

**EXH. CLW-1T  
DOCKETS UE-240004/UG-240005  
2024 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-240004  
Docket UG-240005**

**PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF**

**CAROL L. WALLACE**

**ON BEHALF OF PUGET SOUND ENERGY**

**FEBRUARY 15, 2024**

**PUGET SOUND ENERGY**

**PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF  
CAROL L. WALLACE**

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1 **PUGET SOUND ENERGY**

2 **PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF**  
3 **CAROL L. WALLACE**

4 **I. INTRODUCTION**

5 **Q. Please state your name, business address, and position with Puget Sound**  
6 **Energy.**

7 A. My name is Carol L. Wallace, and my business address is Puget Sound Energy,  
8 Inc., P.O. Box 97034, Bellevue, Washington 98009-9734. I am employed by  
9 Puget Sound Energy (“PSE”) as Director, Customer Solutions.

10 **Q. Have you prepared an exhibit describing your education, relevant**  
11 **employment experience, and other professional qualifications?**

12 A. Yes, I have. It is Exh. CLW-2.

13 **Q. What are your duties as Director, Customer Solutions for PSE?**

14 A. As the Director, I lead PSE’s Customer Solutions team that includes: customer  
15 experience and journey management; digital experience on self-service platforms;  
16 strategic business intelligence; billing and payment operations; energy assistance  
17 programs, credit and collections operations, meter network services, customer  
18 care center, billing performance and performance quality. These groups are  
19 charged with enhancing PSE’s digital customer service platform, data analytics  
20 capabilities, billing and payment processes, increasing access to energy assistance

1 programs, managing customer arrearages and field collections, responding to  
2 customer inquiries via phone or email, resolving billing issues, monitoring call  
3 quality and performance, workforce management and operational reporting.

4 **Q. What is the purpose of your testimony?**

5 A. The purpose of my testimony is to present PSE's efforts and commitment to serve  
6 its community and customers with a focus on its residential, low-income  
7 customers. First, I describe how Customer Solutions supports the evolving needs  
8 of customers. Second, I provide an overview of the deployment of PSE's  
9 expanded assistance programs, which includes details about the Bill Discount  
10 Rate ("BDR") and Arrearage Management Plan ("AMP"). Third, I address PSE's  
11 continued efforts to improve access to its energy assistance programs. Lastly, I  
12 explain some proposed changes to PSE's affordability metrics.

13 **Q. Please describe PSE's Customer Solutions work.**

14 A. Customer Solutions' purpose statement is to: *Provide our customers with the*  
15 *information, processes and resources they need to make the right choices for their*  
16 *energy consumption, build trust, and partner with us to reach our clean energy*  
17 *goals.*

18 The Customer Solutions work stream identifies the necessary customer products,  
19 programs to support customers and their evolving needs, including deployment of  
20 assistance programs and the adoption of clean energy technology and innovations.

1 As customers increasingly move to digital engagement, the technological  
2 interface between them and the services of their choice, whether in payment  
3 plans, bill assistance, renewable energy offerings, distributed generation, demand  
4 management and reduction, or electric vehicle ("EV"), will necessitate continued  
5 investment and upgrades to existing customer information, billing and payment  
6 systems.

7 **II. PSE IS WORKING TO IMPROVE ITS ENERGY ASSISTANCE**  
8 **SERVICES TO CUSTOMERS AND INCREASE AFFORDABILITY**

9 **A. PSE Continues to Assist Customers in Recovering From The Pandemic**

10 **Q. Has there been any post pandemic assistance provided since January 2022?**

11 A. Yes. In 2022, the Legislature appropriated \$100 million for public and private  
12 water, sewer, garbage, electric and natural gas utilities arrearages. PSE applied for  
13 a portion of this funding to be used to reduce residential customer arrearages  
14 accrued between March 1, 2020, and December 31, 2021. PSE was able to  
15 distribute approximately \$29.4 million to almost 74,000 customers using these  
16 funds. PSE distributed these funds in two rounds, first in December of 2022 and  
17 second in June of 2023.

