, 2023, at 9 a.m.**  
[Join Zoom Meeting](#) or by phone (253) 215-8782  
(Meeting ID: 823 0639 2410, Passcode: 814413)

**RE: Customer Notice and Fees Rulemaking, Docket U-210800**

TO ALL INTERESTED PERSONS:

On March 18, 2022, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider potential changes and improvements to electric and natural gas customer notice, credit, and collection rules, including the permanent elimination of late fees, disconnection and reconnection fees, and deposits. The Commission filed the CR-101 in Docket U-210800.

On April 21, 2023, the Commission issued a notice scheduling a virtual workshop for June 23, 2023.<sup>1</sup> The Commission informed interested persons that it would issue an additional notice and agenda prior to the workshop identifying topics and materials for discussion.

**THE COMMISSION GIVES NOTICE that the Commission invites interested persons to attend the June 23, 2023, workshop to discuss potential rule changes related to the disconnection of electric and natural gas service for nonpayment.** All other topics will be addressed at later stages of this rulemaking through written comments or additional workshops.

The agenda below provides a total of 60 minutes for presentations from consumer advocacy experts. Investor-owned utilities (IOUs) are similarly allotted a total of 60 minutes for presentations from industry advocacy experts. IOUs should confer and collectively select their speaker(s). The IOUs

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<sup>1</sup> The workshop was originally set for March 14 and 17, 2023, and was subsequently rescheduled several times due to Commission staff workload and scheduling conflicts.

should designate a representative to provide the Commission with the name(s) of their selected speaker(s) by filing a letter to this Docket at least three business days in advance of the workshop. The agenda includes time for Commission Staff to present analysis gathered about IOU customers in this Docket, and discussion of possible options for modifying the Commission's disconnection rules. The agenda also includes 60 minutes for public comment. Members of the public are encouraged to attend and provide feedback on the topics listed below related to the disconnection of electric and natural gas service for nonpayment.

## AGENDA

<b>Time</b>	<b>Agenda Item</b>	<b>Facilitator</b>
10 minutes (9:00-9:10)	Introductions and agenda overview	Commission Staff/Commissioners
30 minutes (9:10-9:40)	Presentation: Findings from research program related to energy insecurity and utility shutoffs	David Konisky, Indiana University
30 minutes (9:40-10:10)	Presentation: Pathways for reforming utility credit and collections practices	John Howat, National Consumer Law Center
60 minutes (10:10-11:10)	Hold for industry advocates	TBD
5 minutes (11:10-11:15)	Break	
15 minutes (11:15-11:30)	Presentation: Updated analysis of the impacts of Covid-19 on residential utility customers in Washington	Commission Staff
30 minutes (11:15-12:00)	Discuss proposals for modifying rules related to disconnection of service for nonpayment (see list, below*), maintaining current disconnection rules, and any other proposals	Commission Staff
45 minutes (12:00-12:45)	Lunch	
2 hours 30 minutes (12:45-3:15)	Discussion continued	Commission Staff
5 minutes (3:15-3:20)	Break	
60 minutes (3:20 – 4:20)	Public Comment	
10 minutes (4:20-4:30)	Next steps and closing remarks	Commission Staff/Commissioners

\*Proposals for modifying rules related to disconnection of service for nonpayment:

1. Prohibit disconnection for nonpayment for households with a high energy burden (*i.e.*, the sum of all energy utility bills divided by household income is six percent or above).
2. Prohibit disconnection for nonpayment for households with a high utility burden with modifications to income to account for household economic pressures (*i.e.*, the sum of all utility bills divided by modified household income is six percent or above).
3. Prohibit disconnections for nonpayment for all residential customers.
4. Prohibit disconnections for nonpayment for all residential and small business customers.
5. Prohibit disconnections for nonpayment for all customers.
6. Prohibit disconnections for named populations (*e.g.*, low-income, elderly, disabled, families with young children, etc.)

Related questions for discussion:

1. What are the approximate rate impacts and bill impacts for each of the proposed alternatives listed above? Please provide a brief description of the underlying assumptions.
2. What are the possible impacts of each of the proposed alternatives on:
  - a. IOUs
  - b. Consumers
  - c. Communities
3. How should the Commission weigh and consider these factors to balance the interests of regulated companies and consumers while applying an equity lens?

**The Commission requests that each regulated company file in this Docket prior to the workshop the amount of bad debt currently being recovered in rates.**

## MEETING PARTICIPATION

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AMANDA MAXWELL  
Executive Director and Secretary

Service Date: August 8, 2023



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

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(360) 664-1160 • TTY 1-800-833-6384 or 711

August 8, 2023

**NOTICE OF OPPORTUNITY TO PROVIDE COMMENTS  
AND WORKSHOP AGENDA**

**Workshop set for September 7, 2023, at 9:30 a.m.**

[Join Zoom Meeting](#) or by phone (253) 215-8782  
(Meeting ID: 890 7914 8958, Passcode: 766444)

**Re: Customer Notice and Fees Rulemaking, Docket U-210800**

TO ALL INTERESTED PERSONS:

On March 18, 2022, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider potential changes and improvements to electric and natural gas customer notice, credit, and collection rules, including the permanent elimination of late fees, disconnection and reconnection fees, and deposits. The Commission filed the CR-101 in Docket U-210800.

