

**EXH. CLW-33
DOCKETS UE-220066/UG-220067 et al.
2022 PSE GENERAL RATE CASE
WITNESS: CAROL L. WALLACE**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-220066
Docket UG-220067**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Order Authorizing Deferred
Accounting Treatment for Puget Sound
Energy's Share of Costs Associated
with the Tacoma LNG Facility**

Docket UG-210918

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF**

CAROL L. WALLACE

**IN SUPPORT OF PETITION TO AMEND FINAL ORDER
ON BEHALF OF PUGET SOUND ENERGY**

DECEMBER 22, 2023

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-220066 & UG-220067
Puget Sound Energy
2022 General Rate Case**

PUBLIC COUNSEL DATA REQUEST NO. 436:

REQUESTED BY: David Konisky

Re: Testimony of Carol L. Wallace, Exh. CLW-13T at 9:9–12.

Please provide all documentation and communications to support the claim that the dunning process was “developed with the Low Income Advisory Committee.” Additionally, please provide any documentation or communications demonstrating that a consensus was reached among members of the Low Income Advisory Committee regarding a phased dunning approach.

Response:

Puget Sound Energy (“PSE”) presented disconnection statistics and processes to the Low Income Advisory Committee on several occasions. These discussions included PSE’s plans to start with a high disconnect threshold of \$1,000 and to slowly decrease that over time. PSE started with a high threshold specifically to ease into resuming disconnections. Please see Attachment A to PSE’s Response to Public Counsel Data Request No. 435 for Low Income Advisory Committee meeting minutes. See specifically, *01.11.2022 LIAC Meeting Notes.docx*, *07.12.2022 Meeting Notes.docx* and *11.08.2022 Meeting Notes.docx*.

The Low Income Advisory Committee provides PSE with advice and input but does not require consensus among the members.

Low Income Advisory Committee Meeting

Meeting Date: Tuesday 1/11/2022

Location: Microsoft Teams

Attendees

A vertical list of 14 attendees in a Microsoft Teams interface. Each entry includes a circular profile picture, the name, and a microphone icon. The names are: Newman, Valerie; Burch, Theresa; Durbin, Kara; Eagle, Nicole; Gerlitz, Wendy M; Glenn, Shannon; Jacob Roney (External); Keith Kueny (External); Kelly, Janet; Lisa Saili (External); Liu, Jing (UTC) (External); Lorena Shah (External); Marie Stangeland (External); Michael Harvey (External).

Name	Role	Microphone
Newman, Valerie		Off
Burch, Theresa		Off
Durbin, Kara		Off
Eagle, Nicole		Off
Gerlitz, Wendy M		Off
Glenn, Shannon		Off
Jacob Roney	External	Off
Keith Kueny	External	Off
Kelly, Janet		Off
Lisa Saili	External	Off
Liu, Jing (UTC)	External	Off
Lorena Shah	External	Off
Marie Stangeland	External	Off
Michael Harvey	External	Off

A vertical list of 9 attendees in a Microsoft Teams interface. Each entry includes a circular profile picture, the name, role, and microphone icon. The names are: Morgan, Manu (External); Rendina, Brett; Sasville, Suzanne (Organizer); Shawn Collins (External); Shaylee Stokes (External); Strom, Diann; Tiela Combs (External); Tyson, Brian; Wallace, Carol.

Name	Role	Microphone
Morgan, Manu	External	Off
Rendina, Brett		Off
Sasville, Suzanne	Organizer	Off
Shawn Collins	External	Off
Shaylee Stokes	External	Off
Strom, Diann		Off
Tiela Combs	External	Off
Tyson, Brian		Off
Wallace, Carol		On

Corey Dahl
Sabrina Alvarez
Kate Sander
Shay Bauman
Amy White
Joni Bosh
Michelle DeBell
Donn Falconer
Aaron Tam
Oksana Savolyuk

Notes

Clean Energy Implementation Plan

PSE filed the 2022-2025 plan on December 17. This will cover updates since November 9.

Reviewed feedback heard from November 9 meeting and what we did with it.

- Shawn Collins: What was customer feedback specific to? Is it just on design phase?
 - That was specific to the DER concept that we will be reaching out to customers for their input for those programs. Part of this will be market research prior to the design phase.

Purpose of CETA includes ensuring that all customer's benefit from this and that the benefits are equitable.

This is an iterative process and you'll see an evolution as we keep moving forward.

We have filed the CEIP with the UTC and they can approve, deny, or modify the plan. The plan includes: how we come to our conclusions to include certain programs based on customer benefits, including affordability and reliability; engagement with customers on building the CEIP and with next steps; Chapter 8 covers commitments we're making

The target we're aiming for is 63% of our energy will be clean by the end of 2025. We hit that through energy efficiency, demand response, and renewable energy. We are under RFP processes so that will help inform us of costs.

The new clean energy mix includes a mix, you can see the breakdown of that on slide 8.

Understanding where our vulnerable populations are so that we can focus and target education, program design, and resource acquisition based on those areas was an important first step. We now

have a geographic look at where those populations live. The CEIP covers how we came up with this grouping and how we will use it

- Shawn Collins: In terms of actually executing the CEIP, the program design element is something that is a bit nebulous to me. With the leasing program for backup and the needs of vulnerable populations, I support the need to reach out to communities directly to ask them what will work for them. What is not entirely clear to me is how the LIAC will be engaged in that process as well. We're getting the presentation here but will there be exercises with us to talk through potential options for serving vulnerable populations?
 - We appreciate you bringing up this question. We had planned to provide updates about the CEIP and we wanted to get an idea of what this group is interested in. So is it that you are interested in program design?
 - Shawn: The law says involvement of the advisory groups. There is a certain amount of overlap between EAG and LIAC in terms of issues being discussed. I think it is important for the LIAC to be involved in program design and shaping and providing feedback on services and programs being offered to low income, which is a subset of the vulnerable population.
 - Thank you, that gives us a better idea and we can try to work with those interests.

Customer benefit indicators and metrics is a new area for us resulting from CETA. We have added indicators based on feedback from stakeholders, joint advocates, and advisory groups since we presented some of those indicators to this group in the fall. We are being a bit more directional in the indicators and ensured that they aligned with each other. Slides 10 and 11 show in red those changes. For instance, for jobs we've specified not just quantity but the quality and listed out what quantity and quality are based on. We also added an indicator for increase in culturally and linguistically accessible program communications. For affordability, we looked at median electric bill.

- Shawn Collins: Great that improved affordability is kept as an indicator. The question I have is what are the metrics looked at the evaluate that. You're looking at median electric bill for all customers?
 - Yes as well as for those that are considered energy burdened.
 - Shawn: For those that are energy burdened, how will that be tracked? You would have to use people you have a verified income for. You have purchased data but to really be accurate reporting, it will be those enrolled in low income programing. One thought is that the median is meaningful but I'm particularly concerned with those in the margins. So I would encourage the company to include median but to look at where people are on the continuum. Also only a small percent participate in the low income programing so that limits the data but the Experian data isn't necessarily accurate so would be best to use confirmed income data for accuracy. As currently written, this indicator doesn't seem like it will be able to be full and accurate.
- Joni Bosh: On the improved outdoor air quality and improved community health, do they have metrics yet? For greenhouse gas, I don't understand the contracted metric.
 - Air quality we're looking at emissions and community health we're currently looking at hospital admittance but are continuing to think about those metrics. For greenhouse, contracted it is all contracts that PSE does not own so whether it is market or some

contract we have with the supply, it would apply there. We would be measuring greenhouse gas by PSE owned and by contracted as two different metrics

Investment areas and actions are broken down into buckets of energy efficiency, demand response, and renewable energy. For demand response, we are going through RFP process right now.

- Lorena Shah: For demand response, I'm not sure where we are with that. The use of the word incentive program – so are you planning to do incentive based rather than punitive based for those using energy during peak hours as many low income are home bound and so don't have a choice about when they use energy.
 - We talk about two options in the plan. One is a time of use pilot we're looking at over the next four years and the other is one developed by a third party. We'll use the next few years to determine the plan. What we're hearing is to be aware of the consequences whether we choose incentive based or punitive based.
- Shawn Collins: I think we're tracking in terms of impact to low income needing more discussion.

We had conversations with a lot of groups and stakeholders and hope that you see that within the CEIP.

There is discussion in the CEIP about guiding principles for implementation. A lot of this came from conversations with the EAG and the principles we plan to use are accessibility, affordability, and accountability.

We are currently in the comment period, which goes through March 2 so please take a look at it and file comments through that website. You can also share comments and feedback by reaching out to us directly. Programs will launch in 2023 and 2024.

Ongoing work for the 2023 CEIP update includes thinking about how to engage with communities and data blocks.

[Send final version of the CEIP presentation](#)

Income Eligible Communities and Solar Subscriptions

Community solar is a plan to build 25 megawatts of solar energy throughout our service area. 3 areas are finished or almost finished and we'll be building more sites in 2022 and moving forward. We've set aside 20% of the shares to be for income eligible customers. Customer just has to attest that they qualify. For those income eligible customers, they do not pay the \$20 per share that other customers pay and they also get a set amount credited to their bill each month. Non income eligible customers have a variable credit based on site production.

We haven't done marketing as we wanted groups like this one to do reach out to help us ensure to reach out to the appropriate customers. We'd like to get the income eligible customers subscribed by the end of January and then we'll do traditional marketing for additional outreach.

Kate Sander: This is just for monthly customers, is there a workaround?

- Not yet. It is a technically big hurdle and impacts relatively few customers so we've set it aside for right now

Income eligibility is 200% FPL

Here is where you can see an income chart and where income eligible customers can sign up:
https://www.pse.com/green-options/Renewable-Energy-Programs/Community-Solar-IE?utm_source=direct&utm_medium=shorturl&utm_campaign=renew-solarforall&utm_term=&sc_camp=50DB470B0BBA4389AE290AB17CCA2975

Shawn Collins: Do you know what the expected number of participants is going to be? Is it first come, first served?

- We have a little over 1000 shares still open. We've only subscribed about 6% of the total income eligible shares that are available right now. It is first come, first served.
- Shawn Collins: I encourage distribution around service area.
 - Right now, we have a site in Olympia and one in Sammamish. We're marketing at a local level closest to the sites. The third site is in Kittitas, and that will be the largest site with 1025 shares still available for income eligible and is a good opportunity for our full service area. You can sign up to any site, not just one in your community, but are currently marketing them more to the community the site is in.

Jing Liu: You mentioned that you would like to work with community action agencies to get customers to sign up for the subsidized shares. Have you prepared flyers, pamphlets of talking points? So it is more than just mentioning at this meeting so that the frontline workers will have something to look at and explain the program?

- We are working with other community agencies too and do have materials that we provided to them. Those include marketing content and brochures. I can be sure that Suzanne has those materials to share.

Jing Liu: What is the funding source?

- Some is coming from WSU and the other will come from our green power and solar choice participants; the subscribers to green power and solar choice, who are not low income, create a reserve fund from their subscription costs and we are using that reserve fund to cover the community solar.

Leslie Myers to share the marketing resources with Suzanne and to share more details on both of the funding sources

Disconnection prevention efforts and outcomes

PSE is not out disconnecting but do anticipate field collections process to resume in February. We have resumed our disconnection reporting process with the commission; we send accounts to the commission who reviews those accounts and completes their outreach attempt (email, phone, or letter) and we hold those accounts until the commission tells us we are upheld to proceed. At that time, we repeat the Dunning process with additional outreach to the customer and education on resources. If customer reaches the disconnection queue again then we head out to the field to do the disconnection process. We plan to leave a notice when we visit to give them time to still set up a payment plan or seek assistance. After that, we will proceed with disconnection through manual or automatic.

Today, we still have our Dunning process with threshold set at \$1,000 in arrears (have to be \$1,000 past due or more to be in the Dunning process). We will be looking at decreasing that through a staggered

approach while working with our data and call center teams plus this group for what our plan is to decrease that.