18 In addition to this, PSE continues to take the following actions to assist its  
19 customers in response to the pandemic, disconnect moratorium, and the  
20 Washington Utilities and Transportation Commission's ("Commission") COVID  
21 Order 03 in Docket U-200281:

- 1           i.    PSE continues to offer up to 18 months of payment arrangements; and
- 2           ii.   PSE continues to waive all late payment fees, disconnect/reconnect fees
- 3                 and assessment of security deposits.

4   **Q.    How has PSE resumed credit and collection processes following the COVID-**

5   **19 pandemic?**

6    A.    The disconnection moratorium, which began in April 2020 due to the COVID-19

7           pandemic, was lifted in Washington State on September 1, 2021. The

8           Commission extended the disconnection moratorium through September 30,

9           2021, and certain consumer protections through March 29, 2022.

10       PSE initiated a gradual return to field collection operations in May 2022 with a

11       small subset of its customers in arrears. The gradual return included only

12       customers with an arrearage of \$1,000 or more and excluded all known and

13       estimated low-income customers as a snapshot in time in 2022. Today, PSE is

14       making a field visit to all customers that reach disconnection, prior to taking any

15       action.

16       PSE continues to offer many programs which are all designed to help get

17       customers back on track and to prevent or reduce arrearages which include

18       programs such as – energy assistance, extended payment plans, budget payment

19       plans, and energy efficiency programs. PSE also continues to do significant

20       customer outreach to increase customer engagement and awareness of our current

1 and future programs available. Outreach efforts are discussed more specifically  
2 below in Section B.

3 **Q. How have PSE’s operational processes continued to reflect customer needs**  
4 **during the COVID-19 pandemic?**

5 A. As an outcome of PSE’s 2022 General Rate Case (“GRC”) Settlement, PSE has  
6 been required to halt any collection practice changes until the conclusion of  
7 Docket U-210800. Per Docket U-200281, protections are still in place for  
8 customers regarding not assessing late payment fees, disconnection fees,  
9 reconnection fees, or security deposits.

10 **Q. Does PSE believe that Docket U-200281 supports customers in the long run?**

11 A. No. PSE believes that the protections for customers that came about from the  
12 COVID-19 pandemic were helpful and necessary during its peak. However, as a  
13 long-term approach, this perpetuates customers’ growing arrearages so that in  
14 many cases the available PSE assistance cannot bring the customer current. As  
15 such, PSE filed a petition in Dockets UE-220066 and UG-220067 to modify its  
16 current credit and collections processes as stipulated in the 2022 GRC Settlement.  
17 For more information on the petition, please refer to Exh. CLW-3.

1 **B. PSE is Focused on Making Its Assistance Programs More Accessible**

2 **Q. Has PSE continued to improve access to energy assistance programs?**

3 A. Yes, PSE designed its new Bill Discount Rate to streamline the application  
4 process, making it easier and taking less time for customers to receive relief when  
5 seeking to reduce their energy burden. Through self-declaration of personal  
6 income and online eligibility evaluation tools, PSE is looking to empower and  
7 further motivate customers to engage in the application process.

8 Additionally, PSE updated its existing HELP program to take advantage of the  
9 same self-declaration process, continuing to reduce and remove barriers to entry  
10 for these programs.

11 **Q. Has PSE continued to act on various research findings as it discovers  
12 additional information through analysis and customer feedback?**

13 A. Yes. Since the beginning of the COVID-19 pandemic, PSE has conducted  
14 multiple surveys related to payment, past due amounts, and energy  
15 assistance. These include surveys related to awareness and barriers to receiving  
16 energy assistance, satisfaction with low-income programs such as Income  
17 Qualified Community Solar, reasons for being unable to pay past due amounts,  
18 preferences on payment plan setups, and top issues customer care agents  
19 encounter when fielding customer calls on billing and payments. These  
20 surveys gave voice to key customer segments, such as low-income customers and  
21 those with past due PSE bills.

1 Through these surveys PSE identified barriers in the energy assistance application  
2 process that, if addressed, would enable customers to seek help more  
3 easily. Also, PSE gained insights on the prevalence of past due customers who  
4 were aware of energy assistance programs, but chose not to seek  
5 assistance. Finally, effective channels and methods for educating customers about  
6 energy assistance options were identified using the surveys.

