



May 22, 2020

Ms. Judith C. Whitney, Clerk  
Vermont Public Utility Commission  
112 State Street, Drawer 20  
Montpelier, VT 05620

Case No. 20-0703-PET - Vermont Legal Aid request for moratorium on utility and telecommunications shutoffs during State of Emergency

Dear Ms. Whitney:

Through an April 23 Order, the Public Utility Commission (“Commission”) extended the *Temporary Moratorium on Involuntary Utility Service Disconnections* through May 31, 2020. On May 15, 2020, the Commission requested comments on whether the current moratorium should be extended through July 31, 2020. Vermont Public Power Supply Authority (“VPPSA”) offers the following comments in response to the Commission’s request.

The VPPSA members have been supportive of the state’s moratorium on utility disconnects during this unprecedented time of financial uncertainty due to the COVID-19 pandemic. In many cases, Vermonters were required to stay in their homes and paychecks were interrupted. The State took the appropriate step of ensuring that electric service continued with the understanding that the impacts of the moratorium would be addressed at a later date.

After two months of having the disconnect moratorium in place, the financial impacts to utilities have begun to emerge. Many of the VPPSA member utilities have seen more than a 20% increase in bill nonpayment when comparing this year to the same period last year. Unpaid balances have reached an amount such that some VPPSA members will need to borrow funds to fill the financial gap caused by arrearages. VPPSA continues to work with its members to provide bridge funding where required.

The VPPSA member utilities are concerned that extending the disconnect moratorium through July 31, 2020 (or further) may result in customers accumulating balances on their electric bills that they are unable to pay back once the moratorium is lifted. Now is the appropriate time to begin addressing the impact of unpaid bills and determining the extent to which this financial impact will be borne by other ratepayers.

It is not feasible to extend the blanket moratorium indefinitely and the State should now consider the appropriate path forward for returning to the standard approach to handling non-payments. While the state of emergency declarations are still in place at the federal and state levels, Vermont is taking steps to reopen its economy, and in many cases paychecks are resuming. One potential option for consideration would be to transition from a blanket moratorium on disconnects to a need-based one. Customers who have accumulated balances over the past two months who are now returning to work should be encouraged to negotiate and commence repayment plans.

VPPSA recognizes that there is significant uncertainty around what will take place at the federal level related to utility service and disconnects. Pending federal legislation may provide funds to help customers cover utility costs, as well as impose a national moratorium on utility disconnects throughout the duration of the federal emergency. While any potential federal legislation will likely impact what happens in Vermont around this issue, it is not necessary to wait on federal action to begin discussing the impacts and mitigation of Vermont's current moratorium.

As public entities, VPPSA and its members are very conscious of the impacts the pandemic has had on our customers and communities. We support the goal of protecting Vermont's most vulnerable populations that was the motivation behind the statewide disconnect moratorium. However, initial reports from VPPSA's members suggest that continuing a blanket moratorium may create a larger financial challenge for customers once it is lifted. For that reason, VPPSA urges the Commission to begin considering how to transition away from the statewide policy toward a need-based approach.

Sincerely,

Melissa Bailey  
Manager of Government and Member Relations  
Vermont Public Power Supply Authority