To facilitate additional discussions with interested persons on proposed changes to the rules, the Commission will convene a workshop beginning at 9:30 a.m. on September 7, 2023. The Commission will issue a notice and agenda prior to the workshops identifying topics and materials for discussion.

**THE COMMISSION GIVES NOTICE that it will convene a virtual workshop in this matter on September 7, 2023, beginning at 9:30 a.m.** Although persons may participate by telephone, participation by computer or mobile application will make it easier to facilitate the workshop, which will include a visual presentation and interactive discussion. To participate via Zoom, [click here to join meeting](#).<sup>1</sup>

To participate by phone, call (253) 215-8782, and enter Meeting ID 890 7914 8958# and the Passcode: 766444#.

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<sup>1</sup><https://utc-wa-gov.zoom.us/j/89079148958?pwd=ZHloTHNPS2ZIY0RYR0VqVWdYRGttZz09>

## MEETING PARTICIPATION

If you wish to participate and need an interpreter, one will be provided at no cost to you. If you need an interpreter, please contact the Commission at least one business day prior to each meeting by calling (360) 664-1140 or by sending an email to [paige.doyle@utc.wa.gov](mailto:paige.doyle@utc.wa.gov).

The Commission is committed to providing reasonable accommodations to participants with disabilities. If you need an accommodation for the meeting, please contact the Commission at least one business day prior to each workshop by calling (360) 664-1132 or by sending an email to [human\\_resources@utc.wa.gov](mailto:human_resources@utc.wa.gov). For TTY service, please call the Washington Relay Service at 1-800-833-6384 or 711.

If you have questions regarding this Docket or the upcoming workshops, please contact Andrew Roberts at [andrew.roberts@utc.wa.gov](mailto:andrew.roberts@utc.wa.gov) or (360) 664-1101.

AMANDA MAXWELL  
Executive Director and Secretary

# **EXHIBIT B**



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Received  
Records Management  
Jun 21, 2023

June 21, 2023

### Filed Via Web Portal

Ms. Amanda Maxwell, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

### Re: Customer Notice and Fees Rulemaking, Docket U-210800

Dear Ms. Maxwell:

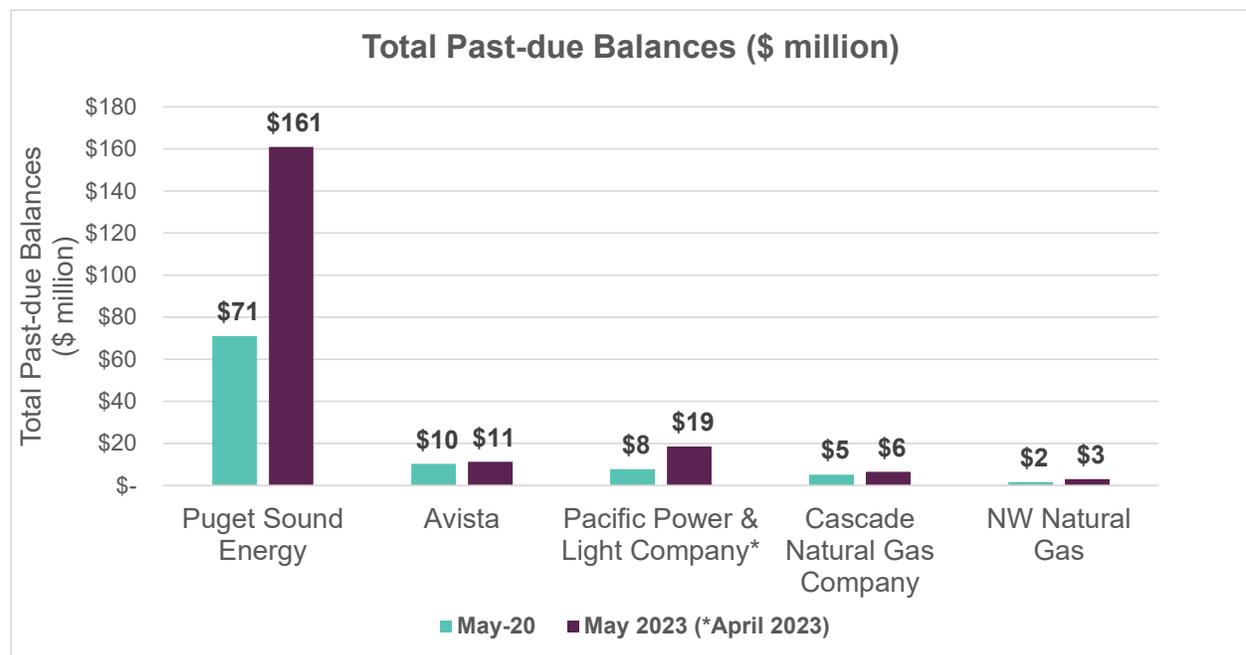
Puget Sound Energy (“PSE” or “the Company”) provides the following comments to the Washington Utilities and Transportation Commission (“Commission” or “WUTC”) in response to the Notice of Opportunity to Provide Comments and Workshop Agenda (“Notice”) issued on June 2, 2023 in Docket U-210800, rulemaking to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including permanent elimination of late fees, disconnection and reconnection fees, and deposits. In addition to general comments and responses to the questions in the Notice herein, a copy of the PSE’s presentation for the upcoming workshop is included as Attachment A.

