



VILLAGE OF LYNDONVILLE
ELECTRIC DEPARTMENT
General Manager's Office

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June 15, 2020

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

Post-Moratorium Disconnect Plan

Dear Ms. Whitney:

Post-Moratorium Disconnect Plan: In its Order extending the moratorium of utility disconnects to July 31, 2020, dated May 28, 2020, the Public Utility Commission requested that utilities file with them a concrete and detailed plan on how, when the moratorium is lifted, it proposes to reinstate routine service disconnection activities. Utilities have been asked to answer the following questions:

- What is the magnitude of the past-due balances and how many customers have past-due balances? How does this compare with the same time period last year? Please break out this data into residential and non-residential customers.

	Residential # of Customers in Arrears	Residential Unpaid Balance (\$)	Commercial # of Customers in Arrears	Commercial Unpaid Balance (\$)
2020	541	\$ 137,173.14	74	\$ 42,971.49
2019	586	\$ 101,791.09	50	\$ 19,885.48

- How will past-due balances accrued during the moratorium be addressed with customers, and how will past-due balances accrued before or after the moratorium be addressed with customers?

Once the current moratorium on disconnects lifts, Lyndonville Electric Department (LED) intends to return to implementing our Commission-

approved tariffs and terms. While the Tariffs and Terms & Conditions will be applied, LED will give flexibility on repayment terms to the extent appropriate to each situation. Historically LED has routinely worked with its customers on an individual basis in a manner that best serves both the customer and the utility.

Throughout the Disconnect Moratorium, LED has sent out friendly written reminders to customers with delinquent balances informing them that the moratorium will eventually end, and it would be better now than later to contact LED to develop a mutually beneficial payment plan. Customers with delinquent balances at the end of the disconnect moratorium will receive typical delinquent and disconnect notices as part of the regular billing cycle following Rule 3.300. Upon expiration of the disconnect moratorium, LED will resume the standard disconnection process and encourage customers to talk with us about a modified repayment term for those customers that have experienced financial difficulty as a result of the COVID-19 pandemic.

- Will reasonable payment arrangements be made available? If so, of what duration?

LED plans to work with customers that can't repay outstanding balances within a typical timeframe due to financial hardship resulting from the COVID-pandemic and accompanying stay at home order from Vermont's governor. LED notes that the existing Rule 3.300 provides considerable flexibility in the establishment of a reasonable repayment plan for customers with delinquent balances. Specifically, 3.302 (G) requires that "When establishing a reasonable repayment plan, the company shall consider the income and income schedule of the customer, if offered by the customer, the customer's payment history, the size of the arrearage and current bill, the amount of time and reason for the outstanding bill and whether unforeseen circumstances caused the delinquency."

Consistent with Rule 3.300, LED will work with customers to establish reasonable payment plans based on each customer's circumstances. On average, LED payment plans in the duration of 4 – 6 weeks are sufficient for LED customers to become current. However, for those customers that have experienced the economic impact of the COVID pandemic, LED will develop an extended repayment plan beyond the typical term. Historically, LED has extended repayment duration beyond Rule 3.300 for those customers caught in a crisis. Even though we have not seen a disaster of this COVID-19 magnitude, LED does have a solid track record of working with customers to develop a *doable* payment plan for the benefit of both parties.

- Will late fees be imposed or waived for past-due balances accrued before, during, or after the moratorium?

The only "late fee" charged by LED for past due balances is the Commission approved a 1% penalty charge on overdue balances. LED decided to waive late fees during the moratorium, however, at the expiration of the disconnect moratorium LED intends to resume the imposition of the 1% penalty charge on overdue balances as required in our approved Tariff.

Given our Software, we believe there would be substantial complexity in separating the COVID accrued interest from the periods prior and post the Disconnect Moratorium. In our case, the administrative cost of waiving this fee would exceed the revenue from the fee itself.

The 1% late payment fee is a modest charge, and the bill impact of this fee pales in comparison to the energy efficiency charge and the financial impact of net metering on an average electric ratepayer. LED would prefer not to incur administrative costs to waive this fee once the moratorium lifts unless all utilities were expressly required by the Commission to do so.

- Is the utility seeking outside funds (e.g., federal or private monies) to help offset the past-due balances accrued as a result of the moratorium? If so, and if such funds are received, how will the utility apply the funds to its customers' arrearages?

LED via VPPSA is working through the Northeast Public Power Association, American Public Power Association, and Transmission Access Policy Study Group to lobby for federal funding to offset unpaid electric balances in the next Congressional Bill to address COVID impacts. VPPSA is further aware that the Vermont Legislature is currently considering allocating a portion of the federal CARES funds to the payment of delinquent utility bills under a program to be administered by the Department of Public Service. LED will notify customers of any additional assistance funding sources as they may become available.

VPPSA itself has expanded its line of credit to help its members ride through the revenue shortage resulting from the non-payment of electric bills during the disconnect moratorium. VPPSA has eased its payment terms for members to assist its members during the financial impacts of the COVID pandemic.

Sincerely,

A handwritten signature in black ink that reads "Bill Humphrey". The signature is written in a cursive, flowing style.

Bill Humphrey
General Manager