

STATE OF VERMONT  
PUBLIC UTILITY COMMISSION

Case No. 20-0703-PET

Vermont Legal Aid request for moratorium on  
utility and telecommunications shutoffs during  
State of Emergency

**Green Mountain Power Utility Plan and Responses to Commission  
Requests for Information**

Green Mountain Power (GMP) submits the following in response to the Public Utility Commission (PUC or Commission) May 28, 2020 Order requesting that each utility submit a plan for resumption of disconnection activities and provide responses to the Commission's specific requests for information.

GMP appreciates the opportunity to provide our proposed plan for working with customers to navigate through and overcome the economic challenges created by COVID-19. As stated in our letter of May 22, GMP remains committed to helping mitigate, to the extent possible, the economic impact of the pandemic that our customers are experiencing. GMP believes it is important to continue to provide relief to customers facing financial hardships due to this crisis. In addition to considering the best path for customers when collections activity does resume, we have followed closely the discussion at the Legislature with the Department of Public Service (DPS) regarding potential utility customer bill relief, and stand ready to help implement any such program if it receives funding.

## **GMP's Plan:**

### **I. Initial Steps Taken for Customers.**

As soon as the pandemic began to have impacts in Vermont, GMP took quick action for customers. We put in place a moratorium on shutoffs, stopped all collections activities, and asked permission of the Commission to delay quarterly adjustor collections. We also developed and implemented work methods that allowed our workforce to respond safely and effectively to perform essential services, including outage work and storm restoration. While we did not yet know the extent of the impacts COVID-19 would have, economically or societally, our focus was, as it always is, on customer and employee safety and health, system reliability, and high-quality customer service.

### **II. Next Steps and Moving Forward:**

As we move forward, we know that the current wave of the pandemic is not over and other waves could occur; meanwhile, the duration of the economic impacts are uncertain and could be long lasting. The plans we set forth below are intended to be flexible so that we can adjust to help customers further if the situation worsens, while keeping the Commission and the Department informed.

We believe it will require substantial time to work with customers to bring accounts current. Depending on the length of the pandemic and its full economic impact, we envision working with customers over a 12- to 24-month period, in different phases within that timeframe, before we can expect a return to “normal” account collection practices.

GMP plans to address past due balances, collections, and disconnections with the utmost care and empathy for our customers and will take a measured approach. No one expected this pandemic, and none of our customers planned for this level of economic disruption. That is why

we believe it is critical to work in partnership with impacted customers to bring their accounts back to current, which may take considerable time. With proper planning, we will work to make sure we will have the financial liquidity to support this measured approach.

Our plan consists of three recovery periods, as follows:

**Phase 1 – July 31, 2020 – January 1, 2021.** If the PUC ends the disconnection moratorium at the end of July, we expect to begin customer outreach to discuss options for addressing past-due bills. GMP plans to continue on our own a moratorium on sending shutoff notices or conducting disconnections for nonpayment in most circumstances during this period. Only in the limited cases where a customer has been offered payment arrangements but has declined to work with us in any respect or to make any agreed payments would we resume such notices. We will also continue to suspend collection agency work during this time. We also propose to continue to suspend late fees.

- During this period, GMP will proactively and with care reach out to residential and commercial customers with outstanding bills through direct courtesy phone calls, gentle reminder letters, meter reader visits, and email. The goal will be to work with as many customers as possible to start conversations that lead to payment arrangements that meet their resources and needs, reduce their concern regarding debt and potential shutoffs, and reduce GMP's owed payments overall for the direct benefit of all our customers.
- Meter readers, outbound letters and emails, and customer service representatives will provide information on how to apply for Low Income Heating Assistance (LIHEAP), any other available State/Agency assistance, and GMP's Energy Assistance Program (EAP).
- We hope to work with community action agencies and state officials to overcome current regulations that require customers to have a current disconnection notice to qualify for

many state and federal benefits. It would be very helpful to customers for the state to facilitate this so that we do not create additional strain for customers in order to help them qualify for needed benefits.