Our known or estimated low income customers are still out of our Dunning process. We'll be discussing within PSE a plan for those customers moving forward.

Covid Bill Assistance is another source for customers to reduce their past due amounts.

Shawn Collins: The Energy Project is reviewing the reports filed with the Commission. We're looking at where disconnects are happening. As the company resumes, seeing the where may help this group see what neighborhoods to reach out to.

Corey Dahl: Thank you for sharing this. You mentioned the update to the limit on \$1000 Dunning process. What is the rationale behind decreasing that?

- We increased the threshold a couple times during the pandemic. We started with a \$70 for residential and \$250 for commercial customers. We'll work through our data team to analyze whether or not we reduce the thresholds back to those starting points or if there is another threshold we should be at. Right now, the \$1000 in arrears enters the customer into Dunning. All customers are receiving information on payment arrangements and assistance but customers not in Dunning miss out from Dunning process things like phone calls, urgent notices, and final notices. Not receiving that may be deterring customers from seeking assistance or programs like Salvation Army that require those notices. So we may end up creating separate paths so that customers below the threshold still receive more notifications or lower the threshold slowly to add them back into Dunning.
- Corey: We're concerned that attempts at disconnection or disconnection letters are threats, not outreach.
- We are hearing from our CAP agencies that they've seen a slow down even though this time of year they tend to see a backlog. They are telling us that the customers aren't taking action despite a need because they haven't received that final notice. We have funding for this program year that we want to get out to customers who need it and the Dunning level may be hindering this.

Shawn Collins: We have a long standing practice or communication to customers that they expect that a final notice is required for assistance. We're trying to change that and it will likely take years to get customers to come in at any time of year and without a past due balance or final notice. To the extent that we can communicate together to customers to get them to come in. There may also be some confusion because of differences between CACAP and other assistance programs. So more communication will be good.

Jing Liu: I would like to compliment PSE for doing what they can to screen customers and do highest arrearage first. UTC customer protection group is actively processing the list. What I've heard anecdotally is that the customer has done everything they can in most cases and the customers were just not responding. I am interested to understand more about the customer's journey. So if they get disconnected, what type of customer are they (someone who moves out of service area or someone who calls you next day and reestablishes services) and what percent of customers fall into which categories.

- Maybe there are questions we can have our CAP agencies ask when customers go in for assistance after disconnection.
- Once we start disconnecting again, we'll put together those data points for you and report back to you.

Corey Dahl: Understanding customer journey through disconnection journey, will you be capturing size of arrearage? Also, it would be helpful to know what amount of CACAP the customer received and if it was automatically granted. Does PSE charge an additional fee if customer pays at the door?

- Yes, we can include arrearage amounts and CACAP information. There is not a different fee for if we are paid at the door or online. For now, our late pay and deposit fees are on hold until 180 days post the moratorium ending. Manual reconnection fees are currently also on hold.

CACAP Update

Send out current report for each program

We have helped over 80,000 customers with over \$53 million paid across the three programs.

CACAP2 still has \$4.9 million in electric funding available and \$4.6 million in gas funding available.

Supplemental CACAP, which was entirely automated, is \$22 million in electric and \$3.7 million in gas to roughly 46,000 accounts. We are still working through some customers whose application failed in the system to get them assistance.

- Many of these customers were just unaware that they would qualify for anything.
- We are working on the survey that we will send to all customers who received assistance who have an email
- We did have an opt out option and did have about 60-70 opt outs of people who wanted to get out of their arrearage on their own

Sean Collins: Are your customer service representatives, particularly for folks still with an outstanding balance after assistance, presenting LIHEAP as an option for them to pursue?

- Yes, they are sharing about PSE HELP and LIHEAP. If customer applies online for CACAP2, the customer is automatically referred to the agency. For customers who have arrearage after maxing out 2500, we are actively reaching out to them about payment arrangement and other assistance programs. If a customer applies for PSE HELP online and has a past due amount, the system automatically creates a CACAP2 application that our team can then start to work. **We can also remind our customer care center to be encouraging people to look into assistance programs and wording that they can use to do that.**

Sean Collins: It would be interesting to know the amount of traffic through the website versus calls

- That would be an interesting data point for us to track, but we don't have that available right now

Marie Stangeland: we had a customer tell us that they asked PSE for Covid Bill Assistance, and CS told them that they didn't know what they were talking about.

- We're sorry that happened to this customers. We'll reiterate to the call center about Covid bill assistance.

AMP and bill discount rate

In December, we put together our proposal to the UTC and are filing this month. These are programs that will help keep customers connected and lower energy burden. We expect 10-11 months of communicating with the UTC about these programs.

We proposed to launch October 1, 2023

We anticipate the first half of 2022 will be PSE analysis, requirements gathering, and working with a small work group with reports out to the larger LIAC

We will meet with the small work group in the next 30 days. So far that group consists of Shay Stokes, Shawn Collins, Oksana Savolyuk, Marie Stangeland, Robi Robertson, Misty Velasquez, and Hanna Navarro. Is there anyone else who would like to join? If so, reach out to Suzanne.

- Shay Bauman, Corey Dahl, Aaron Tam: Interested in joining
- Lisa Saili and Michael from MDC: Interested in joining

Fine details, like contracts, will be discussed with the agencies – so the small group will discuss broadly but how contract negotiations work and the fine details of them will be done directly with the agencies. The small work groups will focus more on the customer journey and how the programs will operate.

Shawn Collins: We have a couple outstanding topics on current contracts so wanted to put a placeholder for me to follow up with you offline about those. One thought I have about required data insurance and background checks is that there may be some regulatory concern and we may benefit from Public Council or UTC comments on those.

- The 2022 PSE HELP contract with our CAP agencies included many charges based on input from IT, legal, and procurement. Some of these were update verbiage as well as other changes based on current technology and what we use in other contracts. All agencies have signed the contract but there are perhaps two areas that they didn't understand what was asked. One is that their insurance certificate they provide us needs \$1 million cyber security added to that policy. We've gotten 3 or 4 agencies back with that addition. **We're planning a meeting with the agencies to discuss this requirement and I need to schedule that.** The other change was to require background check of employees operating PSE HELP. We've had one question from an agency regarding equity on that; we decided that the agency is the decision maker on what criteria was acceptable for them to operate PSE HELP. Our ask was they do the check but that they decide if the person was okay to operate the program.
- Shawn Collins: This impacts program costs and part of the discussions we have are around costs of delivering the program so think it is part of the discussion.

Corey Dahl: Public Council appreciates concern by agency on equity in hiring. Any hire, regardless of background check isn't risk free so that is something to keep in mind.

220712_PSE- Low Income Advisory Committee

Tuesday, July 12, 2022

Meeting Date: 7/12/2022 10:00 AM

Location: MS Teams

Link to Outlook Item:

Invitation Message

Participants:

Notes

- Safety Moment 10:00 – 10:03 Suzanne Sasville
 - Summertime, don't forget hydration whether you are indoors or outdoors, recommended half of your weight in ounces daily. Caffeine dehydrates the body.
- Advisory Committee Stakeholder assessment 10:03 - 10:15 Kara Durbin
 - Assessment done by MFA
 - Goal was to assess across all four of our advisory committees
 - Created at different times with different structure and expectations
 - Give us ideas of areas where we may be able to improve
 - Appreciate many of you participating and making time to give your input
 - Specific to the LIAC...feedback was a bit mixed as far as if feedback is heard by PSE
 - Sometimes it appears that it's not always intended to be collaborative. We are reflecting on this feedback
 - Most thought meeting agendas were reasonable, structure and met needs
 - Wanted meeting materials well in advance particularly if it's technical in nature
 - Number of recommendations that MFA made, continue to identify ways to further build trust between the company and stakeholders
 - Share information with you all and do it in a timely way
 - Set a standard for how far in advance we will share materials with committee members, could help with meeting prep and give more time to digest it before the meeting
 - Providing summary material when the information is complex or lengthy, make it a little more digestible.
 - Work towards implementing a more detailed feedback loop, here is what we heard and what we are doing with it. Been working on this with the EAG and IRP groups as well. Integrate a slide or two
 - Look for opportunities to share information across all the advisory groups through e-mail updates or report outs from one to another
 - Suggested that PSE consider some facilitation training for its group leads to promote good conversation
 - Reviewing findings and thinking about next steps we can take in the coming months. Will come back to you with more as we go through it.
 - Suzanne - benefited a lot from it, more cohesiveness between advisory groups. I see us internally collaborating in a way that informs all of us. Facilitation training is a great tool, there is room for growth. As we work through this internally we will let you know what measures we will be taking.
- PSE Spanish Campaign for LI customers 10:15 -10:40 John Inge/Andres
 - Found that 10% of our qualifying customers were not bilingual, only Spanish speaking

- Goal was to bring awareness to all of our assistance programs that we have, including payment and weatherization. In addition to that a community solar program which for this income group they can participate and receive a credit on their bill for that participation
- Make messaging short and concise to avoid verbiage and communications hurdles
- Previously created flyers that are localized by county so the cap agencies and Salvation Army contacts are mentioned for that county, rather than have people go through the ten counties to find out what is appropriate for them
- Whole campaign is Spanish language. Go through ways they can learn more about which program best suits their needs
- Community events and CBO partnerships, walk through what is in our schedule and how we plan to do it
- Goal is to be at three or four events that are relevant to the Spanish community where we can find Spanish speaking customers, and focus on geographic areas that are a priority
- Partner with community leader to help promote them
- Leverage those flyers at these events
- Paco Diaz is the community leader, he has been guiding us through the execution of these events
- First event if July 30th, Fiesta Premio Esmeralda 2022. Happens every year, estimated 10k attendees. Ticket cost is very low, opens the door for a lot of people. Focusing on day one
- Second event is July 31st, new event. Grammy style event where there will be awards given out, big section for booths. Free event in Mount Vernon.
- Another two events in September we are working on
- Focusing now on host training of the event staffers and attending the events
- CBO partnerships, want to secure with up to three. Work with them to host 3 -4 educational sessions and spread the word

Recommended Organizations	Outreach Area
Latino Community Fund (LCF)	Auburn, Federal Way, Mt. Vernon
St. Vincent de Paul/Centro Rendu	Kent, Auburn, Renton
SeaMar	Kent, Federal Way, Auburn

- Misty asked who is the partner in Mount Vernon
 - Seeing what opportunities we have, know we will be at an event there
 - Will be with Latino Community Fund if we reach out to Mount Vernon
- See attached deck for more details on timeline, etc.

- How our customers would be engaging with CAP agencies, print flyers that we will be giving out we have the county for which these events are held it but also for all of the counties
- We will also be driving attendees of these presentations to an 800 number that PSE has that will be staffed by a native Spanish speaker so that people contacting with questions can receive further information. The person will provide your agency contact information to them for the appropriate agency
- Want to make sure you are comfortable and equipped to receive calls from these Spanish speaking customers
- Two and half months of engagement with the community. Kind of a steady stream of customers contacting the CAP agencies
- Misty - Would it make sense to have a Spanish speaker from our org at your event to answer questions directly?
 - YES that would be excellent! John will follow up with Misty. That is exactly the connection we want
 - Misty would rather have someone there, the more numbers they call they are going to get tired of calling
- Suzanne - for MSC do you feel you have the resources to accommodate?
 - Oksana - we do have Spanish speaking employees. Not as many as Misty but we do. Our system does have Spanish and English. Other languages it's a google translate and it's not the best. We get a report and a lot of people are using that google translate
- In addition to the profiling the Spanish campaign, PSE has created flyers in Vietnamese, Mandarin, Hindi, Russian, Ukrainian. A multitude of languages so that it's not a barrier.
- If a customer called the agency did I understand that they would have the option to connect in Spanish?
 - That was the case before I need to run it by my team to see if it's still working. Best way is online, it's easier and a lot faster. I can get back to you on the Spanish
- Cap & Invest 10:40 -11:00 Valerie Newman
 - Making sure everyone is aware of what the program is, Climate Commitment Act that was passed last year. Reduces greenhouse gas emissions
 - Still working on the rulemaking but it's set to start January 1, 2023. Coming up quickly
 - On the electric side we need to mitigate the burden that will be placed on low income households, on the gas side it is to eliminate the burden
 - Using the CETA definition that is also used for PSE HELP
 - As of Jan 1 PSE will have to be capable to have a 'per therm' or 'per KWH' charge on bills. That is the cost of the program. The PSE participates in auctions to buy credits and if it results in PSE having received money from the auction to distribute back, it will give the customers a refund back prioritizing low income customers.
 - Working through a lot of internal things like how will know that customers are low income, how can they tell us that they are low income.
 - Using receipt of PSE HELP makes it a little bit easier on that piece of it
 - This wasn't a PSE decision, we supported the legislation this is state proposed. It's not a rate increase by PSE
 - Also not funds that we keep so when we collect money we give that money back to the state and it's invested in greenhouse gas reductions
 - If customers see this charge to signal them and encourage them to reduce their usage. A second way that cap & invest greenhouse gases.

