



December 20, 2017

Mrs. Judith Whitney, Clerk
Vermont Public Utility Commission
112 State Street
Drawer 20
Montpelier, VT 05620-2701

In Re: Case 17-4999-INV – Investigation into PUC Rule 3.300, Disconnection of Residential Electric, Gas and Water Service

Dear Mrs. Whitney:

On behalf of Vermont Gas Systems, Inc. (“Vermont Gas” or the “Company”), this letter addresses the Vermont Public Utility Commission’s (“PUC”) request for comments on Rule 3.300 in preparation for a workshop to further explore and discuss issues and concerns with disconnection of residential electric, gas and water service.

Vermont Gas is pleased to provide these initial comments and looks forward to a workshop discussion as well as participating in any ensuing proposals and rule-making proceedings. Disconnection is an important process to ensure fair and thoughtful treatment of all customers and is worthy of examining periodically to ensure the process is both appropriate and achieving desired outcomes without creating unintended consequences.

Below we have provided additional comments on matters relating to Rule 3.300 already identified as important topics of discussion by the PUC.

Remote Disconnect

Vermont Gas does not currently have the technology to participate in remote disconnects, however we are supportive of the concept of leveraging the technology while ensuring fair and transparent treatment to customers.

Physician’s Certificates

Physician’s certificates are an important tool for those with medical conditions who might be negatively impacted by a utility disconnect. The downside is that extended 30-day periods can sometimes create overwhelming balances that individuals struggle to pay off or invalidate an otherwise-eligible customer from obtaining funds from social services that may only be available during heating season when a disconnection is imminent.

When the PUC is considering extending doctor's notes to a 4th or possibly more 30-day window they should consider the customer's pursuit and qualification of alternative funds from social service organizations as well as the potential balance that will be accrued over that time period.

Actual Practices in Accepting Payments to Prevent Disconnects

Residential customers are mailed a delinquency notice 35 days after the bill date if an insufficient payment has been received. Vermont Gas then generally begins disconnection procedures on the 15th day following the delinquency notice mailing.

To avoid disconnection, Vermont Gas normally works with customers to accept payment on less than the full delinquent amount, generally seeking repayment of half the disconnection amount. However, the existing PUC rules provide for "reasonable arrangement" and Vermont Gas representatives appreciate and use the flexibility allowed to ensure some structure, but more importantly that we have created an arrangement that will best meet the customer's future ability to pay for their gas service. If a customer is actively engaged with Vermont Gas, and there is an agreed-upon payment stream, it is generally sufficient to avoid active disconnection, assuming the customer honors the agreement.

Actual Disconnect Practices from November 1st to March 31st

During the winter months, Vermont Gas actively works through the required steps toward disconnection. These include mailing disconnection notices two weeks prior to shut off date and making phone calls to those customers who were mailed a disconnection notice, informing customers of their winter rights, coordinating payment arrangements and working with customers to obtain social services or assistance with their natural gas bill. The Vermont Gas team balances the need for natural gas and heating with the desire to keep the customer paying in a sustainable and ongoing way. With some customers, we have set up a multiple payment arrangements and through the winter months we continue to focus on the engagement process and payment stream as a way to avoid disconnection.

While the Company actively works through the disconnection process listed above, it is rare for us to complete the disconnection process during the winter months due to the weather and customer impact. Generally, disconnection only happens in the winter months if the customer has not actively participated in making a reasonable payment arrangement and, consistent with all PUC rules, there is an expected extended period of warm weather.

Early Identification of High-Usage Low-Income Customers for Referral to Energy Efficiency Services

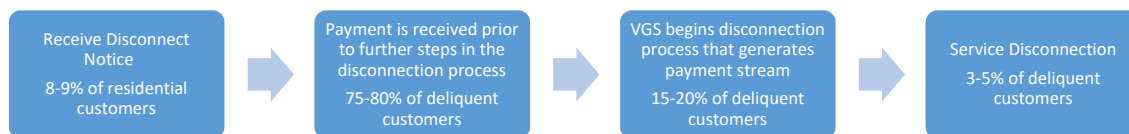
VGS provides information to customers on energy efficiency services including the promotion of specific programs such as our Energy Champ Challenge, which targets households in Burlington, our Mobile Home and Condominium initiatives, and our partnership with CVOEO which directly addresses the low income community.

It can be a challenge for the Company to define “high-usage” without square footage information for early identification as energy density is generally a better indicator of the need for efficiency services.

Further, it can also be difficult to offer energy efficiency services to those who do not own their own home. Also, using income status for the purpose of pursuing energy efficiency is inconsistent with the terms of Vermont Gas’ agreement with DCF regarding low income funding. Vermont Gas will pursue this conversation with DCF. However, as we approach conversations with customers about future ability to pay, thermal energy efficiency is an important part of our conversation.

Payment after Receipt of a Disconnection Notice

Vermont Gas has found over the past three years a relatively consistent trend in payment after disconnect notice for residential customers. Although it varies by time of year with spring and early summer seeing higher rates, on average 75-80% of customers who have been sent a disconnect notice engage with Vermont Gas on a payment arrangement to avoid disconnect before we actively start working through the remainder of the disconnection process. Below you will see average statistics through the disconnect process.



Vermont Gas welcomes the upcoming workshop and is prepared to provide additional data or description of procedures as requested.

Thank you for the opportunity to provide comments, and the Company looks forward to discussing this issue further.

Sincerely,

Rebecca Towne,
Vice President, Organizational Strategy

cc: 17-4999-INV Participants