PSE currently faces staggering and growing arrearage balances. Disconnection should certainly be a last resort to address a past due balance, however, the current credit and collections system is built around disconnects as an option. The primary focus of reform for the credit and collections process should be on how to motivate customers to address and remit timely payment on their bills, or take advantage of the many assistance programs that will help them do that. The status quo of freezing credit and collections processes is not working for PSE and this may indicate that eliminating disconnections as an optional last resort may not be in the best interests of customers. PSE’s total arrearages have increased by 127% from \$71.1 million in May of 2020 to \$161.0 million in May 2023, as seen in Figure 1. **Error! Reference source not found.** PSE has a much larger scale of arrearages than any other Washington State investor-owned utility (IOUs). Whereas other IOUs have returned to normal dunning operations, PSE’s have continued to grow due to restrictions on changes to the dunning process. We will discuss this pattern in more detail later in these comments.

PSE’s current level of past-due balances is unprecedented, despite the equally unprecedented \$164.6 million in energy assistance that PSE provided to customers between

March 2020 and December 2022 (Figure 4). This assistance included \$84 million distributed by PSE through the COVID-19 Crisis Affected Customer Assistance Program (CACAP)-1, CACAP-2, CACAP-3, and Commerce Arrearage Relief to 91,307 PSE customers,<sup>1</sup> and \$80.6 million combined through Low Income Home Energy Assistance Program (LIHEAP) to 36,248 PSE customers and PSE Home Energy Lifeline Program (HELP) to 42,135 PSE customers. Both PSE HELP and LIHEAP offer up to \$1,000 of assistance per year towards bills or arrearages. Still, as of May 31<sup>st</sup>, there were approximately 9,000 residential customers with past-due balances of \$2,000.00 or more.

Figure 1. Washington IOUs' arrearage balances in May 2020 and in May (\*April) 2023



Source: UTC Docket U-200281

## Background

The disconnection moratorium, which began in April 2020 due to the COVID-19 pandemic, was lifted in Washington State on September 1, 2021. The Commission extended the disconnection moratorium through September 30, 2021, as well as certain consumer protections, through March 29, 2022. To address the sheer volume of customers in arrears and reporting requirements for the WUTC, PSE developed a process that facilitated a gradual return to normal

<sup>1</sup> This total reflects the total amount of unique customers assisted (meaning a customer could have received assistance from 3 different programs, but they would only be counted once for the total count).

disconnect process operations, creating multiple phases of dunning activity to manage workload with our field staff and within our Customer Care Center.

As part of Phase I, PSE resumed disconnects in May 2022 with a small subset of customers in arrears. The first phase included customers with an arrearage of \$1,000 or more and excluded all known and estimated low-income customers. In subsequent phases, PSE planned to gradually decrease the arrearage dollar threshold and to add back in low-income customers over several months to give customers the opportunity to apply for assistance and/or make long-term payment plans. However, as an outcome of PSE's 2022 General Rate Case (GRC) Settlement, PSE has been required to hold dunning to the first phase, which excludes customers with a balance lower than \$1,000 dollars and all known and estimated low-income customers, until the conclusion of Docket U-210800. As a result, customers who are not in dunning due to these restrictions receive their regular bill indicating they have a previous charge due, but do not receive urgent and/or final notices. As an alternative to our normal dunning practices, PSE has done outreach to inform customers of assistance options and payment arrangements. It is not clear to PSE when this docket and the associated dunning restrictions will conclude. Meanwhile, arrearages continue to accumulate and will continue to rise if PSE is unable to return to dunning procedures beyond Phase I.

As of May 31, 2023, PSE has 261,213 customers in arrears with an average balance of \$616.00, up from an average balance of \$242.00 in May of 2020 (Figure 2). While the number of customers with arrearages has stayed relatively constant, the average past-due balance has increased by 155%. This is largely the effect of the state-wide COVID-19 disconnect moratorium and the continued inability to pursue the full dunning process for PSE's known and estimated low-income customers, as well as customers with arrearages below the \$1,000 threshold. PSE is the only Washington IOU that has not returned to the pre-COVID dunning process.

Energy assistance data shows that during the disconnection moratorium even though past-due balances increased (Figure 2), enrollment in payment arrangements and energy assistance programs decreased, down 55% from 2019 to 2021 (Figure 3) and down 14% from 2019 to 2021 (Figure 4). These results may indicate that customer behavior is predicated on whether there is urgent, targeted, and direct outreach through the dunning process and whether there are tangible repercussions for non-payment via the potential for disconnection.