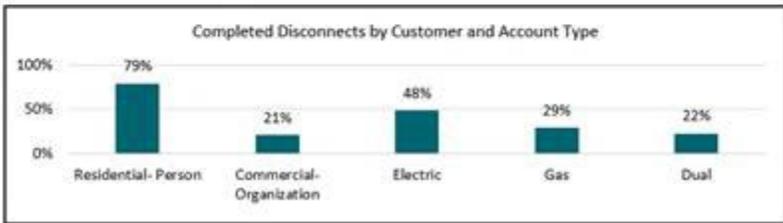
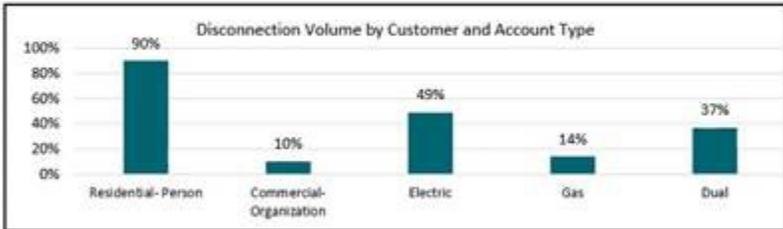
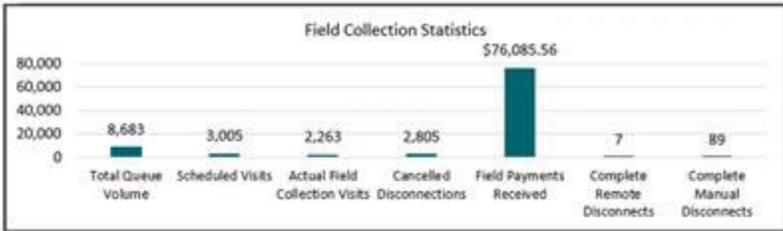
- Lots of internal meetings about how this will work and making sure low income customers are informed and how they can get prioritized for those credits
- For those operating PSE HELP, today the usage history is part of that grant. We have a way that we are looking at the usage history and it will reflect any additional cap & invest charges so that in the formula it will be an accommodation that takes that into account
- These customers can't afford nice housing and often times can't do anything to reduce their usage
- Hope is that if customers are charged and the credit coming back will be prioritized to our low income customers
- Question from the chat:
[10:49 AM] Dale Lewis
Will the PSE bill reflect that the State "fee" is a surcharge by the State and not a rate increase?
Seems important that voters know about these additional taxes built into their bills.
[10:51 AM] Newman, Valerie
Yes, PSE plans to have the cap and invest charge as its own line item so that customers can easily see how much of their bill is due to the cap and invest charge. Cap and invest credits will also be their own line item.
- Disconnection prevention efforts and outcomes 11:00 – 11:10 Nicole Eagle
 - Data through end of last week
 - Reported over 17k accounts, have returned a little over 16k
 - Still about 96% returning as company upheld so they are reset and go through the dunning process again
 - 626 accounts were consumer upheld. They are reported back to the UTC a second time, they might seek assistance but if they do not they are reported again
 - This reporting will go through the end of Sept 2022

Field Collection Data

PSE has begun collection field visits again, effective May 11th. We're still currently making a field visit to all customers where we are attempting to collect along with promoting options available for the customer to prevent a disconnection, extended payment plan or Energy Assistance. If the customer is unable to take action the service may be disconnected, remotely or manually after our 24 hour notice timeframe. This process will change in the future with customers with AMI remote eligibility we may not make a visit, with the exception of our customers who have received energy assistance in the prior two years or who have a medical condition and certificate.

- Customer journey: What type of customer (disconnected then reconnected or moved out of territory)- what we will see are customers disconnect for non-payment (prior obligation) and they have all so far called/self served to request service to be reconnected
- Arrearage size: Average total account balance has been \$3,500, with an average past due amount of \$3087 (amount we are out to collect on).
- PSE HELP, LIHEAP, CACAP funding (received or automatically received) – currently on 3 customers where service was disconnected had received PSE HELP, LIHEAP or CACAP in the past 12 months

2



- Back out in the field since May 11th
- Still currently visiting all customers, attempting to collect, promoting options to prevent disconnect, extended payment plans, energy assistance

- Leaving a 24 hour note still to all customers we are visiting
- If the customer is unable to take action in the 24 hours the customer may be disconnected remotely or manually
- Had 8600 accounts reach the queue, about 3000 were scheduled for someone to go out
- We have only reached about 2200 as an actual visits
- Had 2800 cancelled disconnections which is great, means the customer is doing some sort of positive action. Some are doing it on their own, but doing something and it is cancelling for us so we don't go back out
- 7 remote disconnections completed and about 89 manual ones
- Very high percent, about 90%, is residential
- This has been a standing agenda item, some questions that had come up Jing and Hanna asked for this. What type of customer. Most of the 96 is a disconnect for non-pay and then they are calling in for a reconnect.
- Average total account balance has been about \$3500, with just over \$3k being past due, for customers currently in the queue
- 3 customers disconnected received CACAP3
- Shay - you mentioned that the reporting to the UTC ends in September. Is that the end? What happens after that
 - As far as we are aware just this disconnect reporting requirement ends, so customers that go through the process would not stop to be reported they would just proceed to the disconnect queue if they didn't take some action. Would be just PSE's outreach, UTC outreach would stop.
 - Do we expect the pace to increase at that time?
 - Yes, we are starting to see more customers get disconnected because we implemented remote. But now that includes a 24 hour note so that might change going forward unless they are low income or medical. At the end of the day we are still looking at \$1000 arrearage or more, we may reduce that going forward but we are doing it pretty slowly so that the call center can handle it and that we aren't flooding the disconnection queue. Want to go out and have a robust conversation with the customer so we want our queue to be a manageable volume
 - We will inform the CAP agencies when we lower that threshold, we will add the tentative plan to the notes from Nicole. But it is very subject to change based on customer volume.

COVID bill assistance

- CACAP2: PSE planned to respond to all customers by July 8 with existing CACAP2 applications to close out the program. We did have one yesterday that we honored because the customer was delayed. The dollars that were left unspent were dollars not yet collected from customers.
- We are still waiting to hear about funding we might receive from the state assistance. That would be for customers that are known low income with an arrearage fitting this program's criteria.

Reviewed feedback from previous meeting (5/23). Please see feedback report slides for full details.

Recap of small workgroup

- PSE put together prior to meeting then during the meeting, we reviewed the current process flows for PSE HELP.
- We are still in the rate case so can only do so much planning at this point in time and the project will start in full in January 2023. Between now and then will continue to meet with the small work group to do what we can to prepare.

The next scheduled meeting is for September 13.

Michelle at Commerce:

- IE is no longer serviced by Microsoft so we suggest you use Firefox or Edge Chromium. The Commerce system works on both of those.
- For CAP agencies, our due date is still July 18 for the new interface and that is still looking like it will be the case.

Low Income Advisory Committee Meeting

Date: 11/8/2022 at 10:00 AM - 12:05 PM

Location: MS Teams

Attendees:

+12532216705

Suzanne Sasville-PSE	Anne Marshall - PSE
Mackenzie Martin – PSE	Jared Riley – Tamazari/PSE
Stephenie Arnold-CAC-LMT	Charlee Thompson-NWEC
Jeffrey Tripp- PSE	Manu Morgan-SNO
The Energy Project: Yochi Zakai, Ross Quigley	Melissa Brown- Opportunity Council
Jessica Lynn Zahnow-PSE	Michael Nomura- Byrd Barr Place
Nicole Eagle- PSE	Allison Mountjoy-PSE
Valerie Newman –PSE	Robi Robertson- Pierce Co.
Jacob Roney- Byrd Barr Place	Andrew Roberts (UTC)
Hanna Navarro (UTC)	Corey Dahl (PCU)
Lorena Shah- Opportunity Council	Wendy Gerlitz - PSE
Ray Outlaw –PSE	Mark Lenssen - PSE
Kate Sander- HopeSource	Shaylee Stokes- Hopelink
Rhonda Jo O'Brien-Farrar-CACLMT	Kelima Yakupova- PSE
Oksana Savolyuk MSC	Misty Velasquez- CA Skagit Co.
Theresa Burch-PSE	Andrew Sellards- (UTC)
Takahashi, Jeffrey (COM)	Dale Lewis-CACLMT

Notes

Suzanne Sasville reviewed the agenda (0:0:0.0 - 0:0:55.640)

Suzanne Sasville provided a safety moment on winterizing your home (0:0:56.470 - 0:2:55.890)

Suzanne Sasville presented on the LIAC goals and objectives (0:2:56.740 - 0:4:5.390)

Suzanne Sasville: First of all, just to level set for everyone here today who is new and those that are presenting today just to go over what our Low income Advisory Committee goals and objectives are. The

reason we're here we're here is to work together to keep customers connected to their energy service, meaning avoiding disconnections at all cost for customers that we know are low income customers, providing bill assistance to more customers that are currently served, lowering the energy burden of PSE HELP participants, and ensuring that we're collecting data necessary to determine program effectiveness and inform ongoing policy decisions. Currently, we're meeting every two months and in times of projects setting a monthly meeting has been our protocol for this group here. We'll speak about whether that's going to be a necessity coming up in the next year.

[Mackenzie Martin, Jeffrey Tripp and Anne Marshall presented on the community engagement plan \(0:4:45.450 - 0:25:31.870\)](#)

Mackenzie Martin: I'm a Community Projects Manager on the Clean Energy Solutions team at PSE working on community engagement related to our future programs and services. And in order to design equitable and accessible distributed energy resource products and programs, we are providing our highly impacted communities, vulnerable populations and the community based organizations, government agencies, and tribal entities that serve them a seat at the design table. So we're working on community engagement that will be structured to seek input from a diverse set of customers to really try to understand what types of products or programs our communities would find most beneficial, what barriers might exist when accessing those products, and then how we can better design our solutions to alleviate any barriers and maximize benefits the customers feel are most important.

Mackenzie Martin: So today we're going to be sharing a bit about the current state of distributed energy resources at PSE, our community engagement plan, and then ask all of you for any feedback you may have on the strategy or any community members we should be including. I am joined by my colleagues Anne and Jeff today and I'm going to pass it off to them to give the current state of Distributed Energy Resources (DER) at PSE.