7 These findings spurred PSE to launch numerous initiatives targeted at increasing  
8 customer participation and satisfaction with assistance programs available. PSE is  
9 focusing on the following areas:

- 10 i. Outreach: PSE is leveraging successful tactics used in prior COVID-19  
11 Crisis Affected Customer Assistance Program (“CACAP”) education and  
12 outreach efforts, which have been crucial in generating awareness of the  
13 assistance programs offered to customers.<sup>1</sup> PSE is particularly mindful of  
14 overcoming language and technology challenges in reaching customers in  
15 need.

16 PSE continues to reach customers through a wide range of channels  
17 including: radio, community newspaper, social media and digital ads,  
18 combined with direct mail postcards, email, The Voice (PSE’s print  
19 publication mailed monthly to customers), print collateral, posters, QR  
20 code cards, and PSE’s website and mobile app.

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<sup>1</sup> See Exh. CLW-4.

1 In addition, PSE utilizes an extensive partnership with community non-  
2 profits. Via these partnerships, PSE holds sessions with the nonprofit's  
3 clients and provides program information to them. These audiences  
4 include, but are not limited to, customers whose primary language is not  
5 English, the elderly, and families experiencing food insecurity.

6 For more details on PSE's outreach efforts, please refer to Exh. CLW-4.

- 7 ii. Non-digital channels: PSE utilizes non-digital platforms to access a  
8 broader audience of customers. In addition to the non-digital channels  
9 referenced above, advertising on both AM and FM radio stations helps  
10 reach communities that are both underserved and more rural.
- 11 iii. Digital Channel performance: Specific to assistance programs, PSE's  
12 digital presence has evolved, focusing on reaching vulnerable populations  
13 who will benefit from accessing assistance programs. As a result of this  
14 more targeted digital presence, the PSE.com assistance pages were visited  
15 739,537 times between January 2023 and September 28<sup>th</sup>, 2023. For the  
16 same time period in 2022 pages were visited 505,632, as compared to  
17 130,090 in 2021.
- 18 iv. Multi-Language Support: Approximately 131,000, or 8.5 percent, of PSE  
19 residential customers do not speak English as a primary language, but do  
20 speak Spanish, Chinese (Simplified), Russian, Vietnamese, Korean, or  
21 Hindi. Further, approximately 52,000, of PSE's estimated low income  
22 customers fall into the above primary language groups.

1 In February 2023, PSE added multi-language support for its website.  
2 Customers can select from seven languages (English, Spanish, Chinese  
3 (Simplified), Russian, Vietnamese, Korean, and Hindi) from a drop-down  
4 at the top of all [PSE.com](https://www.pse.com) webpages. Additionally, the [PSE.com](https://www.pse.com) website  
5 supports customer use of real-time, browser-based translation.

6 PSE strives to reach multilingual, underserved communities, through a  
7 mix of communication tactics. This is particularly true of Spanish  
8 speaking communities, where in-language email, social media posts,  
9 community news articles, direct mail, radio spots, and QR code handouts  
10 have been used. Further, for the first time ever, PSE is advertising in  
11 Spanish on Propel, the Electronic Benefits Transfer app, to reach Spanish  
12 speakers who are taking advantage of other support programs.

13 Another important aspect of reaching multilingual communities is PSE's  
14 partnership with non-profit organizations. Through these engagements,  
15 PSE's multilingual community outreach team can reach our customers in  
16 person to deliver information via presentations and printed collateral.  
17 These connections can help to overcome technology barriers by offering  
18 hands on support for creating a PSE online digital account, which brings  
19 customers to PSE and helps them gain access to assistance programs.

1 **Q. What is energy burden, and who does it impact?**

2 A. A customer's energy burden is the percent of its household income that is spent  
3 on energy costs. A household is considered energy burdened if it spends six  
4 percent or more of the household income on energy costs. In the PSE service  
5 territory, 16 percent of the total residential population is energy burdened, and 35  
6 percent of low-income customers (known or estimated) are energy burdened. See  
7 the Prefiled Direct Testimony of Birud D. Jhaveri, Exh. BDJ-1T for more  
8 information about energy burden.