Figure 2. PSE’s number of customers past-due and total \$ past-due balances, monthly from 2018 through May 31, 2023, with timelines of Crisis Affected Customer Assistance Programs (CACAPs).

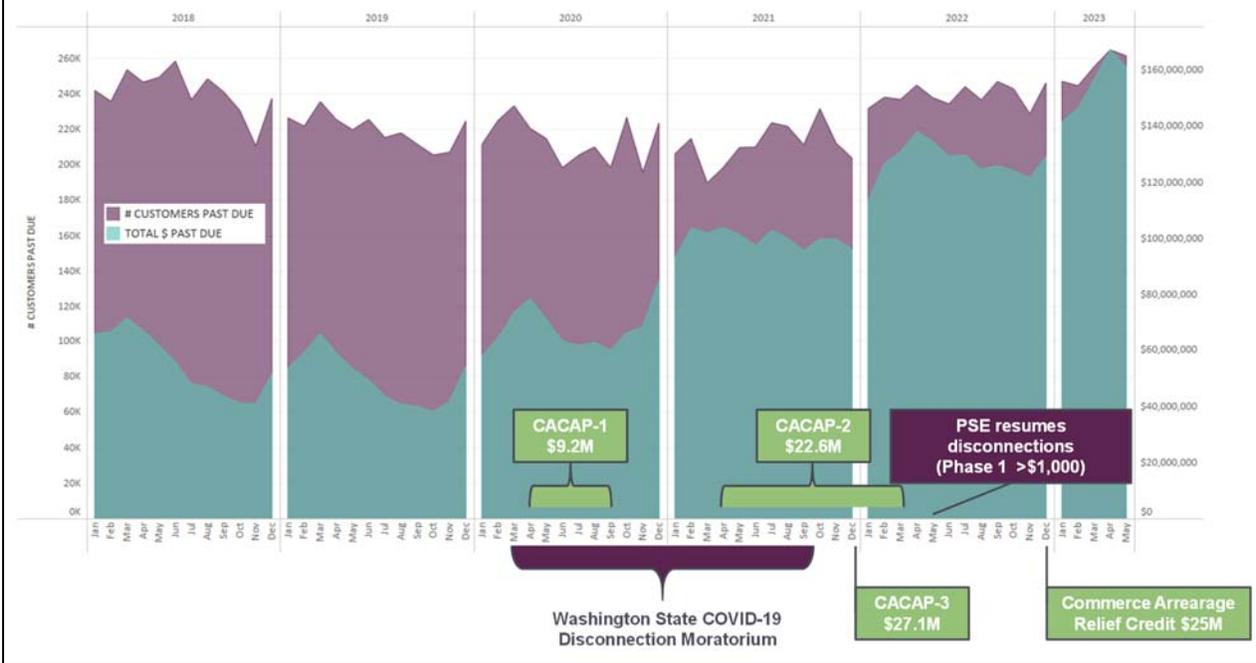


Figure 3. PSE’s number of payment arrangements, monthly from 2018 through May 31, 2023.