**Phase 2 – January 1, 2021 - April 1, 2021.** GMP will work carefully, empathetically, and as constructively as possible under traditional winter rules, which are more favorable to customers, to help customers reduce older debt and hold down our Accounts Receivable (A/R) balance as much as possible, which does typically go up in the winter. Fortunately, the rules ensure that winter disconnects are low, and we expect disconnects to be used only as a last resort during this period, and limited to egregious cases, as in Phase 1 described above.

- We will continue to work on payment arrangements with any customer who is interested, as a first and best choice.
- We would expect to begin sending disconnect notices for past-due bills, but will work to avoid disconnects whenever possible, through payment arrangements and customer communications.
- Disconnects will be limited to those customers who have been uncommunicative despite multiple attempts at outreach.
- Collections efforts related to closed accounts will begin.
- We propose that late fees will be reinstated for C&I customers for new debt, but fees that would normally be associated with debts prior to December 31, 2020 will not be charged.

**Phase 3 – April 1, 2021 - Onward.** GMP will implement normal practices under existing PUC-approved summer rules but will continue to work with customers to help support them and reduce debt over the ensuing 12 to 14 months.

- We hope this will be the beginning of a strong push to help customers out of debt and get A/R down to a reasonable, “normal” level.
- Payment arrangements, gentle reminders via mail, phone or in person and a continued reliance on empathy will remain a critical part of our work.
- Our goal, barring a significant new outbreak or new economic impacts on Vermont, would be to return to our typical range of less than \$3 million in A/R over 60 days old by June 1, 2022.

Given the uncertain circumstances and the possibility of a return of COVID-19 – with even greater impacts on the economy and our customers as a result – all of this is subject to modification based on conditions on the ground.

#### **Commission Requests for Information:**

**Q1. 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.**

**A1.** Past due balances have increased significantly over the past few months as a result of the economic impacts of COVID-19. We typically measure past due balances at 60 days, as many customers routinely pay their bills 35 to 40 days after the due date, rather than regularly within 30 days. On May 31, 2020, A/R over 60 days old was \$8.26 million. It was \$2.73 million on the same date last year. Residential A/R over 60 days old rose from \$2.48 million last year to \$6.35 million this year, while C&I A/R rose from \$248,575 last year to \$1.9 million this year.

The number of customers with bills more than 60 days past due rose from 12,225 to 21,490 during this time period. The number of residential customers with a bill over 60 days old rose from 11,373 to 19,030, while the number of C&I customers increased from 852 to 2,460. See

Table 1 below:

Customer Class/Month	04/30/20 AR>60 Days	04/30/19 AR>60 Days	This Year to Last Year \$ Inc/(Dec)	04/30/20 #Customers AR>60 Days	04/30/19 #Customers AR>60 Days	This Year to Last Year # Delq Cust Inc/(Dec)	This Mo to Last Mo \$ Inc/(Dec)	This Mo to Last Mo # Delq Cust Inc/(Dec)
EOM April								
Res	\$ 5,051,650.15	\$ 2,448,488.90	\$ 2,603,161.25	17297	11401	5896	\$ 1,810,040.68	4403
Comm	\$ 1,426,154.30	\$ 283,186.33	\$ 1,142,967.97	2057	842	1215	\$ 761,817.82	950
Total	\$ 6,477,804.45	\$ 2,731,675.23	\$ 3,746,129.22	19354	12243	7111	\$ 2,571,858.50	5353
EOM May								
Res	\$ 6,353,226.63	\$ 2,487,155.78	\$ 3,866,070.85	18671	11373	7298	\$ 1,301,576.48	1374
Comm	\$ 1,911,464.18	\$ 248,575.18	\$ 1,662,889.00	2434	852	1582	\$ 485,309.88	377
Total	\$ 8,264,690.81	\$ 2,735,730.96	\$ 5,528,959.85	21105	12225	8880	\$ 1,786,886.36	1751

