



June 19, 2020

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

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

Dear Ms. Whitney,

Burlington Electric Department ("BED") submits the following letter in response to the Public Utility's ("PUC") May 28<sup>th</sup>, 2020 Order Extending Moratorium and Requesting Utility Plans. In that Order, the PUC extended the temporary moratorium on involuntary utility service disconnections until July 31<sup>st</sup>, 2020. We note that currently, the Vermont legislature is working on a bill that would allocate funds from Vermont's portion of the federal CARES Relief Act to electric ratepayers who have been affected by COVID19 impacts for payment of utility bill arrearages. As the PUC considers whether to conclude its disconnection moratorium as scheduled on July 31<sup>st</sup>, 2020 or to further extend that end date, we request that the PUC attempt to align the end date of the moratorium with the date on which federal or State funds become available to customers with electric utility accounts in arrears. Currently, BED's moratoria on its involuntary disconnections of service for nonpayment and assessment of customer late fees are both in effect until further notice, with no determined end date.

BED's responses to the PUC's specific questions in its May 28<sup>th</sup>, 2020 Order are as follows:

***What is the magnitude of 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.***

BED tracks the number of customers with account arrearages of \$250 or greater and \$500 or greater. We have provided this information by residential sector and commercial sector for 2019 and 2020 below:

**Burlington Electric Department**  
585 Pine Street Burlington, VT 05401  
burlingtonelectric.com

**Phone** 802.658.0300

**Customers with past-due balances**

<i>Residential</i>	<i>2019</i>	<i>2020</i>
>250.00	141	448
>500.00	31	142
<i>Commercial<sup>1</sup></i>		
>250.00		142
>500.00		98

Unlike our data for numbers of customer accounts in arrears above, the following data for total dollars of BED arrearages includes all account arrearages greater than \$0, on accounts greater than 30 days past due.

**Magnitude of BED past-due balances and comparison with same time-period last year**

Total receivables greater than 30 days as of May 31<sup>st</sup>, 2020 are \$895,443, which is an increase of \$501,836.40 or 112% in comparison with the end of May 2019.

**BED past-due balances by sector**

Residential customer receivables greater than 30 days as of May 31<sup>st</sup>, 2020 are \$479,707, which is an increase of \$200,580 or 72% in comparison with the end of May 2019.

Non-residential customer receivables greater than 30 days as of 5/31/20 are \$297,989, which is an increase of \$207,783 or 230% in comparison with the end of May 2019

The remaining \$117,747 of receivables greater than 30 days past-due is composed of other fees and charges such as taxes, franchise fees, energy efficiency charge, late fees, etc. Receivables greater than 30 days for these other fees have increased \$32,314 or 38% in comparison with the end of May 2019.

***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?***

On a date yet to be determined, BED will resume its standard account collection and disconnection policies. While not required by PUC Rules or BED tariff, for at least three months after BED resumes its standard account collection and disconnection policies, BED’s Customer Care team will call customers in attempt to reach payment plans to avoid disconnections.

Throughout the Vermont COVID19 state of emergency, BED has continued to offer its existing budget billing and payment plan programs to residential customers who wish to take advantage of these payment options. Prior to the COVID19 response period budget billing and payment plan

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<sup>1</sup> BED did not track commercial accounts in 2019

programs were only available to residential BED customers. As of April 7<sup>th</sup>, 2020, BED made budget billing available to commercial customers in good standing in addition to residential customers. BED also plans to offer payment plans to commercial customers impacted by COVID-19 at an undetermined date, but not later than the date that BED resumes its standard collection and disconnection policies for these customers.

Further, BED proposes modifications to the timeline in which payments are required under its payment plans for all customers financially affected by COVID19 to increase payment flexibility, as described below. To provide further information on BED's COVID19-related changes to its budget billing and payment plan programs, we have attached a copy of BED's plan to this letter.

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

All eligible customers (including commercial customers, on a date to be determined) who wish to participate in a payment plan and self-certify that they are financially impacted by COVID19 may pay between six and 12 equal monthly payments to bring their account balances to zero dollars. Concurrently, participating customers must also pay monthly electric bills. This payment plan modification provides increased flexibility for customers with COVID19 financial impacts, as the existing payment plan program requires participating customers to pay 50% of the past-due account balance in the first month's payment, with remaining payments required in the following three months, with a possible extension of up to six months with a showing of hardship.

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

BED does not assess late fees for residential customers in accordance with its residential tariffs. BED suspended assessment of late fees on its commercial accounts as of March 18<sup>th</sup>, 2020.<sup>2</sup> This temporary suspension of assessment of late fees on customer accounts will remain in effect until further notice. For clarity, BED does not intend to retroactively assess late fees for the time they were suspended.

