

**EXH. CLW-6
DOCKETS UE-22 ___/UG-22 ___
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-22 ___
Docket UG-22 ___**

**FIFTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

CAROL L. WALLACE

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 31, 2022

PSE Arrearage Management Plan (AMP)
Seeking Initiation Funding
Corporate Spending Authorization (CSA)

Before starting: Contact the Capital Budget team (CSA-TeamMail@pse.com) for any clarification needed and review the [CSA Standard](#) when completing this template.

The sections provided expand / are not limited to one row. **Ensure you provide adequate information and back-up documentation to support your business case.** If a section or item is not applicable, enter N/A; if unknown, enter TBD. The **gray** fields are provided as prompts; do not leave these fields with instructions visible.

Date Submitted:	10/11/2021
Officer Sponsor:	Andy Wappler
Project Director:	Carol Wallace
Responsible Cost Center:	XXXX

I. Project Overview

Update each section with high level information as applicable, noting any changes from the previous request/Gate.

Business Need: The COVID-19 pandemic has had a profound impact on our customers and communities across many aspects of normal daily life – including customers’ finances and ability to pay their utility bill. As of April 25th, 2021 Puget Sound Energy (PSE) has approximately 50k customers at or below 200% of the Federal Poverty Limit (FPL) with an average past due balance of \$494 totaling \$24.7M.

To help customers with past due balances, the Washington (WA) State Utility and Transportation Commission (UTC) docket U-200281 states that investor-owned utilities must:

“Explore development of an AMP, Percentage of Income Payment Plan (PIPP), or other potential programs, as well as barriers to access, in order to address potential long-term solutions for customers’ energy burden beyond TPAs with their Low-Income or Energy Assistance Advisory Group, including the cost of development and implementation.”

To comply with UTC docket U-200281 and help our customers and communities recover from the COVID-19 pandemic, PSE ran the Crisis Affected Customer Assistance Program (CACAP) from February 2020 through April 2021 – distributing \$9.2M to 15,840 customers. CACAP was an arrearage management program (AMP) aimed at helping customers recover from the pandemic. Income eligible customers could apply and receive a credit on past due balances up to \$2,500 with no requirement to pay for on-going energy usage.

CACAP-2 launched in April 2021 with \$27M available to help income eligible customers (<200% of FPL) with past due balances and will run until the funds are exhausted (i.e., approximately September 30th, 2022).

As recovery from the COVID-19 pandemic continues, PSE will evaluate an AMP as a long-term assistance program to help income eligible customers with past due balances. The AMP will assess the impact of requiring

payment for on-going energy usage to receive a credit on past due balances in terms of:

1. customer sentiment/opinion
2. customer benefits
3. program execution feasibility and costs
4. impact on customer's payment behavior.

A recommendation will be made on adjustments necessary for the AMP as results are analyzed.

Proposed Solution:

Typically, AMPs are an agreement where income eligible customers pay their monthly energy usage bill for a set period of time in exchange for a credit on their past-due balance. AMPs seek to help customers with past due balances while encouraging payment for energy usage going forward.

PSE's long-term AMP will enable the following features:

1)	Eligibility Criteria	a) Active residential customer (gas or electric). b) Past due balance between \$200 and \$2,500 > 60 days old. c) Net monthly household income < or = 200% of FPL. d) Net monthly household income < or = XXX% of Average Median Income.
2)	Agreement	a) Customer agrees to pay monthly energy usage for 12 consecutive months. b) Customer is credited for 1/12 th of their past due balance with each successful payment up to \$2,500 total.
3)	AMP Benefit	a) Customers can receive up to \$2,500 in credits on their past-due balance during program year.
4)	Assistance	a) Assistance funds are applied to customers' monthly energy usage bill to reduce energy burden (e.g., HELP, LIHEAP, Warm Home Fund).
5)	Termination	a) Customers are removed from the AMP on the 3rd missed monthly payment. Previous credits for successful monthly payments remain on the customer's account. When customers exit the AMP, current and past-due balances are due and they are subject to disconnection.
6)	AMP Usage Limits	a) Customers can enroll in an AMP 2 times every 3 program years.

PSE's AMP will begin when CACAP-2 funds are exhausted and the program ends to ensure that eligible customers receive CACAP-2 benefits and there is no "competition" between funds.

Funding for the AMP will come from PSE HELP.

Customers can choose to exit the AMP at any time for any reason, but cannot re-enter after choosing to exit. Any credits received prior to exiting remain on the customer's account, current and past-due balances are due, and customers are subject to disconnection. Customers choosing to exit the AMP can continue or apply for payment assistance, based on eligibility.

To run the AMP PSE will build the following features:

1. Build AMP informational and enrollment page on PSE.com.
2. Add "tile" for AMP information and enrollment on PSE.com/my-account
3. Display AMP credit and reduced past-due balance on PSE.com/mybill
4. Build AMP status page that displays successful payments, number of months remaining, credits applied, number of payments missed, termination criteria, and option to exit the AMP.
5. AMP payment information on PSE's bill (paper and electronic)
6. Ability for PSE customer care to enroll customers in the AMP, remove customers from the AMP, and check status (payments due, payments made, number of missed payments, benefits applied, etc.)
7. Back-end processes (new and updated) to enable the AMP features described above.

Once an analysis is complete the AMP features may need to be enhanced or changed. After any necessary changes have been made, the AMP will continue to be open to all income eligible customers.