Jeffrey Tripp: I'm Jeff Tripp, Manager of Strategic Program Initiatives in the Customer Energy Management team at PSE, focusing on demand response, one of our distributed energy resources. Demand response is basically shifting usage from a high usage periods peak to lower usage periods off peak to make the grid safer, save energy, and cut down on carbon; All of those good things that that happen when you work within your limit. So that's what demand response is about and we are focusing as a winter peaking utility on morning peak periods during those coldest mornings where we want to be able to shift load away from when everybody is turning their furnace on or using their water heater early in the morning. We're doing this or going to be doing this in really three different ways. Direct load control, where customers voluntarily sign up to with a smart thermostat, and then we communicate with the thermostat, do a little preheating so it's up a couple degrees and then during that peak period we lower the temperature and the customers are really unaffected from a comfort level but we save on the peak. We'll try doing that with water heaters as well. We're going to be doing that residentially as well as commercially. So large commercial customers, small commercial customers, evenly distributed around our service territory will be participating in similar type activities. The third is behavioral demand response and this is an opportunity for a number of households who either don't have connected devices or want to participate beyond just their heating and water heating to reduce their usage simply by receive a message that it is time to do so and then going ahead and cutting back on their usage during peak times.

Ann Marshall: I am a Strategy Development Manager on the New Products team. In addition to demand response, there are two other types of distributed energy resources, distributed solar and distributed batteries, and PSE is thinking of both of these categories as resources that can be either sited at a customer's home, so think solar panels on someone's roof or a Tesla Powerwall in someone's garage, or it could be interconnected to PSE's distribution system. That would be more similar to our community solar program. With distributed solar, the main benefit for PSE is the clean energy that we get onto our grid. But for batteries, they have a lot of other use cases kind of similar to what Jeff was describing for demand response. Distributed batteries can help manage system peaks and they can be either standalone or paired with solar. So this is just a little history of the DER development at PSE. Last December, PSE filed its first clean Energy implementation plan, and that included targets for the three distributed energy resource types that we just described. It's 80 megawatts of solar, 25 megawatts of batteries and 24 megawatts of demand response. And that's all by 2024. And in the CEIP we detailed a few different types of programs that we're anticipating could roll up to those targets and they have different structures like incentives. And community solar as well, and we'll get into a little bit more details about the programs on the next slide. The next step that PSE took was PSE issued a DER RFP back in February of 2022 and we're moving into contract negotiations from the selected vendors now. To fill in the gaps of what we didn't get back through the RFP, PSE has started internal product development for these different types of resources. So this is an ever evolving conversation and as Mackenzie described, we'll really be tailoring this list based on what we hear back from the communities. But this is a sampling of the types of products that we're expecting to launch specifically for solar and batteries. We have a mix of residential, commercial and industrial, and utility. I keep wanting to say utility scale, it's not really utility scale because it's still interconnected to the distribution system and smaller scale. But some of the residential type programs that we are anticipating launching include add-ons to our existing community solar program for multifamily solar and storage incentives and battery incentives, and then we'll also have kind of analogous programs for the commercial and industrial space.

Jeffrey Tripp: As we're looking at our schedule here, don't be confused by the dots. There are six months increments in between them. We just started yesterday. The first item on there, a targeted demand side management program which is targeted demand response on Bainbridge Island, part of an effort to help defer some infrastructure needs there. So that's our first foray into demand response and we're going through the testing process with our virtual power plant, which is going to be used to dispatch those services. So it's very exciting, lots and lots of testing going on right now. The next effort we anticipate is our behavioral demand response or BDR, which I mentioned is the communication to customers to please do whatever you can inside your residence or small business to help shift your energy usage. By the third quarter of next year, we hope to start with residential direct load control with smart thermostats and water heating. And then later in that quarter also hopefully bringing our commercial and industrial customers online as well as starting out with our electric vehicle dispatchable charging programs.

Mackenzie Martin: So while Anne and Jeff were talking about potential program concepts, I think something may touch on again is that not all of these are final, so we really want to improve our process by bringing customer voices in much earlier in the program design process so that we can design better products to meet community needs. So I believe I last presented to this group when we were conducting community engagement for our transportation electrification programs. So while the topic will be different, it will be following the same general process. And then, keeping in mind that we'll stay flexible

to be responsive to community requests or findings from various stages of the engagement, at this time we're planning to conduct interviews with community based organizations, conduct focus groups that are talking about high level benefits and barriers related to DERs, conduct workshops that test draft program concepts with a focus on ownership structures, incentive levels and citing considerations among others, and then distribute surveys that further test hypothetical future programs. So all this engagement will be cascading in nature. So as each engagement tool is used, the team will synthesize feedback and incorporate it into the next stage of engagement to inform the questions asked and dive continually deeper with participants. So as an example, the focus group will typically ask for high level benefits and barriers, but we'll also ask, if you do have any ideas about how we could solve for those barriers, what are those ideas? Then we'll take those ideas and put them into the draft program concepts used in the workshop and then we are planning to conduct some engagements in languages other than English. These engagements will include commercial as well as residential customers. So again, from the residential space, looking at low to moderate income households and commercial, looking at the community based organizations, government agencies and tribal entities that are serving named communities. We do compensate all engagement participants at the rate of \$50.00 per hour for their time or \$25 for completion of a survey.

Mackenzie Martin: So as you'll see in the schedule, we're still in the early days of engagement. We plan to conduct all those interviews, focus groups, workshops and surveys from the end of this year until the end of Q1 2023, with the ultimate goal of using all this feedback to develop any new tariff filings in mid-2023. And so all of this brings me to some questions we have for all of you. If you have feedback, we're looking to hear if you have any suggestions for improvement on our community engagement strategy or if you or anyone you know in the Community would like to participate in this engagement, and then we're also open to any general questions you have of us. I will also say don't feel pressured to think of something today. You can certainly let Suzanne know if something else comes to mind or I can put my e-mail (mackenzie.martin@pse.com) in the chat as well so you can reach out to me directly, but I will pause there for any thoughts or feedback.

Yochi Zakai: This is Yochi with The Energy Project. I had one question as I was looking at the presentation, would you mind flipping back to Slide 4? Thank you. So yeah, I guess I was wondering looking at the battery storage concepts is there a thought of, you know, engaging low income customers or vulnerable populations in a program that would use battery storage to improve reliability in areas where there have been, you know demonstrated, you know, reliability problems?

- Anne Marshall: Yeah, that's definitely something that's on our mind. And I think one thing that that my color coding is not showing that well is that for the solar and storage incentives, one idea for that was to have part of a carve out for equity focused customers for that as well. And that would be focusing on areas that have had historical reliability issues stunningly on our mind.
- Yochi Zakai: OK.
- Ann Marshall: Yeah, thanks for that question.
- Yochi Zakai: Great, thanks. Yeah, it's an interesting concept and I definitely think it's worth exploring and glad to hear that's on your list. And I tried to figure out what was being said in the slide the best I could when going over it.

- Anne Marshall: Yeah, it's very fast. We can share these slides out as well. If that's part of your kind of normal cadence of sharing notes after the meeting that would be great.
- Suzanne Sasville: Sure.

Yochi Zakai: In terms of, you know, participation and consultation, The Energy Project can bring it back to our team and chat about our ability to engage. But because you're asking if we want to engage, I guess my question to you is what kind of a commitment from us will it be if you know, if we say we want to engage?

- Mackenzie Martin: Typically we start with an intro call. I should also say we're working with a third party neutral community engagement consultant. And so we usually start with an intro call to talk more about the expectations going forward, set the stage a little bit. Those are usually 15 to 30 minutes. And then, for lack of a better word, it's sort of a 'choose your own adventure' from there. So we tell folks, you know, if you only have the capacity to schedule a one-on-one interview, we're happy to do that. The focus groups are typically 1.5 to 2 hours. Again, if you can't make any of those, we can always do a one-on-one conversation and then like I mentioned, the focus groups lead into workshops. Those are usually again about 1.5 to 2 hours. But we're open to folks, you know, dropping off at any part in the process, jumping in at any part of the process. So it can be as little as one to 1 1/2 hours. I've seen some folks go through the whole process with us and then it's been more like fixed to 7 hours total.
- Yochi Zakai: Thanks, that's really helped [give me an] overall sense of what you're looking for and I don't think The Energy Project is probably going to be able to respond today, but we'll certainly take it back and consider it.
- Mackenzie Martin: Wonderful, thank you.

Mackenzie Martin: Are there any other anyone else with any thoughts or feedback? And if not, I dropped my e-mail in the in the chat, so feel free again to reach out to me directly, but you can also filter it through Suzanne if that's easier. Sounds like she'll be sending out the slides again if your viewing that after the meeting jogs any ideas, but we appreciate your all time and feedback.

[Nicole Eagle presented the disconnection update \(0:25:50.310 - 1:10:34.690\)](#)

Nicole Eagle: Good morning, everyone. If I don't know anyone, I will just do a quick introduction. I'm Nicole Eagle. I'm our Manager of Credit Collections. And then I also manage our Meter Network Services department, which is our field collections team. So I'll just provide some field collections stats for you today.

Nicole Eagle: Just a reminder, PSE is still currently out making a field visit to all customers that enter into the disconnection process. We are attempting to collect along with still promoting options available to the customer, you know, to prevent a disconnection, whether that's setting up a payment plan, seeking energy assistance, whatever works for the customer. And then as we're out making those visits, we are also leaving a 24 hour notice for all customers in the event we don't have a discussion with the customer. After the 24 hour notice timeframe has lapsed, our process then will take over if the customer was unable to take some action. We will then either remotely disconnect the service or will head back out for another visit to disconnect the service manually.

Nicole Eagle: So just some field steps for you. We had about 5900 orders hit the queue. It says September, sorry, this is October data. Of that, we had about 2000 or so cancel which is ultimately what

we want to see. That did prevent a disconnection. Either we had a robust conversation with the customer in the field and they said they plan on taking some action, payment plan assistance or with the 24 hour notice that we're leaving, they then either went and self-served and set up something or called the call center. And so we cancelled the disconnection document for them because they took some action. We had a little over 2800 expire, which is just that we ran out of time, which is the 10 business days to get out for the visit and that is partly because we are visiting all customers. So we simply just ran out of time to get to them and also we are hiring some staff to ensure that we can get through the volume that is reaching us. Total disconnects that we've done thus far since May 11th we've had about 767 remote disconnects completed and about 280 manual disconnects completed. I just wanted to show you guys just a little bit of our payments that we've collected thus far, which is fantastic. We've collected from about 181 customers for about \$209,000 and then we break it out by kind of what did we see checks, cash, credit card. Credit card is the higher of the bulk that takes about 150,000 collected there.

Nicole Eagle: Uh, I think it came up uh, I was not able to provide stats in the last meeting, but I believe the question came up around what of those that we have disconnected. What are we seeing for reconnection? So we pulled some quick stats on this and if this is something that we want to see ongoing as a static item, just let me know. But of the 1047 customers that we've disconnected thus far, which is only about 4% roughly of all the orders that have reached field collections, we've seen about 82% of those customers have requested reconnection. And just a reminder, reconnects are absolutely customer initiated. But after they do request a reconnection, we will get it completed within 4 hours if it's a remote meter or within 24 hours if it's a non-remote meter, although we typically also get those done same day as the request in most cases at least.

Nicole Eagle: I just wanted to let this group know we will be very soon starting to adjust our Dunning limit thresholds. Just a reminder, we still have it set at \$1000 or more. We will be adjusting it down in a few phases. And once we have that final plan set in stone, we will share with this group.

Nicole Eagle: And then I just wanted to reiterate, rulemaking is still underway for fees. So obviously we don't have any fees going on right now and that rulemaking is to determine if all, some or none of those fees are resumed. And that includes deposits collected, reconnect disconnect fees and also late payment fees.