9 PSE's approach to reducing energy burden is a combination of new programs and  
10 program enhancements.<sup>2</sup>

11 **Q. Did PSE implement a low-income discount rate pursuant to RCW 80.28.068?**

12 A. Yes, PSE filed its tariff for a new Bill Discount Rate pursuant to RCW 80.28.068  
13 on June 30, 2023, in Dockets UE-230560 and UG-230561, which went into effect  
14 after the Open Meeting on August 24, 2023.

15 The Bill Discount Rate augments the existing PSE HELP program. PSE HELP  
16 on its own did not decrease energy burden to below six percent for some  
17 customers with a known qualifying income. Coupling the two programs, however,  
18 reduces energy burden to an average of two percent or less for most known and  
19 estimated low-income customers. Further, customers with the lowest incomes (0-

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<sup>2</sup> See Exh. CLW-5.

1 20 percent of the federal poverty level) still experienced an energy burden of over  
2 100 percent with only PSE HELP. With the addition of the Bill Discount Rate,  
3 those same customers will see an average energy burden of only 14 percent,  
4 which is an average annual bill of \$55.00.<sup>3</sup>

5 Additionally, PSE is developing an Arrearage Management Plan, which is  
6 discussed later in my testimony. Where PSE HELP and Bill Discount Rate will  
7 reduce the monthly energy burden experienced by customers, the Arrearage  
8 Management Plan will provide energy security by focusing on and removing  
9 arrearages. Together, these programs are intended to reduce a qualifying  
10 customer's energy burden and increase energy security by preventing  
11 disconnection for non-payment.

12 **Q. How was PSE's Bill Discount Rate designed?**

13 A. PSE's GRC settlement stipulation required that "PSE will consult with the Low-  
14 Income Advisory Committee ("LIAC") to develop and design the BDR and  
15 AMP."<sup>4</sup>

16 PSE partnered with the LIAC and Community Action Partnership Agencies  
17 ("Agency") to design the Bill Discount Rate, including evaluating ways to  
18 provide bill discounts to customers with eligible incomes. This increased the

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<sup>3</sup> See Exh. CLW-6 for a description of the Bill Discount Rate tiers.

<sup>4</sup> Dockets 220066-67-210918, Revenue Requirement Settlement Agreement at p. 21.

1 LIAC's involvement in the Bill Discount Rate design and enhanced the  
2 coordination of PSE's low-income related programs.

3 PSE held regular meetings with the LIAC Small Workgroup from December 2022  
4 through June 2023. Topics ranged broadly across requirement areas of the  
5 program. Some of the larger areas of discussion included: the overall program tier  
6 structure (number of tiers, income brackets for each, and percentage discounts)  
7 with considerable data analysis conducted for and presented during these  
8 discussions; the requirements and processes surrounding program application;  
9 how income will be defined and collected; declared eligibility; eligibility  
10 verification; program expiration and re-enrollment; overall program  
11 administration; and all of the interaction points and changes to PSE HELP to align  
12 with the Bill Discount Rate and associated processes.

13 Table 1 below shows the final six discount tiers available to customers based on  
14 income and household size.

15 **Table 1: Bill Discount Rate Tiers**

Discount Tier	Qualifying Household Income Limit	Discount Amount
1	0% FPL to ≤ 20% FPL*	45%
2	>20% FPL to ≤ 50% FPL	40%
3	>50% FPL to ≤ 100% FPL	20%
4	>100% FPL to ≤ 150% FPL	15%
5	>150% FPL to ≤ 200% FPL	10%
6	>200% FPL to ≤ 80% AMI**	5%

1 **Q. What is required of customers to enroll in the Bill Discount Rate?**

2 **A.** For customers to enroll in PSE's Bill Discount Rate they must self-declare their  
3 household size and gross monthly income, as well as provide some information  
4 on the residents living in the home and the housing type. This can be done online,  
5 via phone, mail-in, or through their local Agency. No paperwork or appointment  
6 is required to enroll.