Project Outcome/Results:

The PSE AMP will satisfy UTC Docket U-200281.

Additionally, PSE will assess the following outcomes/results of the AMP:

- 1) Sentiment/feedback on the AMP from participants. (survey)
- 2) CACAP-2 funds distributed to customers.
- 3) Outcomes for customers with similar situations that did not participate in AMP vs. those that did not (e.g., past due balance remaining, monthly usage payment behavior, dunning/disconnection status)
- 4) Changes in monthly payment behavior before/during the AMP.
- 5) Success / Termination rate.

PSE is expecting to have the AMP as a long term program available for all income eligible customers.

OCM, Process & Training Impact:

N/A
 Low Impact
 Medium Impact
 Significant Impact

The PSE 2030 Digital Experience Program will have a significant impact in terms of change management, process changes, and training.

Primary ISP Alignment:

Customer [ISP strategy descriptions](#)

Portfolio Description:

Strategic [Capital Allocation Definitions](#)

Project Complexity:

- Straightforward and well understood
 Complex and well understood
 Complex and not well articulated

II. Key Schedule and Financial Information

Expected Start Date If Funded:	01/2023
Expected In-Service Date:	10/1/2024

High-Level Schedule *Enter Expected # of Years and Months*

Duration				
Planning	Design	Execution	Total Project	Anticipated Closeout date
months	months	Click or tap here to enter text.	22 months	12/2024

Initial Estimated Funding % by Phase as of 04/30/2021: *Enter values to include both O&M and Capital in the cells below for percentage of funding to be used in each phase of the project.*

Initiation	Planning	Design	Execution	Closeout
0%	0%	0%	0%	0%

Initial Grand Total Estimate (contingency included and in \$000s): Contingency Standard	Capital: \$4,000,000	OMRC/Project O&M: \$ (Not including O&M Tail)
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*Contingency is less than standard at this phase; assumed to be 15% based on prior Agile project working on these platforms.

Estimated Five Year Allocation: *Enter values in the cells below for years anticipated, up to five years, plus any expected future years. Change "Year 1, Year 2, etc. to the relevant years for this project. Ongoing O&M begins after project close-out.*

Category:	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Capital (contingency included)	\$3,000,000	\$1,000,000	\$0	\$0	\$0	\$0
OMRC / Project O&M	\$	\$	\$	\$	\$	\$

III. Ongoing Benefits

Summary Benefits (see Benefits realization plan for details):	<ol style="list-style-type: none"> 1) The PSE AMP will satisfy UTC Docket U-200281. 2) Increased propensity to pay among customers with past-due balance. 3) Fewer customers with past-due balance reaching dunning/disconnection.
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Category:	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Ongoing O&M (to be funded by business)	\$	\$	\$	\$	\$	\$
Ongoing O&M (requesting \$'s)	\$	\$	\$	\$	\$	\$
Benefits	\$	\$	\$	\$	\$	\$

Net impact (= Benefits – O&M)	\$	\$	\$	\$	\$	\$
* Payback in Years	Years = Total Costs / Annual Cash Benefits					

* Enter positive amount or Not Applicable

IV. Risk Management Summary

Identify high level risk categories expected for the project. Consider Project Dependency, Project Timing and Resourcing, as well as Regulatory Risk.

Summary of high level risks sentence:	<ol style="list-style-type: none"> 1. The pace of recovery from the COVID-19 pandemic for PSE, our customers, and our is difficult to predict and may limit funding for CAP projects. 2. Emerging State/UTC requirements related to COVID-19 recovery, decarbonization, green energy, and EV adoption may change or re-shape priorities within the 5-year plan.
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V. Phase Gate Change Summary

Use this section for changes from: **Planning to Design, Design to Execution or Execution to Closeout** phases. To have a history of the changes at each phase gate change, **copy/paste the table below above the previous table.**

Phase:	Choose an item
Scope:	Describe the Scope changes since last submission/Phase Gate.
Budget:	Describe the Budget changes since last submission/Phase Gate.
Schedule:	Describe the Schedule changes since last submission/Phase Gate.
Benefits:	Describe the Benefits changes since last submission/Phase Gate.

Prepared by:	Theresa Burch, Kristina McClenahan, Adam Van Assche
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VI. CSA Approvals

Add/remove rows as needed in the table below. Email approval is acceptable. To maintain a history of the changes at each phase gate change, **copy/paste the table below above the previous table.** Send to the Capital Budget team at CSA-TeamMail@pse.com. For a project in the Strategic Project Portfolio (SPP) review the [Escalation Criteria](#) for appropriate escalation and approvals.

For guidance on approval authority levels, follow [CTM-07 Invoice Payment Approval Exhibit I Invoice/Payment Approval Chart](#)

Project Phase	Select Phase			
Approved By	Title	Role	Date	Signature
Carol Wallace	Director, Customer Solutions	*Director Sponsor		
Brian Fellon	Director, IT Application Services	Other Key Director		
Andy Wappler	VP Customer Ops & Communications	Executive Sponsor		
Margaret Hopkins	Sr VP & Chief Information Officer	Executive Sponsor		

*Director Sponsor attests that all considered documentation has been approved.

Please direct any questions to either:

1. The Capital Budget team at CSA-TeamMail@pse.com, or
2. The Enterprise Project and Performance Project Practices team at EPP-ProjectPracticesTeam@pse.com