***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?***

BED is supportive of the Vermont legislature's efforts to allocate a portion of Vermont's federal CARES Relief Act funds to electric ratepayers who are affected by COVID19 for payment of past-due account balances. We are also supportive of any future federal funds that may become available to further lessen the financial burden on BED customers with accounts in arrears as a result of COVID19-related impacts. As mentioned in the introduction, BED believes that the availability of funds to assist customers with past due balances is an important consideration in when to

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<sup>2</sup> BED provided the PUC with notice of this temporary policy change in PUC Case No. 20A-0737

recommence its standard collection and disconnection policies. The specific method of allocation is difficult to determine absent knowing the source, magnitude, and any constraints on such funding.

We appreciate the opportunity to provide the PUC with information about BED's plans for recommencement of its collection and disconnection policies. Should you have any questions or concerns, please feel free to contact us at any time.

Sincerely,

A handwritten signature in black ink, appearing to read 'AW', with a horizontal line extending from the end.

Amber Widmayer  
Regulatory Specialist  
Burlington Electric Department  
(802) 735-6918

## BED's Budget Billing, Payment Plans, Late Fees, Interruptions and Collections

### Definitions

- **Deficit:** a positive (owed) account balance resulting from participating in an electric utility budget plan due to discrepancy between estimated monthly bill and actual bill
- **Delinquency:** failure of ratepayer to tender payment for valid bill or charge including an amount owed under a budget or payment plan (1) within 30 days of the postmark date of that bill or charge, or (2) by a "due date" at least 30 days after mailing, which date shall be printed on the bill
- **Interruption/Disconnection:** deliberate interruption, limitation, or disconnection of utility service to a ratepayer by the serving utility, not including disconnection at the request or with the permission of the ratepayer

### Residential accounts

- **Budget Billing**
  - Existing practice
    - 12-month budget plan
    - Plan trued up at end of 6 months, and budget payment amount adjusted for remaining 6 months at that time to minimize any deficit.
      - Plan trued-up again after 12 months.
      - If deficit exists at end of 12 months, deficit can be rolled into following 12-month budget plan.
    - Delinquencies (that exist at time customer enters budget plan) – concurrent 12-month payment plan for delinquent amount at time of budget plan initiation available if customer requests.
- **Payment Plan**
  - Existing practice
    - Must pay 50% of delinquency plus enter into payment plan by which customer pays current bill plus equal portions of delinquency for next 3 months to avoid disconnection.
    - Payment plan may be extended for up to 6 months for customers reporting hardship.
  - **Proposed COVID-19 Payment Plan as of a final date to be determined (to avoid disconnection)**
    - Must make between 6 and 12 equal, monthly payments with 1<sup>st</sup> payment due at time plan established.
    - After 1<sup>st</sup> payment, customers required to pay their monthly bills in addition to making payment plan payments.
    - Rely on customers' self-certifications of COVID-19 financial impacts.
- **Late Fees**
  - Existing practice
    - Not assessed under residential tariffs

## Commercial accounts

- **Budget Billing**
  - Prior to COVID-19 response, no existing opportunity. Made available to commercial customers in good standing during COVID-19 response, as of April 7, 2020.
  - **Proposed COVID-19 Plan (to avoid disconnection)**
    - 12-month budget plan
    - Plan trued up at end of 12 months
      - If deficit exists at end of 12 months, it must be paid within 30 days.
      - Unlike residential accounts, budget billing for commercial accounts is a one-time opportunity.
    - Delinquencies (that exist at time customer enters budget plan) – concurrent 12-month payment plan for delinquent amount at time of budget plan initiation available if customer requests.
    - Rely on customers’ self-certifications of COVID-19 financial impacts.
- **Payment Plan**
  - No existing opportunity
  - **Proposed COVID-19 Payment Plan, as of a date to be determined (to avoid disconnection)**
    - Must make between 6 and 12 equal, monthly payments with 1<sup>st</sup> payment due at time plan established.
    - After 1<sup>st</sup> payment, customers required to pay their monthly bills in addition to making payment plan payments.
    - Rely on customers’ self-certifications of COVID-19 financial impacts.
- **Late Fees**
  - Existing practice
    - Assessed only under commercial tariffs.
  - **Proposed COVID-19 plan**
    - Late fees suspended in late March 2020 until further notice.
    - Continue with suspension of late fees for all commercial accounts until an undetermined date.

## Residential and Commercial accounts

- **Interruptions/Disconnections**
  - Resume interruptions due to delinquency not resolved by a payment plan on a date to be determined
    - Unless PUC extends moratorium, PUC moratorium currently scheduled to end on July 31
  - Resume mailing interruption and final warning notices with at least 30 days’ notice before any interruptions
  - Actual interruptions based on scheduling and availability
  - While not required by PUC Rules or BED Tariff, prior to interruptions/disconnections, Customer Care team will call customers in attempt to reach payment plans to avoid interruptions/disconnections – BED to engage in this practice for at least 3 months from time interruptions/disconnections are resumed
- **Collections** – resume collections on closed accounts as of a date to be determined.