7 **Q. Why is self-declaration an important component of this program?**

8 **A.** Self-declaration is an important component of this program because it reduces  
9 barriers for customers who otherwise may not have enrolled. PSE's Low Income  
10 Needs Assessment showed that there were many barriers that customers  
11 experienced when seeking assistance. PSE's self-declaration process specifically  
12 addresses the barriers of: lack of time, administrative burden, and aversion to  
13 asking for help by allowing customers to privately apply on their own schedule  
14 without the need for documentation.<sup>5</sup>

15 **Q. How will PSE's Bill Discount Rate be administered?**

16 **A.** To receive the discount a customer must declare their eligibility during the  
17 enrollment process. A customer may enroll online through PSE.com, by  
18 contacting PSE by phone, through a paper mail-in application, or by contacting  
19 their local Agency. PSE staff will be responsible for approving Bill Discount

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<sup>5</sup> See Exh. CLW-7 for additional information regarding certain barriers PSE customers might face.

1 Rate applications. PSE will, with respect to each eligible customer, determine the  
2 discount tier to place the customer on.

3 A participating customer who meets the eligibility requirements will need to re-  
4 declare their qualifications every year. Each year, PSE will select a random  
5 sampling of customers and request additional information to verify customer  
6 eligibility. This verification process will be completed by the Agencies serving  
7 PSE customers.

8 PSE will provide the customer with information regarding additional assistance  
9 that may be available through the Agencies.

10 For additional details regarding the Bill Discount Rate tiers, please refer to Exh.  
11 CLW-6.

12 **Q. How has PSE's Bill Discount Rate been received?**

13 A. Customer response to the Bill Discount Rate has been swift, and continues to  
14 grow with marketing and in-person events. The program went live on October 1,  
15 2023 and PSE received the first applications within minutes of customers gaining  
16 access to the new online application process. Within the first 10 days of the  
17 program being live, PSE received 2,334 applications through PSE's Energy Help  
18 portal, before paid advertising and in-person outreach events began. As a  
19 comparison, before customers could apply for energy assistance with self-  
20 declaration, PSE received only 785 PSE HELP applications by the end of October

1 10, 2022. That is a year over year increase of 297%. Further, PSE has seen a  
2 222% increase of PSE HELP funds that have been paid or pledged during the first  
3 two weeks of the program year in 2023 compared to 2022 (\$722,732 vs.  
4 \$325,856).

5 Between October 10 and November 30, 2023, 99 different in-person events  
6 occurred (an average of 1.9 events per day). The outreach team took tablets to  
7 each of these events to assist customers in applying for the Bill Discount Rate.<sup>6</sup>  
8 The nature of having multiple marketing options running at the same time, and  
9 both digital and non-digital channels working together prevents PSE from directly  
10 attributing BDR applications to the in-person events. However, PSE's data  
11 indicates the events played an important role in reaching 27,455 approved  
12 applications between October 1 and December 31, 2023. Please refer to Exh.  
13 CLW-8 for additional data regarding the Bill Discount Rate.

14 Moreover, in February of 2024, additional gas customers will be enrolled to meet  
15 the conditions of the approval of PSE's gas Schedule 111. PSE will enroll these  
16 customers in Bill Discount Rate for a period of six months, during which time  
17 they will be notified to formally apply to receive the maximum benefit.<sup>7</sup>  
18

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<sup>6</sup> See Exh. CLW-9 for additional information regarding PSE's outreach efforts.

<sup>7</sup> See Order 01 in Docket UG-230470.

1 **Q. Is PSE maintaining existing energy assistance programs along with the Bill**  
2 **Discount Rate?**

3 A. Yes. Exh. CLW-5 provides PSE's suite of assistance programs. Some of the  
4 highlights from the suite of programs include:

5 i. PSE HELP is an annual grant program to provide energy security to  
6 customers by paying a percentage of their annual usage costs up to \$1000,  
7 including covering past due balances when needed. PSE designed Bill  
8 Discount Rate to provide ongoing affordability by discounting a customer's  
9 monthly bill. PSE structured this so that the two programs work together to  
10 provide both security and affordability. One application, that is streamlined  
11 to take advantage of self-declaration of income eligibility, enrolls a  
12 customer into both of these programs as appropriate based on the  
13 information provided.