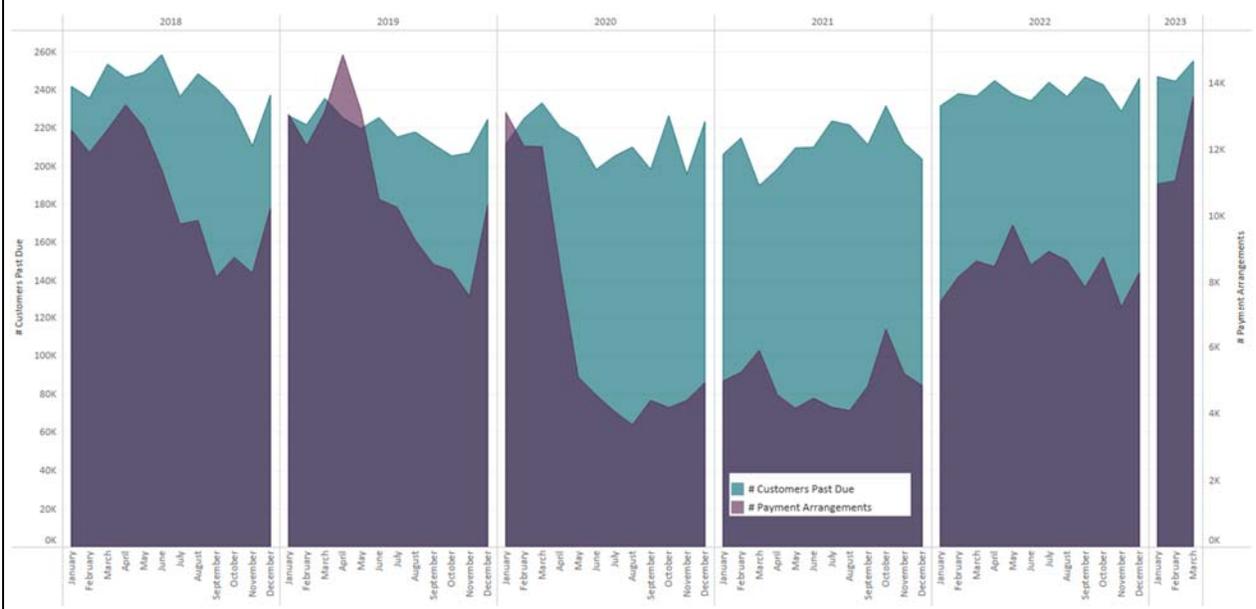
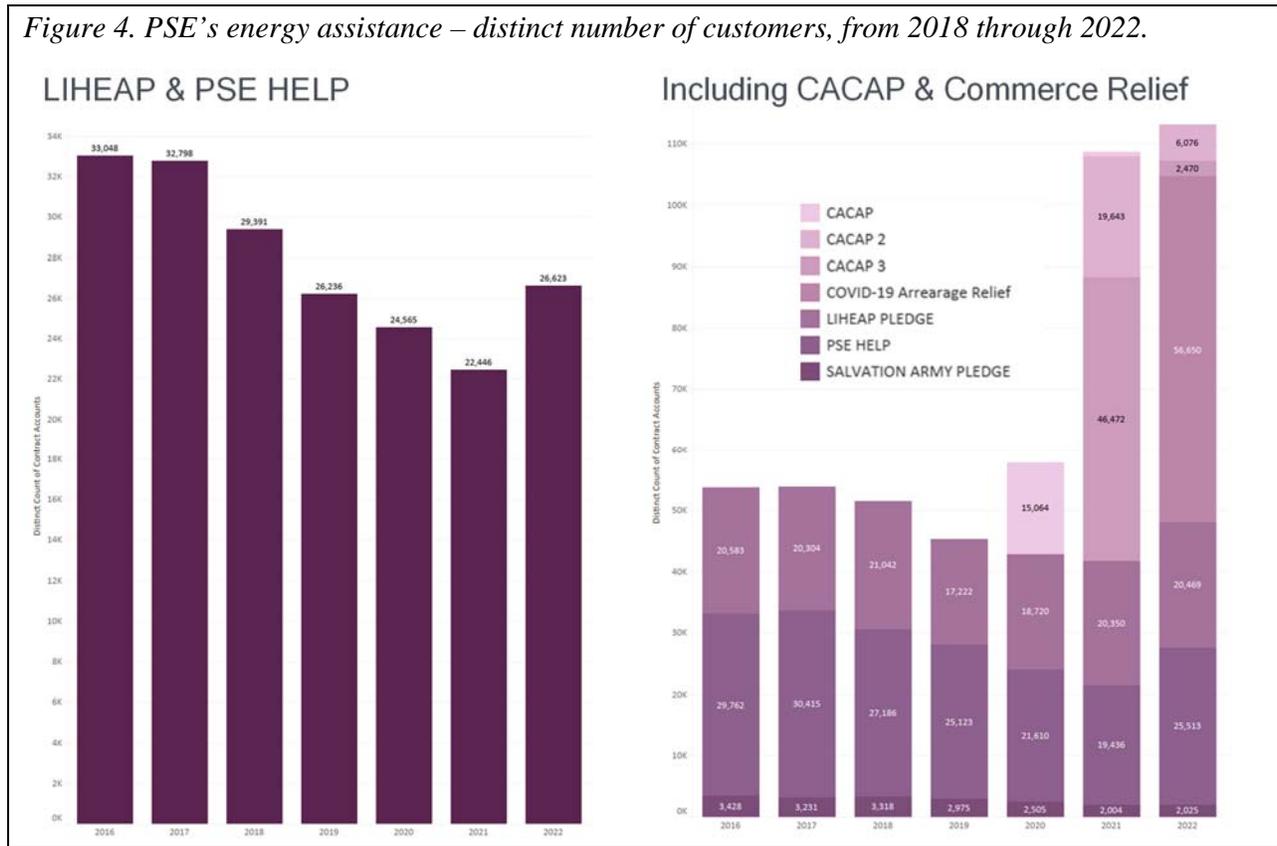


Figure 4. PSE’s energy assistance – distinct number of customers, from 2018 through 2022.



### Protections and Arrearage Assistance Programs

PSE offers arrearage assistance and arrearage prevention assistance programs to all customers, including known and estimated income-qualified customers:

- Extended 18-month payment arrangements
- Budget payment plans for preventing future arrearages
- Energy efficiency programs for preventing future arrearages
- Extended COVID-19 Docket U-200281 protections:
  - No late fees
  - No disconnection fees
  - No reconnection fees
  - No deposits at reconnection
- Per Docket U-180525 for Remote Disconnection:
  - Disable remote disconnection functionality for medical facilities and critical infrastructure as identified in or pursuant to the Washington state military department's Washington state infrastructure protection plan; and limit the