Nicole Eagle: This should be the last time that I report on this, but I did just want to go over one last time our disconnect reporting requirement that we had with the UTC. This data is through 9/30 and that reporting requirement did also come to an end at the end of September. Overall, we maintain this percentage pretty much throughout the reporting requirement time period, but about 96% were company upheld and about 4% were consumer upheld. Just a reminder the consumer upheld were customers that the UTC did reach and the customer said they do plan to take some action whether that was setting up a payment plan, seeking assistance or even maybe making a payment or said they have just recently made a payment. Uh, so now that that has come to an end, all accounts have been reset in the Dunning process and they will flow as normal. So they will get our, you know, proactive phone outreach, they will get the urgent notice and final notice, and then if they don't take action, if they reach the disconnection queue, we will head out and make a field collection visit then do what's needed, whether that's have a conversation with the customer or dropping a 24 hour notice.

Nicole Eagle: That's what I have for you today. Any questions? Anything else that folks would like to see reported on?

Corey Dahl: Just a few questions. I don't want to dominate the conversation too much since I see that Andrew also has his hand up but since, uh, the company's planning to move into a new phase and, you know, there's a pretty significant number of company upheld accounts here, when the Dunning threshold is lowered, what sort of projections does the company see in the number of disconnections? I know there's a number of factors that can affect that and no one has a crystal ball, but perhaps what does the company expect? Because that's a really significant number of customers that could be facing disconnection in the next several months.

- Nicole Eagle: Yeah, it is, Corey, that that is a great question and one that you are asking right as we are starting to investigate that data. As we pull together this kind of final plan of how we're going to stagger the phases of reducing that threshold, we're looking at how many more customers are going to be entering the process and then what we predict may ultimately reach the disconnection queue. So we are still doing that analysis. Once it's ready, we're happy to share it. Like I said here, it'll be part of the overall plan so folks can see it.

Corey Dahl: As part of your analysis, are you considering the fact that we are entering the heating season and any past due amounts that customers have might be increasing significantly, not only because of increased customer usage due to heating season but because of the recent PGA filing that went through that will increase gas bills significantly and the forthcoming ruling on the GRC? There's a number of factors that are coming through that will increase customer bill significantly, which will likely push a lot of customers into that threshold for disconnection even if it's capped at that \$1000 amount. Are you doing anything to stave off disconnections for customers who will be left in the cold otherwise?

- Nicole Eagle: I mean, yeah, very good points there, Corey. I mean, I think ultimately right now we are still going to continue with our approach of visiting all customers, which again I think is ultimately helping us a great deal. Again whether it's us having a conversation with the customer in the field or by leaving that 24 hour notice before taking action, we're seeing a great deal of these disconnection orders cancel, which is ultimately what we want. You know, as we start to stagger some of these changes, hopefully we can reach some of these customers earlier in the process prior to them even getting to the disconnection queue. But ultimately if they do, you know we're doing what we can to prevent that disconnection and we've been staying pretty consistent with the amount that are getting cancelled every month. So hopefully we continue to see that. But I think we've got pretty good measures to do what we can to try to help the customer avoid that disconnection and will continue to do this. Hopefully that makes sense.
- Corey Dahl: Yeah.

Corey Dahl: I have a few more questions I don't know if you want me to ask them now or if we want to move on to others.

- Nicole Eagle: Go ahead.

Corey Dahl: And just for clarification, with a field visit, how much is it that customers are expected to pay to prevent a disconnection?

- Nicole Eagle: We have the \$1000 setting right now - that is the past due balance that is that is due that they enter into the Dunning process so we go out. We do work with customers out in the field. We are not expecting that they are going to necessarily have the exact past due balance at the time of our visit so we do work with them whether it's collecting a partial payment, you know a certain percentage of it we can take and recoup a good faith payment and then we say, if you need a payment plan, let's set up the rest on a payment plan. We're not just out saying you must pay this today. We do work with the customers on what payment amount they can pay.

Corey Dahl: OK. And I assume that any of that outreach, obviously prior to a field visit, but also at the field visit customers are being made aware of payment arrangements, they're being made aware of assistance options.

- Nicole Eagle: Absolutely, yep, that's part of our process. If we are able to have a conversation with the customer, we will provide them with, hey, here's some ways to prevent the disconnection we offer, whether that's an extended payment plan that works for them, we go over energy assistance with them. And then if we do leave that 24 hour notice, it does have some of that information as well and the customer can either self-serve or call into the call center and then we will discuss the same things. They get that really throughout the entire process so upstream and once it reaches us.
- Corey Dahl: OK. Yeah, that's what I guessed I just wanted to make sure that was still happening.

Corey Dahl: Also as far as uptake of subscription in payment plans, any form of bill assistance based on these statistics you have, what sort of subscription rates are you seeing based on field visits or the 24 hour notices?

- Nicole Eagle: Sorry, I don't have that handy right now but I know we are seeing an uptick in the amount of payment arrangements that are getting set as far as energy assistance. I mean, I know a great deal of these that we are canceling the disconnection order is one or the other - customer says I'm going to go seek assistance or they've actually set up a payment arrangement. One of those has to happen in order to cancel it. So we know a great percentage of these are doing that. The breakout, I unfortunately don't have handy right now. I certainly could get it pulled and when Suzanne send stuff out, we could add it to the notes if that's helpful.
- Corey Dahl: Yeah, ok.

Corey Dahl: Yeah. OK. And then just a couple final questions here. Do you have statistics on the number of no answers at the door? I mean, there's a lot of reasons why someone might not answer, but I can imagine someone who is home sees a PSE vehicle roll up to their door, they know they have a large past due balance and they don't want to answer. Umm, how often do you see that happening?

- Nicole Eagle: You are absolutely on to something, right? Whether that's because the balance is, you know, pretty substantially high right now and they know they're not going to be able to pay it. We do have customers that simply just do not come to the door and some of our staff has mentioned, you know, as soon as they got back to the truck, they're seeing the customer come out and grab the notice. So you know, we know that some customers are not wanting to come to the door or for whatever reason, right. But tracking that breakdown might be hard right now for us.

Misty Velasquez: So on the notes that you guys are leaving on the door, is there energy assistance information on those notices?

- Nicole Eagle: Umm, so it says go to. I'd have to pull it up for the exact language, but yes, it says please visit pse.com for more information around energy assistance and payment plans or call us. It doesn't have specific breakdowns, like specific CAP agency information.

Misty Velasquez: And then one more quick question. When you are talking to those individuals, I know that we have gotten a few people come in here who are like panicking because they've had somebody come talk to them at their house. They're saying they're going to get disconnected. We try to explain to them that we can schedule you an appointment but the clients are getting very angry, saying that they're being told that if it's not paid within 24 hours, they're going to get disconnected. So I know that you guys are telling them about our program, but are your staff telling them that if they come in and just make an appointment that will help them? Because we can't accommodate 24 hours like that. I mean, there's no way.

- Nicole Eagle: No, that's not our field approach. If we're offering to prevent a disconnection, we say here's a couple options for you. If a payment plan would help or seeking energy assistance and one or the other helps the customer out, all that we really ask is that they either go self-serve and set something up or call the call center and they will then put a credit hold on the account. That or the payment plan getting set up will cancel it. The notice does state 24 hours is maybe scaring some customers but ultimately we just need something done on the account to basically just cancel the order for us. Does that make sense?
- Misty Velasquez: It makes sense. I'm just trying to figure out if there's some other wording that might be said or could be said to clients to let them know that when they come and talk to us and we schedule an appointment, that's going to make it to where they're not disconnected because they come in here and when we tell them, well, we can make you an appointment, they get very angry with us when it's not within the 24 hour period of time.
- Nicole Eagle: OK. Well, certainly we could look to see if there's anything that we can adjust or modify in the field. As far as our conversations, Suzanne hate to put you on the spot, not quite sure how the call center is handling those. I know we do see quite a bit of the customers that we are visiting where we're canceling it. We're simply just putting seeking assistance which also will cancel the disconnection for us. But I'm not quite show how the call center is handling that conversation.
- Suzanne Sasville: Yeah, they are. If the customer responds in some way, meaning calls the call center to say, what can I do or calls an agency and then calls the call center, our call center is holding it until whenever they can have an appointment. And I had one example yesterday where the customer's appointment isn't until February 22nd and we're holding it. This has been since COVID, where we are going to hold until whenever their appointment is. So I guess it's responding to the notice within that 24 hour period of time that the customer needs to be responding in some way. We removed all the barriers for time limits. It used to be that, you know, they needed to pay something if their appointment was not within 60 days and right now we're just holding it beyond the 60 days to when that appointment is, which makes me nervous because their bills are only going to get bigger but we're going to prevent the disconnect until the appointment.

Andrew Roberts: Good morning. Thank you. I had a couple of questions on this slide. The first is regarding that first bullet point. 82% have requested reconnection, do you have any idea what's going on with that 18% who haven't requested reconnection?

- Nicole Eagle: Great question, Andrew. One that I don't know if I can, you know, explain. I mean reconnection is always customer initiated. Perhaps the source we disconnected they could manage to keep it off. You know I'm not really sure it would really just be speculating.

Andrew Roberts: Are these residential accounts or are there commercial accounts mixed in?

- Nicole Eagle: It's both; yeah, it's a mixture of both.
- Andrew Roberts: OK.
- Nicole Eagle: And some of that 18% also could, now that you pose that, could simply be we disconnected a service that was vacated or vacant at the time of our visit. And we are seeing, you know, quite a few commercial businesses that we have been visiting where maybe at some point they left the premise and just didn't let PSE know. So some of that 18% could just simply be there is no one at that service location to even need to be reconnected.

Andrew Roberts: And next question is on that second bullet point, bringing the Dunning thresholds down, do you have any kind of road map of what that looks like? It's set at \$1000 now, what's the next step and maybe the step after that?

- Nicole Eagle: Yeah, we do. It's just, unfortunately, not finalized but once it is, we will share it with this group.
- Andrew Roberts: OK

Andrew Roberts: And one last question. So the bar showing the expired disconnections, what's the process for the customers with the expired disconnections?

- Nicole Eagle: So if the order expires for whatever reason, whether it's that we just were unable to get to it, it resets back into the Dunning process and starts back over, assuming that the customer, you know, doesn't take some action in between there. If they're still at or above the limit, whatever that's set at the time, it will just restart.
- Andrew Roberts: OK, thank you.

Yochi Zakai (via chat): Can you please provide an image of the door hanger with the notes?

Theresa Burch (via chat): Also keep in mind the door hanger is after they have received all of the other notices which do include details on every option for assistance.

Shaylee Stokes: Thank you. Good morning. So I'm really glad you addressed that question. The 18% who didn't request reconnection, was one of my questions too. Also, it's such an interesting number. You'd think it would be higher in general and I'm just curious is that a symptom of the transience and the shifting around that's happening as a result of the economic place that we were in or I'd be curious if you have that data from prior years and if it's always around that number of if it's higher or lower.

Shaylee Stokes: My main question is regarding the current process. The current process is that households that have a history of receiving assistance are not being entered into these disconnect queues. That's still happening, right?

- Nicole Eagle: So I think Suzanne or Theresa covered that maybe last time when I was unable to attend. So at the point in time when we moved the customers out, they were either known low income or estimated low income. They are also still out of the process. Keeping in mind that was a snapshot in time; it was a one and done process pull. As we start in the phased reducing of that limit threshold, those customers will also move back into the process. That is at least our plan. Once it's finalized, we'll share it with you all. I believe that it is the approach that we're going with.
- Shaylee Stokes: I see, OK. That's good to know.

Shaylee Stokes: And so once you have that it's like a timeline right?

- Nicole Eagle: Yep.

Shaylee Stokes: But it's not likely to be in the next month if you haven't shared it already, right?