14 ii. PSE maintains the Warm Home Fund, an emergency program funded by  
15 PSE customers. This program provides up to \$600 to eligible customers to  
16 pay an arrearage and keep customers connected to energy.

17 iii. PSE is increasing funding available to support customers with energy  
18 assistance. For more discussion of these funding increases, please see the  
19 Prefiled Direct Testimony of Christopher T. Mickelson, Exh. CTM-1T.

20 iv. Since PSE's long-term AMP is not expected to go into effect until October  
21 1, 2024, PSE has agreed to implement a short-term AMP program, which

1 consists of up to \$500 in supplemental PSE HELP funds to pay off any  
2 remaining arrearage a customer may have after receiving assistance. This  
3 temporary AMP program went live on November 13, 2023 and is being  
4 administered by the Agencies. As of December 20, 2023, 935 customers  
5 have received grants in the amount of \$347,000.

6 **Q. With the increased volume of HELP applications and the addition of the**  
7 **Arrearage Management Plan does PSE anticipate a need for additional**  
8 **funding for its Schedule 129 tariff?**

9 A. Yes. PSE is assessing whether an off-cycle increase in Schedule 129 funding will  
10 be required for the 2023-2024 program year as funding requirement is  
11 approaching the allotted budget. PSE is experiencing an increase in applications  
12 resulting in more funding being disseminated compared to historical amounts due  
13 to the change to self-attestation and increased outreach. Furthermore, PSE is  
14 proposing an increase in the budget for Schedule 129 within the GRC. If  
15 additional funding is required beyond the GRC increase to continue to fund the  
16 low income program, PSE will file for an off-cycle adjustment as necessary.

17 **Q. How is PSE supporting customer engagement with federal funding?**

18 A. It is important to PSE that eligible customers receive the federal funding that they  
19 are qualified to receive. Whether customers are engaging with PSE assistance  
20 programs via self-service or phone, customers always receive reminders that they  
21 may be eligible for other assistance programs through their Agencies.

1 In the first quarter of 2024, PSE and the LIAC will revisit the implementation of  
2 the BDR to maximize the use of government funds. Using data generated during  
3 the first several months that BDR is live, PSE will make sure that government  
4 funds (e.g., LIHEAP) are available to help income-eligible customers avoid  
5 arrearages and disconnection.

6 By April 2025, PSE and the LIAC will again evaluate the entire assistance  
7 portfolio after the AMP has been implemented. PSE will collect and report to the  
8 LIAC data concerning the use of federal versus ratepayer funds and the impact on  
9 customer benefits. Any adjustments identified during this period will be  
10 prioritized for action against other in-flight and pending projects. However, PSE  
11 will endeavor to make the changes discussed with the LIAC as swiftly as possible  
12 to continue to provide the best possible support to vulnerable communities.

13 **Q. What is an Arrearage Management Plan?**

14 **A.** An Arrearage Management Plan is a payment plan option to help qualifying  
15 residential customers reduce unpaid balances on their bills.

16 **Q. Has PSE considered the concept of an Arrearage Management Plan?**

17 **A.** Yes, to assist customers with past due balances, and keep them connected to  
18 energy the Commission requires investor-owned utilities to: “[e]xplore  
19 development of an AMP, Percentage of Income Payment Plan (PIPP), or other  
20 potential programs, as well as barriers to access, in order to address potential

1 long-term solutions for customers' energy burden beyond TPAs [Time Payment  
2 Arrangements] with their Low-Income or Energy Assistance Advisory Group,  
3 including the cost of development and implementation.”<sup>8</sup>