- number of remote disconnections in a twenty-four-hour period or take other reasonable measures to prevent unauthorized disconnections;
- Perform all remote disconnections for nonpayment between the hours of 8:00 a.m. and 12:00 p.m. and remotely disconnect service only if the utility provides customers with a reasonable opportunity to submit payment and have the utility reestablish service on the same day;
  - Prior to involuntarily disconnecting a customer who has a medical certificate in accordance with subsection (8) of this section, visit the customer's premises and provide the customer with an opportunity to pay via appropriate methods including providing payment to the dispatched utility representative;
  - Prior to disconnecting a customer for nonpayment who the utility is aware has received low-income assistance in the prior two years, visit the customer's premises and provide the customer with an opportunity to pay via appropriate methods including providing payment to the dispatched utility representative;
  - If a site visit is not required to disconnect the service, the utility may not charge any fees for the disconnection.
- Inclement Weather Moratorium: Cease disconnection for non-payment in areas with inclement weather events, which are days characterized by extreme cold or excessive heat and the average daily temperature is forecasted to be at or below 32 degrees Fahrenheit, or at or above 90 degrees Fahrenheit. The Company uses the prior day's forecast as received from the National Weather Service.

PSE offers additional extended arrearage and bill assistance programs to income-qualified customers:

- PSE HELP: up to \$1,000 in bill and arrearages assistance
- LIHEAP: up to \$1,000 in bill and arrearages assistance
- Salvation Army Warm Home Fund: up to \$600 if received disconnect notice (YTD the program has collected \$552k, average for past three years is \$1.39 million collected)
- Starting in October 2023 PSE will offer a supplemental arrearage program until the company's long term Arrearage Management Plan is implemented in October of 2024
- Bill Discount Rate: discounts on customer bills to prevent/decrease future arrearages
- Low-income Weatherization Assistance: to decrease future bills and prevent/decrease future arrearages
- Income-Qualified Community Solar Program: to decrease future bills and prevent/decrease future arrearages
- Winter Moratorium: Depending on income a customer may qualify for payment assistance and disconnect protection during the winter months, from November 15<sup>th</sup> to March 15<sup>th</sup>.

## Outreach Efforts

PSE has also done significant outreach, especially to vulnerable customers, and offers expanded protection for all customers, especially known low-income (KLI) customers.

- Between April and October 2021, PSE's Customer Care Center called 10,285 customers during four rounds of outbound call campaigns. These calls were made to customers who were past due, but not yet in PSE's dunning process (customers in the dunning process already receive written notifications as well as outbound call attempts). These calls targeted customers who might not be familiar with PSE's past due process and/or the program options available to them. As a result, 39% of customers contacted took some type of action on their account in the days following PSE's call/voicemail.
- PSE has a goal of ensuring that all customers, no matter their income level, language proficiency or where they live, have access to financial assistance, energy saving solutions, along with clean energy options. PSE has taken the following steps to ensure that all customers are knowledgeable about these programs:
  - Overcoming language barriers through multilingual outreach
  - Emphasizing reaching customers in Named Communities (highly impacted communities and vulnerable populations) to achieve awareness and increase engagement
  - Utilizing our community partners to extend our reach and provide trusted advocacy
  - Since the disconnection moratorium has lifted, PSE has made a concerted effort to increase communication to customers behind on their bills:
    - **CACAP related communications:**
      - Email quantity: 405,000
      - Print quantity: 65,800
      - Timing: 12/21-2/22, 10/22, 12/22-1/23
    - **Payment Arrangements related communications:**
      - Email quantity: 203,000
      - Print quantity: 27,500
      - Timing: 1/22, 7/22, 10/22, 3/23
      - Bill insert articles: 11/21, 12/22
    - **Multilingual engagement:**
      - Using multilingual advertising and community outreach to reach all in-need customers
      - Developing close relationships with key local non-profits serving non-English proficient communities to help advocate for PSE assistance programs
      - Utilizing PSE's bilingual community-based outreach team, with 5 members who are native Spanish speakers

- All energy & bill assistance advertising campaigns now integrated using Spanish & English
- Digital and print collateral available in Spanish, Russian, Chinese, Vietnamese & Korean
- Participation at Spanish, Chinese and Vietnamese events, with native language speakers
- **Integrated campaigns reaching Named Communities:**
  - Reaching these communities that are facing heightened environmental burdens, combined with socioeconomic and health challenges, PSE developed initiatives tailored to address localized needs. Examples of a few of these campaigns:
    - Senior campaign: outreach activities at local senior centers, utilizing radio, direct and community newspaper to reach rural customers.
    - Vietnamese/Chinese campaign: held events at selected community centers, utilizing native language speaking associates and utilizing in-language collateral.
    - Spanish campaign: leverages relationships with non-profits serving the Hispanic community to hold classes on available assistance options and includes presence at multiple community events, advertising on Spanish radio, social media, and in newspapers.
    - Tribal campaign: localized campaigns working with tribal food pantries and social services.
- **Upcoming campaign: Bill Discount Rate (BDR):** The program will go live on Oct. 1st, pending UTC approval, with the launch of the BDR program page on pse.com. To gain visibility and customer engagement, we are planning the following campaign elements:
  - **“Do I qualify?” widget.** In addition to linking to the application portal, the program page on pse.com will feature a widget, which after inputting household income, number in household and county of residence, will provide the customer with a preliminary “Looks like you qualify” or “Sorry, looks like you don’t qualify”. It then directs the customer to the application portal.
  - **Community Outreach.** Our bilingual team will engage with local non-profits in targeted communities.
  - **Social Media & Digital advertising.** Using geo-targeted advertising in English and Spanish social and digital media. Mindful of internet access limitations, we are also using geo-targeted advertising on English & Spanish radio and bilingual direct mail.
  - **Earned Media.** An extensive PR effort to gain visibility for the program in local English and Spanish media.

