

May 22, 2020

Mrs. Judith C. Whitney, Clerk
Vermont Public Utility Commission
112 State Street, 4th Floor
Montpelier, VT 05620-2701

Re: Case No. 20-0703-PET (Vermont Legal Aid Request for moratorium)

Dear Judy:

Eight Vermont rural local exchange carriers (the “Eight RLECs”)¹ offer the following comments in response to the Commission’s Order of May 15, 2020, in the above-referenced matter.² While mindful of the significant economic hardships that many Vermonters are experiencing during the present state of emergency, the Eight RLECs do not support the Commission’s proposal to extend the current disconnection moratorium to July 31, 2020, and instead would support an extension through June 30, 2020, as discussed more fully below.

For the past two months, the Eight RLECs, like other regulated utilities in Vermont, have temporarily suspended the process of involuntary disconnections of residential and non-residential utility service for non-payment.³ The current moratorium is set to expire on May 31, 2020. The Commission has requested comments on whether to extend the temporary moratorium by two additional months, to July 31, 2020.

At present, the Eight RLECs, together with more than 750 providers of interstate communications services in the United States, are signatories to the Keep Americans Connected Pledge (the “Pledge”) promulgated in March 2020 by the Federal Communications Commission (“FCC”) in response to the COVID-19 pandemic.⁴ Signatories to the Pledge have agreed to suspend

¹ Franklin Telephone Company, Inc., Ludlow Telephone Company d/b/a TDS Telecom, Northfield Telephone Company d/b/a TDS Telecom, Perkinsville Telephone Company, Inc. d/b/a TDS Telecom, Shoreham Telephone LLC d/b/a Otelco, Topsham Telephone Company, Inc., Vermont Telephone Company, Inc. d/b/a VTel, and Waitsfield-Fayston Telephone Company, Inc. d/b/a Waitsfield Telecom, d/b/a Champlain Valley Telecom.

² Case No. 20-0703-PET, Order Requesting Comments on Another Extension of the Temporary Moratorium on Involuntary Utility Service Disconnections (May 15, 2020).

³ Order Granting Temporary Moratorium on Involuntary Natural Gas, Electric, and Telecommunications Service Disconnection (Mar. 18, 2020) (“Residential Order”), at 3 & f.n. 10; Order Expanding Temporary Moratorium on Involuntary Utility Service Disconnection to Non-Residential Ratepayers and Certain Water Companies and Establishing Additional Process (Mar. 27, 2020) (“Non-Residential Order”), at 4; Order Extending Temporary Moratorium on Involuntary Utility Service Disconnections (Apr. 23, 2020), at 4.

⁴ The pledge and a list of signatories may be found at <https://www.fcc.gov/keep-americans-connected>.

involuntary disconnections of service for non-payment and to waive late-payment charges during the period of the Pledge. The Pledge was initially in place for 60 days, but the signatories subsequently agreed to extend the expiration date to June 30, 2020, conditioned upon the FCC's agreeing that it would not seek further extensions of the Pledge past June 30, 2020.

In their earlier comments in this matter, the Eight RLECs noted their concerns about a prolonged moratorium on involuntary disconnections. These concerns include:

- The growing levels of uncollectible revenues on the books of the Eight RLECs;
- The impact that these lost revenues will have on the Eight RLECs' ability to generate funds internally to meet their broadband buildout requirements as part of federal- and state-supported broadband programs;
- The likelihood that involuntary disconnections will increase once the state of emergency ends, because arrearages will have grown beyond many customers' ability to pay; and
- The need for state financial support to help low-income customers bring their past-due accounts current and to help reimburse providers for the additional costs they have incurred in upgrading services for families of school-age children.

Each of these concerns increases in severity the longer a disconnection moratorium is in place.

The Eight RLECs are especially concerned about the unavoidable impacts on their broadband buildout plans if they were to forego four months of lost or greatly diminished customer revenues. These revenues, which are not likely to be replaced, represent a critical element of the Eight RLECs' plans to achieve the broadband speed and penetration requirements of the FCC's Connect America Fund and the Vermont Department of Public Service's High Cost Program.⁵ Economic relief for customers as a result of the moratorium must be weighed against the delays and adjustments to planned broadband projects in the Eight RLECs' service areas.

For these reasons, the Eight RLECs do not support the proposed extension of the disconnection moratorium to July 31, 2020. Instead, the Eight RLECs would support a further extension to June 30, 2020, in line with the current extension of the federal Keep Americans Connected Pledge.

Over the next 30 days, the Commission should monitor the progress of the State's phased reopening of the Vermont economy, while the Eight RLECs will assess their second-quarter 2020 revenues and the impact of accumulated uncollectibles on their current broadband construction budgets. Absent compelling circumstances, the Eight RLECs are not inclined to support further extensions of the moratorium beyond June 30, 2020. In another month, the Commission and the parties will be able to evaluate the circumstances with greater precision.

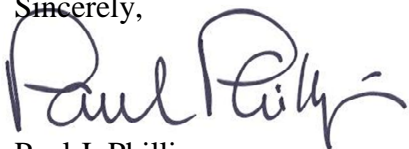
⁵ The Eight RLECs received substantially lower funding from the Vermont High Cost Program in 2019 and have not received any funding so far in 2020, which places additional financial pressure on their ability to carry out the broadband construction required by the High Cost Program.

As they noted in their first set of comments last month, the Eight RLECs would also like to explore sources of public funding for debt relief for utility consumers and for ways to reimburse providers who have upgraded services, often without additional charge, to meet their customers' distance-learning and remote-work needs. The Eight RLECs again recommend that the Commission consider tapping Vermont's CARES Act funding or unused state funds, such as unused Broadband Innovation Grants, as possible funding sources for these purposes.

The Eight RLECs again express their thanks to the Commission for the opportunity to submit the foregoing comments.

Please let me know if you have any questions.

Sincerely,



Paul J. Phillips
Counsel for the Eight RLECs

cc: ePUC Service List, Case No. 20-0703-PET