4 **Q. Will PSE be implementing an Arrearage Management Plan?**

5 A. Yes, as discussed above, PSE is developing an Arrearage Management Plan.  
6 Where PSE HELP and Bill Discount Rate will reduce energy burden experienced  
7 by customers ongoing and month to month, the Arrearage Management Plan will  
8 keep the energy burden low by focusing on and removing arrearages. Together,  
9 these programs are intended to reduce qualifying customers' energy burden and  
10 prevent disconnection for non-payment

11 **Q. What is the status of PSE's new Arrearage Management Plan?**

12 A. PSE filed its draft Arrearage Management Plan design in Dockets UE-220066 and  
13 UG-220067. PSE formed a small work group, which includes LIAC members,  
14 and began meeting in September 2023.<sup>9</sup> PSE will consult with its small working  
15 group to create the program, including determining customer eligibility  
16 requirements, structure of arrearage forgiveness, the technology changes needed

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<sup>8</sup> Docket U-200281, Order 06 ¶ 23, App. A, UTC Staff Fourth Revised Term Sheet COVID-19 Response, Section F (March 29, 2022).

<sup>9</sup> Members include representation from The Energy Project, Opportunity Council, Northwest Energy Coalition, Washington Utilities and Transportation Commission, Pierce County Human Services, Public Counsel, Community Action of Skagit County, Multi-Service Center and Community Action Council of Lewis Mason Thurston

1 to facilitate changes to the PSE’s billing system, application of credits, and  
2 resources needed to manage the program.

3 Although the AMP is early in its design process, PSE is envisioning the AMP as  
4 another program that allows for self-declaration of income, with no appointment  
5 needed. Based on the to-date success of the BDR program, this design is  
6 expected to bring more, qualified customers to this assistance program. Also, like  
7 the BDR program, PSE anticipates that Agencies will be able to connect eligible  
8 customers to the AMP during appointments with their clients.

9 **Q. When does PSE expect the AMP to be available to its customers.**

10 A. PSE expects the AMP to be available to customers by October 1, 2024.

11 **Q. Please describe the benefits of the AMP to customers.**

12 A. Income qualified customers will receive the benefit of having arrearages written  
13 off over time as they make on-time payments, both reducing energy burden and  
14 providing energy security.

15 **C. PSE Customer Solutions is Making Equity a Priority**

16 **Q. How does PSE provide equitable access to its energy assistance programs?**

17 A. PSE understands the importance of energy equity so that “individuals have access  
18 to energy that is affordable, safe, sustainable, and affords them the ability to

1 sustain a decent lifestyle”.<sup>10</sup> Equity aims to provide the equitable distribution of  
2 energy benefits and reduce energy burden of income-qualified customers within  
3 vulnerable populations and highly impacted communities.

4 This understanding led PSE to consider and take steps to resolve barriers to the  
5 entry of its energy assistance programs. The new BDR program recognizes that  
6 many underserved users who access digital channels do so only from their phone,  
7 as opposed to a laptop or desktop computer. This poses challenges for document  
8 upload and filling out long, complicated forms. The result is a new process that  
9 does not require document uploads; the process uses a concise, single application  
10 submission that allows customers to apply for both BDR and PSE HELP.

11 Additionally, as not all customers have access to digital channels, the program  
12 supports applications that are taken in via phone and paper mail.

13 As noted previously, PSE has prioritized in-person outreach to underserved  
14 communities. These efforts have included educating customers about BDR  
15 verbally and via written handouts, providing customers hands on support to  
16 navigate the website and application submission, and providing customers with  
17 paper applications that can be submitted.

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<sup>10</sup> Docket UG-210755, Order 09 ¶ 56 (August 23, 2022).

1 **Q. What else is PSE doing provide equitable access to its energy bill assistance**  
2 **programs for its customers?**

3 A. PSE has implemented the Cash Payment Transformation program to improve  
4 equity for billing and payment options, as described more fully below.

5 **Cash Payment Transformation:**

6 1. Project Description: PSE currently provides payment options for customers at  
7 many walk-in locations throughout the PSE service territory, which supports  
8 customers who to make payments in cash or who have no other option. In the  
9 state of Washington, 3 percent of residents are unbanked, and 17.5 percent of  
10 residents are underbanked.<sup>11</sup> An “unbanked” person is someone that does not  
11 have a checking or savings account with an institution insured by the Federal  
12 Deposit Insurance Corporation (“FDIC”). The term “underbanked” means that  
13 the household had a checking or savings account with an FDIC insured  
14 institution, but regularly used alternative financial services (“AFS”).