- Nicole Eagle: It very well may be. We do have some plans prior to the end of the year.
- Shaylee Stokes: OK.
- Suzanne Sasville: So what you can expect is that I would inform everyone, you know, on the LIAC and all agencies of what that threshold will be and when ahead of time.
- Shaylee Stokes: It's quite a crunch time for us. Just feedback from an agency perspective. Approaching holidays at the beginning of the season where we're trying to finish up all of our fixed income targeting while absorbing the peak interest of the community as bills start to go up. It's a hard time to have to shift resources around to accommodate more emergency appointments, which is essentially what I expect to happen or to need to happen if we have the majority of our like historically communities who have received energy assistance in the past go into the Dunning queues, especially in a big group, I think that's going to be hard to absorb in the next 6 or 8 weeks.
- Theresa Burch: I just want to weight in really quickly on that. It won't be in a big group for starts. And, Nicole correct me if I'm wrong, but everyone who goes in on a daily basis will start at the beginning and so nobody's going to be in a disconnection situation right away because it's a month or so of process before they would even get there. At which time Nicole's team is reaching out to get them into something prior to even getting to that point, right?
- Nicole Eagle: Yep, you're correct, Theresa.
- Shaylee Stokes: That is some help, thanks.

Yochi Zakai: Thanks. I guess I'll follow up on what we were just talking about then. So it sounds like you're talking about implementing change in which known low income customers would end up being eligible for disconnection without further consultation with this group. And that has the potential to happen within the next 8 weeks. I just want to understand that that's what I just heard.

- Nicole Eagle: So when we make the Dunning limit threshold changes, we have that bulk of customers that have been out of the process since very early on in the pandemic. So as we start to stagger down that balance, yes, we will be adding them back into the process, but then it basically just meets exactly what Theresa just covered. They start at the beginning of Dunning assuming their balance is still above the threshold. They get our proactive outreach throughout the upstream process. They will also then get notice outreach and then ultimately yes, if they were unable to take action for whatever reason, if it reaches our field staff, we will go out for

the collection visit. But keep in mind what we're still visiting all customers. We will either have the robust field conversation or we'll leave them that 24 hour notice.

- Yochi Zakai: Thanks.
- Nicole Eagle: So they don't just go straight to subject to this connection if that's what you were kind of referring to.
- Yochi Zakai: I understand. But you're talking about putting known low income customers who for the past several years have not been eligible to even start the process and to have them start the process now. And I guess, I, yeah, to restart to be eligible to end up in the disconnection queue. And I guess that brings me a lot of discomfort because it's, you know, a change from what we've been doing in the past couple years and is occurring at the same time that the Commission has the credit and collection rulemaking where they're reevaluating if, you know, that's something that should even be done in the future at all. And so I guess I just want to express concern. It feels like it might be a little premature to be entering known low income customers back into the Dunning queue.
- Nicole Eagle: So I know on the agenda Theresa and Suzanne are covering that there may be a great deal of these customers that may get served by the state funding that is coming available. And I think that's analysis that we will do in advance to ensure that if these customers will be served by that program that they're left out, right. But I think adding them back into the process, you know, whatever limit we're at, keeps some consistency with all customers that are eligible being back into the process. And I do think that there's a few favorable things for us, although Shay brought up a very good point that we need to consider, but we do know that as these customers have been left out, they've really received nothing/very minimal proactive outreach from us. They have not been getting notices etc. So I do think that may allow some more customers to know, there are options out there for you, and it may push some urgency for them to actually seek the assistance, but to Shay's point, we need to be very cognizant of the volume impact that we may see. But I do think that it will push more customers to take some good action as opposed to disconnection.

Yochi Zakai: Yeah, speaking of volume, can you move to the next slide? Again, I didn't have a chance to really absorb those numbers yet.

- Nicole Eagle: Sorry, are you talking about the UTC reporting slide? These were just our numbers that were reported during the process.
- Yochi Zakai: Oh sorry, I thought that was the number of outstanding folks that would be eligible to return.
- Nicole Eagle: No. So yeah, they've actually all been reset. This was just the overall total that we reported during the reporting period.

Yochi Zakai: So what's the total? I guess because you don't have the threshold set, you don't even know the number of customers that could potentially be entering the queue as a result of the change?

- Nicole Eagle: We don't. Yeah. So that will be part of the plan that we share with this audience that Suzanne or Theresa can share, whether it's before the next meeting, I assume it will be if we end up making a change prior to year end. We've got a plan put together we just need to run it by call center so that they are aware of some of the changes. Suzanne will share it with this audience, but it will include as we start to reduce, here's the number of new customers we

expect to enter the process and then a rough estimate of how many we expect to reach the disconnection queue. We have prior stats. I think it's just a little challenging right now not knowing; you know it's a different world now coming out of the pandemic so are we going to continue to see those same statistics? You know, we certainly can give you guys an estimate but we may see something vastly different as we adjust the limits. I can totally appreciate that, I guess.

- Yochi Zakai: I have a lot of discomfort and part of the discomfort around this is really the fact that the plan is not being shared with this group in a way that we can provide feedback on it before it's implemented.
- Nicole Eagle: But we will.
- Yochi Zakai: Well, what I was hearing was that you were going to share it and then implement it perhaps before the next meeting of this group.
- Nicole Eagle: So Suzanne will share it with this audience before a change is made. You guys will get advance awareness.
- Yochi Zakai: And will we have a meeting to discuss it?
- Nicole Eagle: I'll leave that up to Suzanne and Theresa.
- Suzanne Sasville: \$75 is what it was pre-pandemic and yes, we have kept them out of the queue. We can take it internally to think of, you know, if there's any communication that could maybe be done for these customers. The disconnect notice each time will inform them of what the amount of disconnection is. But yeah, it would be just notifying, and it's not going to be too dramatic, I don't think, because we have to have staff.
- Nicole Eagle: We're not just going back to what it used to be. We're doing it in a staggered approach. And I do just want to mention, you know, since Suzanne mentioned, you know, the \$70.00, we are not going back down to that balance. We're going to be reevaluating what our new target balance will be. And ultimately right now the plan, although it is not finalized, which is why I have not sharing it yet, but we've got it going down to perhaps \$150. It may not even go down to \$150. There are a lot of unknowns here especially, as I mentioned, just coming out of the pandemic, there are a lot of these customers that have not seen the process for a while. We really are unsure of what their, you know, actions or abilities etcetera will be. So we really need to just watch it as we start to make some changes and see how things go. And I think we're going to need to adjust on the fly if needed.
- Yochi Zakai: So I guess I'm going to stop talking and see queries. I have a couple other questions. It seems like the most important thing to focus on though is that I think it would be helpful after we get the report if either a meeting was scheduled or we had the opportunity to request the meeting, you know, to discuss before the changes are implemented.
- Suzanne Sasville: I've got that noted. Thank you.

Corey Dahl: So I want to get a clear answer. You're going to tell us what you're doing and then are going to do it or you're going to tell us what you're doing and would like our feedback to perhaps change it? So is this just informative or is this actually seeking feedback? That's not clear and that's something that I need clarity on.

- Suzanne Sasville: I think, you know, internally the decision would be made with speaking to the necessary departments and directors and then a decision would be made. If I'm hearing that you would like a meeting to know when the amount is going to change, what the amount is going to

go to, we can set a meeting for that prior to changing the Dunning threshold. PSE HELP is going to respond and continue to give energy assistance information, etc.

- Corey Dahl: Yeah, that is a meeting I would like to have. But to be clear, a yes or no answer here. Would this just be informational or is this an opportunity to actually offer feedback that could be or would be implemented? I think the answer is no on that second part but I would like a clear answer.
- Suzanne Sasville: Feedback is always welcome. I guess I'm wondering what feedback you're thinking of - to change the amount or would it just be anything?
- Corey Dahl: Yeah, it's hard to say because we don't have a plan in front of us. So it's really hard to say what we would be offering feedback on. I guess it could be amounts, could be timeline, etc. but we don't have anything in front of us so it's hard to say what we would actually be providing feedback on.
- Nicole Eagle: Corey, we're close to getting it finalized. Once it is, let's share it with this audience to let you guys take a look at it. I think Suzanne can get a meeting set up. I think, ultimately, it will be more informational but like Suzanne said, I think we're open to feedback. But again, we'll share it with this group very soon.
- Corey Dahl: OK. Well I guess I have some pretty strong reservations and grave concerns about that process without allowing us to offer feedback on that because that's a big change and, again, especially as we're heading into the heating season that's very concerning.
- Suzanne Sasville: So we'll definitely do that (schedule a meeting). And then I think we can transition right after this into explaining about the state funds that we're going to be utilizing between now and December to assist with arrearages. So that is something that we know is going to be greatly helpful to decrease arrearages for low income customers.
- Yochi Zakai: If I could just chime in. I totally appreciate that there are going to be more resources that could be applied but without having a view of the plan, an estimate of the number of customers that would be impacted and being able to compare, you know, the number of customers that would be impacted by this change and who would be eligible for that, there are way more questions than answers in my mind right now about how this all plays out. You heard from Shay that scheduling and timing, especially at this time of year, is a really big concern. All of that is to say I join Corey in expiring serious reservations and would request the opportunity for feedback that should be heard before a change is made.
- Manu Morgan: Yeah, I'm just going to ditto everything. I just looked at what we did in October. We processed over 400 files. 400 of those were crises. So my concern is what's the outcome in adding in everything else from this.
- Suzanne Sasville: Thank you. Yeah, those are good questions to ask - the number we anticipate that would end up going into the queue based on our threshold, etc. and then taking into account our arrearage funding that we have \$21 million for. We'll talk about that in just a moment.

Lorena Shah (via chat): Oppco echoes the concerns and questions brought forward.

Charlee Thompson: NWECA agrees with Corey and Yochi here. We'd like to be a part of a feedback conversation.

Corey Dahl: This is moving off of this specific talk topic we've been chatting about for the last several minutes and it might actually dovetail well with the next conversation. It was mentioned earlier that in the absence of hard numbers and evidence, there is at least anecdotal evidence that customers are not answering a knock on the door but they're coming out to see the notice after the PSE field representative leaves their door. Has the company considered, and I guess I would strongly encourage the company to consider working with community partners, perhaps contracting out to trusted community partners, to go to the door to do that outreach. It's a lot less threatening because customers have seen notices from the company telling them that they're going to get their power cut off. A trusted community partner coming to the door or some other form of outreach to say hey, this is available for assistance/whatever other options exist, I feel, is probably going to be a bit more welcoming than, you know, threats.

- Charlee Thompson: Corey, that's a great idea. I was thinking about that actually a little bit earlier in this meeting.

Charlee Thompson: I put in the chat and it looks like Lorena Shah did too, I agree with the statements and concerns that Corey and Yochi have been discussing here. When this feedback conversation occurs, we would like to be a part of that as well. So thank you.

- Suzanne Sasville: Definitely.

[Electrification Pilot \(1:10:35.190 - 1:11:50.310\)](#)

Suzanne Sasville: We're going to shift a little bit. We had on our agenda a segment to talk about the electrification pilot. I'm going to reschedule that. It is involving our general rate case and a pilot PSE is going to be doing as a result of that approval in December. We can either set a separate meeting in December to speak to you on that or in January.

[State Assistance Funding \(1:11:50.310 - 1:30:4.30\)](#)

Suzanne Sasville: We're going to speak to what we're looking at as far as resources to help customers with bills that have accumulated arrearages from a certain period of time - so from March of 2020 through December of 2021.

Theresa Burch: Thanks, Suzanne. We think this will help. We do have some outstanding questions as far as eligibility goes so I want to start by saying that us, as well as many of the other utilities that are working to get this money out the door, are trying to maximize the number of eligible customers that can receive it while still meeting the interpretation of the proviso. This was \$100 million of the COVID State Fiscal Recovery Fund that's being provided to all utilities - water, sewer, garbage, electric, gas, etc. to address low income customer arrearages that were new or compounded financial hardship as a result of the pandemic. So the interpretation of who the money can go to is that the arrearage must still be active, for lack of a better word, and has to have been accrued, as Suzanne said between March 1st of 2020 in December 31st of 2021. So that's the first question. Did the customer accrue an unpaid balance during those dates? Did the customer receive qualified assistance, which includes LIHEAP, weatherization, and any ratepayer funded utility assistance? So for us that would be our COVID assistance programs, as well as our PSE HELP program, and then does the customer have a current unpaid balance. So PSE is being provided a minimum of \$21 million under this program. We're in the process of doing our contract signatures with the Department of Commerce this week, our director Carol Wallace is the signer and has submitted the paperwork. So now we're just waiting to hear back.