### **PSE's Disconnect Reduction Plan**

PSE filed their Disconnection Reduction Plan in accordance with the Settlement Stipulation in the 2019 General Rate Case (UE-190539). In the plan, PSE outlined specific actions that the company will take to reduce the number of customers that reach the disconnection queue, receive a disconnection notice, and temporarily lose utility service due to non-payment. In this filing, PSE describes existing business practices, how customers can exit collections, and outlines programs offered to help avoid disconnection:

- Bill alerts
- "Pick your own due date"
- Budget payment plan
- Payment plans
- Home Weatherization Assistance Program
- Home Energy Lifeline Program (HELP)
- Warm Home Fund

Future enhancements and programs identified:

- Bill discount rate
- Increased access to cash payment stations
- Increased access to energy assistance programs
- Arrearage management plan
- Continuing education, outreach and reporting
- Multi-language support
- Extended payment arrangements
- Customer focused field visits for KLI and medical emergency
- Customer first focus

### **Responses to Questions Posed in the Notice**

*The Commission requests that each regulated company file in this Docket prior to the workshop the amount of bad debt currently being recovered in rates.*

**Response:** For 2023, the amount of bad debt currently being recovered in rates: \$16,161,840 (electric) and \$4,154,334 (gas).

*1. What are the approximate rate impacts and bill impacts for each of the proposed alternatives listed above? Please provide a brief description of the underlying assumptions.*

**Response:** PSE is unable to calculate the impacts of the following proposals with current data available in our customer information system:

1. *Prohibit disconnection for nonpayment for households with a high energy burden (i.e., the sum of all energy utility bills divided by household income is six percent or above).*
2. *Prohibit disconnection for nonpayment for households with a high utility burden with modifications to income to account for household economic pressures (i.e., the sum of all utility bills divided by modified household income is six percent or above).*
6. *Prohibit disconnections for named populations (e.g., low-income, elderly, disabled, families with young children, etc.)*

PSE is also unable to calculate the impacts of scenario 4 as a definition of “small business customers” wasn’t provided.

PSE is providing estimates based on current arrearages for approximate one-time\* rate impacts and bill impacts for proposed alternatives 3 and 5 (Figure 5) in the Notice:

3. *Prohibit disconnections for nonpayment for all residential customers.*

Using the May 31, 2023 arrearage data (as seen in Table 1 below) and estimated forecasted revenue at rates effective May 1, 2023, scenario 3 “Prohibiting disconnects for all residential customers” would result in an approximate residential rate increase for electric customers of 3.9% and for gas residential customers, an approximate rate increase of 2.5%.\*

5. *Prohibit disconnections for nonpayment for all customers.*

Using the May 31, 2023, arrearage data (as seen in Table 1 below) and estimated forecasted revenue at rates effective May 1, 2023, a modification of scenario 5, “Prohibiting disconnects for all customers” would result in an approximate rate increase for electric customers of 4.8% and for gas customers, an approximate rate of 3.2%.<sup>2</sup>

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<sup>2</sup> *It is important to note that these estimated rate impacts would become regular (e.g., annual) and perpetual, if scenarios 3-5 were to become disconnection moratoriums on a permanent basis. Additionally, these rate impacts do not include the cost of debt.*

*Figure 5. Approximate rate impacts based on total annual projected revenue at rates effective May 1, 2023*

Arrearage data (as of May 31, 2023)	Electric		Gas	
	Arrearages (\$)	Estimated rate impact* (%)	Arrearages (\$)	Estimated rate impact* (%)
Residential	\$97,401,506	3.9%	\$30,733,658	2.5%
Commercial & Industrial	\$24,277,023	1.0%	\$8,603,179	0.7%
<b>Total</b>	<b>\$121,678,529</b>	<b>4.8%</b>	<b>\$39,336,837</b>	<b>3.2%</b>
<b>Assumption for Rate Impacts:</b>				
Rule of thumb*		Every \$25M = ~1% rate increase		Every \$12M = ~1% rate increase
*Based on Total Forecasted Revenue at rates effective May 1, 2023		\$2,528,010,382		\$1,230,546,123

**2. What are the possible impacts of each of the proposed alternatives on:**

**a. IOUs**

**Response:** PSE relies in large part on the revenue we receive from customers’ bills to fund utility service. The more customers unable to pay their bills, the more PSE must finance those uncollected revenues in the form of debt, which has a cost to the utility and in turn to customers. If disconnections are prohibited in perpetuity, there would be significant, ongoing rate impacts to all PSE customers as demonstrated in Question 1.