15 PSE wants to include an additional cash payment experience to support cash  
16 paying customers at retailers. This provides customers who are already at a  
17 retail location the ability to pay their utility bill and have that payment applied  
18 to their balance in near real-time. This also reduces cost for unbanked and  
19 underbanked customers in using AFS.

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<sup>11</sup> See [bankonwashington.org](http://bankonwashington.org).

1 2. Customer Benefit: Customers will have greater flexibility to pay in cash at a  
2 wide range of local retailers, with a safe, easy, and convenient process that  
3 recognizes the potential inequities in credit and bank-dependent channels,  
4 especially for unbanked and underbanked customers.

5 **D. PSE Is Evaluating Affordability**

6 **Q. Is PSE proposing any metrics to evaluate its performance in the area of**  
7 **customer affordability over the duration of the MYRP?**

8 A. Yes. Table 2 below summarizes a list of the performance metrics supported by my  
9 testimony.

10

TABLE 2: Customer Affordability			
Average annual residential electric customer bill	Annual average residential electric customer bill	Modify to sum for all customers	Sum the electric residential bills (\$) divided by the total number of electric customer bills.
Average annual residential gas customer bill	Annual average residential gas customer bill	Modify to sum for all customers	Sum the gas residential bills (\$) divided by the total number of gas customer bills.

11 **Q. How do the performance metrics supported by your testimony compare with**  
12 **the performance metrics PSE is currently reporting in this topic area as a**  
13 **result of Final Order 24 in PSE’s 2022 GRC?**

14 A. PSE is proposing to simplify and consolidate the affordability metrics by  
15 modifying two of the existing metrics and removing the remaining metrics.

16 **Q. Please describe PSE’s existing performance metrics: average annual bill for**  
17 **residential customers, separately for electric and gas, by census tract.**

1 A. This metric was originally designed to track affordability of energy for residential  
2 customers at the census tract level.

3 **Q. Please describe how PSE proposes to change this metric.**

4 A. PSE proposes to change this metric by tracking the annual average residential bill  
5 for electric and gas for *all* customers rather than by census tract.

6 **Q. How does PSE propose to modify the calculation of this metric?**

7 A. PSE proposes to modify the calculation to sum the residential electric and gas bill  
8 dollar amounts (separately for each energy type) and divide by the total number of  
9 electric and gas residential bills, respectively. The calculation would not be  
10 broken out by census tract.

11 **Q. Why is it appropriate to change the calculation of this metric in the context  
12 of this rate plan?**

13 A. PSE does not find disaggregating affordability by census tract a useful metric for  
14 understanding changes in the overall level of affordability of PSE's services  
15 across all of its residential customers. The rates set in this proceeding do not vary  
16 by geography (i.e., census tract) and, therefore, it is appropriate to have a single  
17 and simple measure of the affordability of PSE's rates. Furthermore, averaging  
18 across census tracks obscures variability among customers in that geographic  
19 area, making it an imprecise measure to target customer affordability for  
20 vulnerable customers. If the Commission is concerned about energy affordability

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for subsets of residential customers, there are more effective ways to measure PSE’s efforts to address this issue for these customers than tracking by census tract.

**Q. Has PSE proposed any other metrics related to energy affordability for residential customers in this case that are more targeted, particularly to low-income customers?**

A. Yes. PSE recognizes the importance of tracking affordability for customers that have disproportionately high energy burdens. Therefore, in addition to the general affordability metrics described in my testimony above, PSE is also proposing metrics targeted to energy burdened customers in this case. For additional metrics proposed to track PSE’s efforts to reduce the energy burden of its low-income customers please see the Prefiled Testimony of Troy A. Hutson, Exh. TAH-1T.

**III. CONCLUSION**

**Q. Does that conclude your prefiled direct testimony?**

A. Yes, it does.