And then, as I said, I don't have a number of customers for you that would be eligible yet because we have some outstanding questions. For example, we want to see if our Warm Home Fund can also be utilized as a source. We're waiting to get that answer back. We're also waiting to see if we can use our estimated low income customers. We learned during COVID that that data was over 90% accurate. And so that would really maximize the number of customers we could help and wipe out quite a few arrearages. So we're running a small project to get this off the ground. We should know in the next couple of weeks how many customers will get assistance and our goal, actually our requirement, is to have it out by the end of the year. Our hope is to do it as soon as possible to beat the holiday rush. And as Nicole alluded to earlier, this would take a lot of customers out of any type of Dunning situation as well, depending on how that ends up rolling out. We're going to do a one time upload to our SAP system to pay whatever the eligible balance is. When we get our final answers from Commerce as to, you know, how far we can go with this, we do also know that customers that went on payment arrangements, if they're meeting their payment arrangement, they don't technically show up as past due, but we are also allowed to include that balance. So we're trying to figure out if our data scientists can parse that out of kind of the complicated billing structure that's in our SAP system.

Misty Velasquez: Yeah. So you answered part of that because I was going to say in the system [EnergyHelp] when a person goes into a payment arrangement, we can't even see their past due amount anymore because it goes back down to 0. My question to you is there an income guideline with this or is it open to anybody that has a past due amount?

- Theresa Burch: Well, the income guideline is that they have to have received qualified assistance. There is really no limit as to how far back we can go in what assistance they received [*correction: we're checking in on whether there is a limit*]. I mean our plan is, like I said, to get as many as possible, but we're also hoping that we can use our estimated low income data because we only have a year of going up to 80% of AMI for the income guidelines and it could leave some customers out that should qualify. So we're doing everything we can to get approval. This is federal money so it is a little strict and we have to follow it but we're not alone. When we were on a Q&A call with the Department of Commerce, many, many other utilities were saying this is too stringent. We have people that are still in trouble and you know, we want to get as many as we can. So that's what we're working to do.

Misty Velasquez: So people who have never received any kind of low income assistance before and are behind don't qualify for those funds, but are those people being told about our program and if they come in and get our assistance, will they then be eligible for that?

- Theresa Burch: Well, that's a tough one because we have to have this money distributed by December 31st so we don't have a lot of time to include others, which is why we're trying to include customers showing up in our estimated low income data. We want to get approval to go ahead with that.
- Suzanne Sasville: And that estimated low income data again is when we use the company Experian that has the data and we can cross reference and we are asking Commerce if that can be used. We're still awaiting a response on that.

Hanna Navarro: When you say estimated low income, are you referring to the analysis that you did last year when you distributed leftover PSE HELP funding?

- Theresa Burch: Correct
- Hanna Navarro: OK.

Hanna Navarro: And then at the other two questions I think you probably don't have answers to right now, Theresa. But whenever you do have an answer, I would be curious to know about a maximum award per household. And also if you have more arrearages for customers that are eligible than you have funding for, how would you prioritize that funding?

- Theresa Burch: Great questions. So the first one is the proviso does not include a maximum per customer and so that is something that we need to figure out with Commerce if they want to implement a maximum. However, they did ask each utility to send in a prioritization, to your point. If we don't have enough funding to cover everyone, there is a list that was submitted to commerce of how we would prioritize, and I don't have it in front of me, but I can give you an example. What they asked us was to rank somethings one through 6 and it was, you know, things like customers who have received assistance, income level, longest held balances, largest balances. And so we ranked those and we can we can probably share that. I'll find what was submitted. I know that our priority was to give to all customers with qualifying debt 1st and then if that doesn't use up all the money, then we would probably go to things like income level and longest held balances.
- Hanna Navarro: Thanks.

Andrew Roberts: The funds only apply to balances occurred during a certain date range. Do you know what the amount of need there is?

- Theresa Burch: Well, what we know and what I can share is that what the Commission asked for, sorry, not the Commission, what Commerce asked for when we submitted to receive this was all residential customers with balances that were accrued during the qualifying time period. It didn't specify if they were low income or not, just all arrearages that were still left from that period and PSE had about \$24 million at that time. That's what we submitted. Where it gets a little tricky is when we have to narrow it. Like I said, this was a concern shared by many of the other utilities who submitted - how to narrow it to only customers that had received assistance. It's actually a much lower number, which is why we're trying to work with Commerce to maximize it. The trick is, can we get the data, you know, because we would be subject to audit and we have to report on this by March of 2023. So we want to make sure and Commerce advised that we ensure that whatever we have is traceable. I will throw in one other thing that I didn't mention, which is we could actually ask customers to self attest and say was this arrearage due to the fact that you were impacted by COVID and they seemed to think that that would cover it as well. So we're still exploring. We have a communications plan outline that we're working on and hopefully in the next week or so, we'll kind of have more answers and can get more information out to you.
- Andrew Roberts: OK. Yeah, that's a bit of a concern because we know that there's a lot of customers who qualify that don't end up applying. So there's a big group of people who could potentially be missed here.

Andrew Roberts: And my second question is when someone is disconnected, according to our Commission rules prior obligation applies, right. So that account balance isn't in effect anymore. Does that impact whether or not a customer can receive these funds?

- Theresa Burch: No.
- Andrew Roberts: OK, great.
- Suzanne Sasville: And in fact, keep me honest Theresa, wasn't a question from one of the agencies towards Commerce can it pay if the customer went prior obligation because it accumulated during that period of time? I think that's a question we're still waiting on.
- Theresa Burch: It does not impact them being able to receive the funds. It's kind of a conundrum because we weren't disconnecting at all during that entire qualifying time period so the prior obligation dollars we're seeing, and as you saw from Nicole we've still only disconnected about 1000 customers in total since May, for this year are pretty small compared to pre COVID numbers. But just because they had gone prior obligation does not impact their eligibility to get a current arrearage covered by this.

Shaylee Stokes (via chat): Does the state funding have a cap per hh [household]? And is the balance paid the amount remaining from 2021 and prior only? Or the total balance?

Valerie Newman: Shay has a question in the chat. The first part was already answered. The second part is, is the balance paid the amount remaining from 2021 and prior only or the total balance?

- Theresa Burch: Yeah, that's one of our questions to Commerce Shay and it's a great one. We want to pay the total balance. We don't want to just give them a small amount from the period and in particular because COVID assistance helped so many customers that had accrued balances during that time. However, starting at the beginning of this year, they were still struggling and ended up past due again within a month or two of receiving that assistance. That has been that question has been posed to Commerce to reply back and get an answer for us.

Kelima Yakupova: Theresa, this is Kelima. Thank you so much. This is really helpful to understand the process better. Sounds like a lot of questions are going to Commerce. What is your estimated, you know, next step in terms of hearing back from Commerce?

- Theresa Burch: Well they haven't given us a date. We're moving forward with getting the contract signed and doing our data analysis and so we'll have multiple options, hopefully, when they do respond we'll just be ready with a data set that our data scientists are working on. Actually, we have a meeting this afternoon to look at some data. So that's kind of where we're at. So it's a little bit early but we just wanted to let you know it's coming and it's a minimum of 21 million and depending on what we can get approved, if other utilities underspend, we could actually get more. Our goal is to maximize every penny that we can get out the door.

Kelima Yakupova: When does this money have to be given out?

- Theresa Burch: By the end of the year.
- Kelima Yakupova: And the next LIAC meeting is?
- Theresa Burch: In January.

- Kelima Yakupova: But you would expect to hear back on your clarifications from Commerce before the end of the year, right?
- Suzanne Sasville: Yeah.
- Theresa Burch: Right, yeah, I would imagine we're going to hear back in the next week. So just to give everybody a little bit of color around this, this is complex and I don't know if anyone from Commerce is on the phone, but this is a lot of work for them as well and, you know, they were tasked with pulling all of this data together. And I think this is just, this is Theresa's opinion and not a fact, but based on the Q&A meeting, there were a lot more questions probably than were anticipated and they want to give us the right answers being that we're distributing federal funds. So I appreciate them taking the time to really dig into some of these before they respond. So I expect that they'll need a few days to do that.
- Suzanne Sasville: Yeah, we hope that there is going to be maybe a Q&A that will go out to all the utilities because it was, you know, all the utilities in the state and so I think they were trying to formulate one how to respond to the questions and then what their medium for communication would be. So we're just kind of waiting in the wings for them to figure that out. And yeah, I sure hope it is soon - within the week or so. We'll let you know what that ends up being, you know, with decisions being made and what we can and can't do with the funding. I know they weren't too keen on having a credit left on anyone's account. We were, you know, telling them that customers have since paid and in some cases they did have that balance sitting there well into 2022 and when this funding came down to the utilities and it took, you know, Commerce awhile to arrange how they were going to do this. We felt that if we can know what that dollar amount was in spring of 2022 that was still outstanding, could that dollar amount be put on their account. Again, we're waiting for an answer on that. Probably not but we know that energy assistance came along and, you know, they had to pay some. And so anyway, we just asked some really good questions.

[Bill Discount Rate \(1:29:58.810 - 1:57:37.600\)](#)

Suzanne Sasville: We're going to go through some slides just to kind of recap for you where PSE is at with our bill discount rate proposal. We all met about it in 2021. In January of 2022, the general rate case had the filing of what we decided in 2021. Throughout 2022, we communicated with the Utilities Commission and external parties to answer questions around how PSE had submitted our bill discount design and now we are awaiting approval of the order. What we do know is that they have requested some changes to the three tiers that we submitted and it's to increase the number of tiers to probably 5 or more. And so we know that we are going to be taking this back and redoing a little bit of our design from what we had decided. So I am not at liberty to speak about those details until the order is finalized, so what I can say is that we are gearing up for engaging our small work group from the this LIAC to begin in the process of this project which is going to be speaking about all the requirements, the design, and then, you know, what's going to be necessary for rolling this out and having it go into place on October 1st of 2023. So I have some slides here just to recap for you. So before I get started, are there any? Are there any questions?

Suzanne Sasville: All right, so the main reason for this bill discount rate is it's going to be helping PSE customers in lowering their energy burden. And so this program was designed to work in tandem with our PSE HELP program and the LIHEAP program and Warm Home Fund, you know, and in the future, the Arrearage Management Program to lower energy burden. And again, energy burden is defined as that

percent of the household income that's spent on the energy bills, gas and electric. The threshold to be considered high energy burdened is the household has 6% or more of their household income paying their energy bills. So that is what, you know, PSE is of course looking at - what customers of ours are energy burdened and knowing details on that. We did a study back in June of 2021 and this analysis, you've all seen these slides and I'm just kind of going over them to recap real quickly, it was from data that was in 2020 and we have this representation here of the circles where of our total residential customer base of 1.1 million, 496,000 were defined as low income, 44%. Energy burdened was 152,000 of that 496,000 and here's the breakdown of those that were determined energy burdened. So the electric only customers were 60% of that group, gas only were 24% of that group and the combination customers were 16% of those that were energy burdened.

Yochi Zakai: Could I ask a question about that before we move on?