Additionally, the inability to collect revenue owed to PSE puts downward pressure on PSE’s credit metrics. Credit metrics are a measure of PSE’s ability to pay its financial obligations on time (interest expense and borrowings). Credit metrics inform what rating (i.e., grade) PSE receives from Rating Agencies (e.g., S&P, Moody’s, and Fitch) and the higher the rating, the lower the cost of borrowing for our customers. A company can mitigate this increase in borrowing and borrowing cost by reducing operational expenditures (OpEx) and capital expenditures (CapEx) spending elsewhere in the business. However, doing so would mean customers may not receive the original benefits as intended in many areas of PSE’s business, such as reliability, customer experience, and programs to realize a clean energy future.

Disconnections are always the last resort for past due customers, and PSE makes every effort to prevent disconnections. The dunning process is an effective way to remind customers that they are still financially responsible for receiving energy utility services. A small number of customers who enter dunning end up being disconnected. Of the customers who are disconnected and initiate a reconnect, 60% get re-connected within the same day, and 10% more

within the next day. This process of disconnection and same/next-day reconnection allows these customers to start afresh, without responsibility for their prior arrears and without significant interruptions in service. The process also allows the financial mechanisms for the closed account collection process to begin, where arrears are resolved through payment or write-off.

If any of the proposed options for prohibition of disconnects occur, there could be significant impacts to the Company, including but not limited to:

- 1) Uncertainty around recovering arrearage balances
- 2) Billing and IT implications – changes and increased costs
- 3) Significant time and resources needed to evaluate, analyze, and implement new systems and approaches in order to address the following questions:
  - a. What happens to the prior obligation process?
  - b. How would we “process” long standing arrearages?
    - i. Write-off on active account?
    - ii. Close account administratively and open a new account and follow normal closed account collections processes?
  - c. What other alternatives can be made available for customers who can’t pay their bills?
  - d. What safeguards could be put in place for rate impacts not to spiral out of control due to fundamental change in business model and therefore in customer behavior?

***b. Consumers***

**Response:** Consumers will experience higher energy costs as rates increase due to covering the cost of uncollected revenue resulting in bad debt write offs. Additionally, individual customers have a more difficult time paying off their balances as they grow.

Since the Disconnect Moratorium ended in Washington State in September 2021, PSE has had many interactions with customers who have expressed severe concern over the rise in their past-due energy bill and are questioning why PSE would allow the balance to continue to grow without disconnecting their service sooner. These customers often have past due balances multiple times above what energy assistance programs can provide.

There is also the question of whether imposing costs for customers that do not pay their bill to all other customers is a fair or equitable policy. Any customer, regardless of income or circumstance, can refrain from paying their bill. If prohibition of disconnections occurs, what are the additional rules that the Commission would consider to ensure fairness to customers that pay their bills as those bills get higher as a result of covering the cost of unpaid bills? Is it preferable to design deliberate assistance programs that target benefits and motivate customers that qualify to enroll in those programs?

**c. Communities**

**Response:** We defer to community members to share what the impacts may be.

**3. How should the Commission weigh and consider these factors to balance the interests of regulated companies and consumers while applying an equity lens?**

**Response:** Ultimately, it is important to determine what is in the best interest of all customers, while ensuring equitable outcomes, particularly for vulnerable and highly impacted community members. The financial viability of utility services, which fundamentally depends on payments for energy and services consumed, impacts all customers.

PSE offers many assistance programs to low-income customers and does significant outreach to highly-impacted communities and vulnerable populations, but the customers must take some level of action to obtain these services. Protections in the dunning process, such as field visits prior to taking any disconnect action, as required in the AMI Rule, offer additional steps to assist vulnerable customers.

Disconnections are the end of a long process, make up less than 1% of all past-due customers, and 70% of disconnected customers are reconnected within the same or next business day. Whether disconnections remain as a last resort option or not, the primary focus of reform for the credit and collections process should be on preventing disconnections by making customers aware that they are financially responsible for receiving energy services, and motivating and assisting them to pay their bills through:

1. Increased access to assistance programs through self-service options and self-attestation.
2. Adopting rules like those in Oregon that provide for:
  - Changes to the rule defining disconnection of service to ensure vulnerable populations are protected.
  - Adjustments to the language defining what actions a utility has to take before disconnecting a customer that offers to pay cash at the door.
  - Waiving select charges for low-income customers.
  - Extension of the period of time required to notify customers of a disconnection of service due to nonpayment.
3. Continued implementation of Disconnect Reduction Plans.

Ms. Amanda Maxwell, Executive Director and Secretary

June 21, 2023

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Thank you for the opportunity to provide comments ahead of the June 23rd workshop in this rulemaking to consider potential changes and improvements to electric and natural gas customer notice, credit, and collection rules, including the permanent elimination of late fees, disconnection and reconnection fees, and deposits. Please contact Carol Wallace at (425) 282-8659 for additional information about these comments. If you have other questions, contact me at (425) 462-3051.

Sincerely,

*/s/ Wendy Gerlitz*

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cc: Lisa Gafken, Public Counsel  
Sheree Strom Carson, Perkins Coie

Attachment:  
Attachment A – Workshop Presentation 6-23-2023