Table 1

While these customer impacts appear significant, and they are, it is important to note that the current levels are being compared to the historically low levels of A/R balances we had achieved of late. As previously noted to the PUC, GMP has made extensive efforts over the past five or six years to help customers reduce and avoid increasing debt and the resulting stress, and we have achieved tremendous success together. Prior to the pandemic, A/R levels achieved by working with our customers and partners, including churches, community action agencies and others, were among the lowest in company history, which makes today's level look even higher. Compared to historical levels, the A/R balances, while still quite high, are less concerning. That

said, we are confident that by working in collaboration with our partners and customers, we will be able to address the current situation in a steady, focused, and empathetic manner.

**Q2. 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?**

**A2.** GMP will treat all such past-due balances the same way: with creativity, flexibility, patience and empathy. We expect to create thousands of payment arrangements with customers and work with them to help them through this situation.

We think it would be inappropriate to quickly turn from a moratorium on disconnects and collection efforts back to the normal activities related to collections, notifications and shutoffs. While the Commission's disconnect and collections rules provide good guardrails to all utilities, we know that in this extraordinary time we need to be as collaborative and as helpful to our customers as possible. While this might mean it takes longer to help customers become current, we think it is the right thing to do, and we will work with any customer interested in doing so.

**Q3. Will reasonable payment arrangements be made available? If so, of what duration?**

**A3.** Yes. As described above, GMP will work with customers, including commercial customers who normally are not offered payment arrangements, to find reasonable and affordable arrangements. We have already created a process to help commercial customers create custom payment plans to help them become current over time. We have a team dedicated to work with those customers to help them. We also have an online system for residential customers to create their own payment arrangements.

The length of the arrangements, for all classes of customer, will be based largely on the past-due balance, the customer's ability to pay beyond current charges, and our experience and understanding of what has worked and has not worked in the past. Most will be shorter, but we expect that 18 months will be the longest implemented arrangement.

Our experience shows that shorter payment arrangements typically are much more successful than longer ones. However, given that many customers have much larger balances than they have experienced before, we expect longer payment plans will be needed, and we will be more flexible than ever in getting those arrangements in place with customers. While we want to avoid longer-term arrangements that by their nature are more likely to fail, we will be flexible and creative to help customers reduce their debt and avoid shutoffs to the greatest extent possible.

**Q4. Will late fees be imposed or waived for past-due balances accrued before, during, or after the moratorium?**

**A4.** GMP follows its tariffs and therefore does not charge late fees to residential customers for past-due balances. Our tariff does include such fees for commercial customers, but through the end of this year, we propose to continue to waive these fees for all commercial customers. Starting in January, we propose to charge these fees based on new debts but not on debts incurred before the start of the year.

**Q5. 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?**



**A5.** GMP does maintain its own programs that help with customer bill relief. GMP's Power Partners Program assists with a portion of debt for qualified customers. This program can help with a payment arrangement by reducing the overall debt owed and the level of monthly payment required. We will also continue to encourage enrollment of eligible low-income customers in the GMP EAP, which provides a 25 percent discount of electric bills.

Regarding outside funding, GMP understands that there is a legislative effort that would provide significant utility bill relief for customers, and we support that effort. GMP would welcome the opportunity to assist the Department and Commission with implementation of that program if it comes to fruition. While we are unaware of other mechanisms that currently are available to GMP to help customers for this purpose, we will continue to look for these opportunities. We have had initial conversations with a philanthropic organization about some possible direct funding for customers, but it is premature to say if any funds will be made available, or how they might be used. We had also hoped to utilize PPP funding for eligible expenses to provide 100% direct bill relief for customers but did not continue to pursue that program in light of updated PPP guidance. We will continue to monitor COVID-19 assistance programs and will support and work to implement opportunity that develops for customer relief.

Respectfully submitted this 19<sup>th</sup> day of June 2020.

Green Mountain Power:



Steve Costello, Vice President  
Customer Care