- Suzanne Sasville: Certainly.
- Yochi Zakai: Thank you. So I want to apologize if this has been answered before as I've only recently begun digging into PSE's energy burden analysis here. But I noticed the note at the bottom that says that the study covered about 80% of the total customer base. And I'm wondering if you might be able to elaborate on what the challenges were in getting the other 20% of the customer base in there. And if we have a sense on who was not counted.
- Kelima Yakupova: Suzanne, perhaps I can take that question.
- Suzanne Sasville: Yes, thank you Kelima.
- Kelima Yakupova: Hi Yochi, this is Kelima from the pricing and customer service team at PSE. We collaborated with the Customer Insights team to prepare the energy burden analysis that was part of the GRC. So we went through almost a year, you know, to determine the methodology for this. We put together several data sources to, you know, come up with the best possible analysis as well as methodology. And so some of the data challenges that we came across were, one of them was missing income estimates. So even though we leverage the Experian third party data set that provides estimates, still there were customers that were missing an income estimate. The other challenge we came across was we had to filter the data for one to one. That's what we called the analysis where you have one business partner ID to one customer account ID. Whenever we had one business partner to many customer accounts, it was posing challenges on to the data because for various reasons. One to many could represent, for example, an apartment building and the customer who holds the account represents many apartments. And so the data would not be representative about an actual customer's energy burden. So I think these two would for the most part cover the remaining 20% of the customer base.
- Yochi Zakai: Thank you. I appreciate that and I appreciate all the work that went into it. It did look like a great analysis that really dived into a lot of a lot of detail. And so, so great job putting it together. So can you draw any conclusions based on that about who is unrepresented in here? Because if you're missing an income estimate from Experian, does that mean that you know, that group of customers might be largely unbanked and therefore potentially low income? And if your filter is looking at problems matching with, you know, folks in, you know, multi-unit buildings then, you know, again perhaps you're again skewing, you know what could be a little bit more low income on the side of those that were excluded. I don't know if you'd feel

comfortable, you know, drawing any conclusions around that, but just based on the two examples, it seems like it could be.

- Kelima Yakuova: Yeah. So I think let me address one concern that the one to many would probably take the majority of that missing data. So the missing income estimates was a small proportion. It's a much smaller proportion; it's not the exact numbers, but to give you a feeling it would be closer to 19% versus 1% would be the missing income, you know. So it's just to give you an understanding, but we, you know, as you realize, it took a lot to put this together. And so we have been aware of that one too many issue we have not had time to dive back. It's something to do down the road, maybe to try and address how those can be captured and what the potential biases might be. But at this stage, just because, you know, we needed to complete the analysis in the best way possible, we did it. Note this is an estimate, right but at the same time it really illuminated so many insights about low income customers that we were missing. It was unknown what is this estimated pool of low income customers and then on top of that, adding energy burden aspect really gave so much more understanding of what these customers are and it's not to say that these numbers are used, you know, just for targeting these customers. No, it's giving us the understanding of the low income customers. But when the implementation team takes it, they go to our customers, known low income customers and estimated, and when we target them, we, in some cases, like Suzanne said, we would do a survey and ask, you know, while we in CACAP3 for example, while we provided the assistance, we also asked whether they did fall indeed into low income bracket or not, right? So we are putting into place additional levers to help with getting better estimates of customer incomes. And so just to reiterate the main takeaway is really according to the new CETA definition, which was implemented for this analysis, which is customers up to 80% of AMI or 200% FPL, whichever is greater, are now defined as low income. And there's an estimate that is almost 500,000 customers with PSE's base or about 44%. And this is huge. It's almost half of PSE customers that defined as low income now. Umm, but what's interesting is about 13% are estimated to be energy burdened, which means they spend more than 6% of their income on energy costs and as you will see on the slide one other very important aspect is that energy burdened customers are already expected to be in more vulnerable areas or they are already vulnerable customers. So we see that based on ethnicity, education, home ownership, type and age, the energy burden analysis shows that low income energy, burdened customers make up a bigger proportion which would tell you that the energy burden statistic would capture a lot of the vulnerable customers. Could you go to the next slide? And so then we took that and we disaggregated the data. So first was higher level and now we went into AMI brackets. Here we're filtering just low income customers and we divided it by deciles. The green bars show you the number of estimated low income customers within each cell bracket. And then next to it are the orange bars which show you the number of energy burdened, low income customers within each decile bracket and what's interesting, it has the inverse relation. It actually decreases and that mathematically makes sense because as your income rises, which is in the denominator, your percentage of your bill as a percent of income would decrease. So the higher your income, the less energy burden you would have. And so we see that being a low income customer doesn't necessarily mean being energy burdened, especially in the higher income brackets. That is of course not to say that they aren't, you know, experiencing disproportionate burdens in other aspects, right. It's simply to show why this is important in the context of the bill discount rate design. It

highlighted the importance of tiering the bill discount rate so that those customers who are most in need are assistance first and prioritized because funding is limited. And also an increase in the funding for low income customers means cost shifting to non low income customers which pretty much make up the other half of PSE's customer base. And with all you know, with all the rate increase pressures that are coming/that we are expecting in the future, both low income and non low income customers are seeing a lot of pressure. So we have to keep that in mind. And so Yochi and stakeholders, this is the foundation for understanding the low income customers and went into designing of the bill discount rate.

- Suzanne Sasville: Thank you Kelima, that really gives us some good information. The income guidelines, you know, changed from being a cap of up to 150% of FPL to the greater of 80% AMI or 200% FPL in 2021. So now you know that's what we're going to be looking at when we look at brackets for where our customer base is income wise.

Suzanne Sasville: Our vision for the bill discount rate is to work with the LIAC, and our small workgroup of course, to make sure that we are impacting the customer's bill with every energy assistance that is going to be possible from various programs - PSE HELP, LIHEAP, BDR - with the goal in mind of lowering their energy burden/keeping the energy burden below 6% for those whose income is within the income guidelines. I will be sending these slides to you, and they are ones that we did see in the past, so you can review them again. Uh, you can review them again. I don't want to take too much more time going over these bullets here, but what I wanted to go to here real quickly is just, you know, our considerations and what's really important is making sure that equity is a component of our decisions when we begin this project. And you know, looking at who are our income qualified customers. What are their languages? You know, where can we support them in use of, you know, languages that they can access information through. And making sure that the tiers that we do set are going to be ones where, you know, customers are having their energy burden lowered and really, you know, balancing how we can help the most number of customers with the money that we will have, using other programs to assist in that. Regarding the cost, really our bill discount rate is going to be funded through our Schedule 129 which is our low income program rate today.

- Kelima Yakupova: Oh Suzanne, my apologies. It would be Schedule 129 D, a separate schedule.

Suzanne Sasville: So we anticipated beginning the bill discount rate with unspent PSE help dollars from previous program years that were left unspent and then collecting through rates the difference that ends up being the outcome. Rates would adjust up 1% for every 21 million and 1% for every 10 million gas based on our filing in January of this year.

Suzanne Sasville: This is a diagram of all of PSE programs that today help with lowering someone's energy cost, reducing energy burden. It's our goal that our bill discount rate, our PSE HELP program and LIHEAP are going to work to do that for our customers once we institute the bill discount rate. For customers that maybe are over income or didn't benefit from one of these programs, payment arrangements are always there. Our Warm Home Fund is a safety net for those customers that are income qualified, actually up to the same definition of low income today, to help with a disconnect notice they have. COVID bill assistance is out of the picture now, this is a slide from during our COVID program. In 2024, we will be putting into place an Arrearage Management Plan. So in the long term, keeping that bill down, you know, ensuring we are educating our customers with what energy efficiency programs are available for them, we have a low income weatherization program and then splitting out

someone's bill into equal payments sometimes makes all the difference in our budget payment plans. So this is kind of the whole portfolio. Bill discount rate is going to be part of that going forward.

Suzanne Sasville: The goal for PSE is in December we hear from the UTC as to the final order, what we are allowed then to work with and to talk about is we go forward and I will turn this slide over to Theresa to tell you what this project is going to entail and where we are today. In summer of next year, we are then going to submit again to the UTC.

Theresa Burch: I'll be super brief here. We'll send this out so you can see the schedule. We have pulled this project forward; it initially was going to launch in January because of the general rate case and with the complexity of sort of doing some rework, we've gotten approval to start now. So we are getting ready to do our kickoff. We have a project manager who I will introduce you to in just a second. So this is a formal capital project that PSE is running through our normal corporate spending authorization process. We are going to do some very detailed requirement sessions between now and the end of the year that will help inform our project design when we get to that stage. That will include keeping the LIAC informed as well as a lot of collaboration and feedback through our small work group that will also be included in the appropriate requirement sessions. Then the current schedule, just to fast forward is that we will go live by October 1st, 2023. That will align with the next PSE HELP program, which works nicely for customers and the current settlement states that we will resubmit a bill discount rate proposal to the UTC no later than July 1st, 2023. If we have it vetted by then, we will submit earlier because we want the UTC to have plenty of time in order for us to go live by October 1st.

- Yochi Zakai: Yeah, more of a comment. I'm just going to say thank you, really looking forward to the small group discussions and digging into all of this. And I just wanted to note that the rate case settlement also looked at designing the arrearage management program on that same timeline with the filing no later than July 1st, even though the Arrearage Management Program would not be implemented until October 1st, 2024 so might want to look at that. In this timeline, I don't see the discussion of the Arrearage Management Plan so I just want to make sure that we can have time to talk about that as well.
- Theresa Burch: I will have to go back and look at that. That actually was not part of the plan to propose in the same timeline. So I will take an action to go talk to regulatory about that.
- Yochi Zakai: Thanks.

Theresa Burch: And so quickly since it's 12:00, I just want to introduce Jared Riley. Jared is our current lucky winner of the project management role for the bill discount rate. He is not new to working with PSE and working on projects. You've been around with us for over 15 years. Jared, do you just want to quickly introduce yourself before we close out?

Jared Riley: Certainly, thank you Theresa very much. As Theresa just said, I'm the going to be the project manager for bill discount rate. We are just now getting the project spun up on the PSE side, putting together all the preliminary PMO documentation and getting the kickoff scheduled, those requirement sessions scheduled. And getting the kickoff scheduled, those requirements sessions scheduled. As Theresa said, we're looking to, we're targeting by end of year to get the requirements sessions in. There may be a little bit of a push into the early week or two of January, we'll see, but the goal is to get as much done by the end of year as possible. I do believe we have kickoff scheduled at this point with the

small group. And so we'll talk more about scope, schedule timeline and all those components and all the people involved during that kickoff and looking forward to working with many of you on this.

Suzanne Sasville: All right. I will send out this deck that we've had today and there are a few extra slides in there of, you know, the overview of the project, then our role, the role of the LIAC. I think we still have our meeting scheduled every two months. I'm probably going to make them monthly so that those that can come and show up can have an update as we move through this process with our small work group. So look for that on your calendars. Any questions before we close out today's meeting? Packed with a lot of good conversation.

[Supplemental PSE HELP \(1:57:41.220 - 1:59:19.300\)](#)

Suzanne Sasville: One thing I want to say, I want to thank the agencies that are here today. You'll be included in all the LIAC meetings going forward. One of the things PSE has decided to do with the PSE HELP formula for this program year is to incorporate the rate increase (*correction: the Purchased Gas Adjustment*) for gas customers that is taking place between November 1st and our end of the program year, September 30th. That rate increase is going to be done in two parts, half of it starting on November 1st, the other half April 1st and it's a net 15% increase in gas rates. And so for the PSE gas grant, the usage of a customer over the last 12 months is taken into consideration in our formulas and so we are going to be instituting a 15% addition in that cost on to the usage. So that when plugged into the formula, the gas grant is inflated to help with accommodating those bills that might ensue. So just wanted to let you know we're getting contract amendments done right now and PSE will give the green light for folks to start very soon and we're making some progress with programming our system to accommodate that, so that will help with all the gas dollars that have oftentimes been left unspent. I'm very happy about that.

[Closed the meeting \(1:59:21.60 - 1:59:45.440\)](#)

Suzanne Sasville: Alright, and anything else before I close the meeting? Thank you very much for attending today and we'll get some notes out from the meeting and have a wonderful rest of your day. Thank you so much.

Charlee Thompson: Thanks, Suzanne. Thank you.

Yochi Zakai (via chat): Thank you for some great presentations. I look forward to more frequent discussions with this group and the small group.

Manu Morgan (via chat): Thank you