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STATE OF VERMONT
PUBLIC UTILITY COMMISSION

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

Case No. 20-0703-PET

EIGHT RLECS' RESPONSES TO COMMISSION'S INFORMATION REQUESTS

Eight Vermont rural local exchange carriers (the "Eight RLECs")¹ hereby respond to the information requests propounded by the Public Utility Commission ("Commission") in its Order Extending Moratorium and Requesting Utility Plans, issued on May 28, 2020, in the above-captioned proceeding (the "Second Extension Order").²

I. Background

In this present proceeding, the Commission has ordered Vermont utilities to observe a moratorium on the otherwise-routine practice of disconnecting residential and business customers for non-payment. The moratorium, which the Commission has twice extended, is now set to expire on July 31, 2020. In its Second Extension Order, the Commission recognized that utilities have been affected differently by the COVID-19 pandemic and the disconnection moratorium, and that a "one-size-fits-all" approach for reinstating service-connection activities may not be appropriate.³

To assist the Commission's understanding of the impacts of its moratorium orders, the Commission directed each utility to "file a concrete and detailed plan with the Commission on how, when the moratorium is lifted, it proposes to reinstate routine service-disconnection activities

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 As amended by the Notice of Technical Correction issued by the Clerk of the Commission by memorandum dated May 29, 2020.

³ Second Extension Order, at 2.

in light of its particular circumstances.⁴ The Commission asked utilities to answer the following questions, while emphasizing that utilities should not limit their plans to addressing the questions listed below:⁵

- 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.
- 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?
- Will reasonable payment arrangements be made available? If so, of what duration?
- Will late fees be imposed or waived for past-due balances accrued before, during, or after the moratorium?
- 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?

The responses of the Eight RLECs follow hereinafter.

II. General Responses of the Eight RLECs

The Eight RLECs thank the Commission for seeking guidance on matters that the Eight RLECs have identified as concerns in their written comments in this proceeding. As carriers of last resort in the rural communities they serve, the Eight RLECs recognize the economic disruption that their residential and business customers have experienced during the present public health emergency. The Eight RLECs have had to balance concern for their customers' economic well-being against the urgent demand for greater broadband coverage and higher broadband speeds to meet the emergency needs of their customers and of the State of Vermont generally.

⁴ *Id.*, at 2-3.

⁵ *Id.*, at 3.

The Eight RLECs take both sets of concerns seriously. Since mid-March, the Eight RLECs have abided, whether as signatories or as voluntary adopters, with the FCC's Keep Americans Connected Pledge.⁶ Followers of the Pledge have agreed to suspend disconnections of service for non-payment and to waive late-payment fees during the present state of emergency. The FCC's Pledge is set to expire on June 30, 2020, a month before the Vermont moratorium expires. The Eight RLECs also continue to follow the Commission's rules governing customer billing, credit, and collections for telecommunications carriers,⁷ subject to the present moratorium.

The Eight RLECs are also supporting H.966, which passed the Vermont House this morning on a vote of 143-1 and was immediately sent to the Vermont Senate for action. This legislation would, among other things, allocate \$20 million of Vermont's federal CARES relief to fund payment of ratepayer arrearages resulting from the PUC's moratorium orders in this proceeding.

As for emergency broadband coverage, the Eight RLECs have worked cooperatively with the Department of Public Service and the Vermont General Assembly to identify and prioritize those unserved and underserved locations in Vermont that are most amenable to emergency construction and service upgrades.

The need to balance these dual goals informs the company-specific plans described in Section III. As the company-specific responses show, the Eight RLECs have experienced a range of impacts from the disconnection moratorium, from minimal to significant. As a result, the Eight RLECs do not support a "one size fits all" approach to addressing customer arrearages and disconnections for all utilities. Each company should be able to tailor its reopening policies to meet the particular needs of the company and its customers.

⁶ The pledge and a list of signatories may be found at <https://www.fcc.gov/keep-americans-connected>.

⁷ PUC Rule 7.600.

III. Company-Specific Responses of the Eight RLECs

Company-specific responses for each of the Eight RLECs are attached here as **Exhibits A through F**, respectively.

The Eight RLECs again thank the Commission for the opportunity to provide input into the Commission's consideration of these important issues.

DATED at Montpelier, Vermont, this 19th day of June, 2020.

Respectfully submitted,

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

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CERTIFICATE OF SERVICE

I, Paul J. Phillips, Esq., certify that on June 19, 2020, I caused electronic copies of the "Eight RLECs' Responses to Commission's Information Requests" to be delivered to all participants in Case No. 20-0703-PET by means of the ePUC electronic filing system of the Vermont Public Utility Commission.

DATED: June 19, 2020


Paul J. Phillips, Esq.

RESPONSES OF FRANKLIN TELEPHONE COMPANY, INC.

1. **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.**

	# that should receive disconnect notice	Current amount due	Amount past due
June 2020	83	\$ 15,896.26	\$ 8,790.05
June 2019	70	\$ 12,295.22	\$ 6,127.92
Difference	+13	+\$ 3,600.74	+\$ 2,662.13
	+19%	+30%	+44%

Data are not broken down between residential and business classes of service.

2. **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?**

The Company will continue to bill arrearages during and after the moratorium as it did before the moratorium. A customer can always arrange a payment plan.

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

The Company is always willing to work with customers on payment arrangements. Our aim is to bring past-due accounts current within 3 months. We are concerned with the potential for flight risks for some accounts and with the possibility that customers may have gamed the system during the moratorium.

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

The Company has not charged late fees or charges for disconnection notices during the moratorium but expects to begin charging these fees, in accordance with PUC Rule 7.600, once the moratorium ends.

5. **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?**

The Company is not seeking outside funding at this time but would appreciate the State of Vermont developing a reimbursement mechanism for carriers' COVID-related expenses.

EXHIBIT B**RESPONSES OF TDS TELECOM**

**Ludlow Telephone Company
Northfield Telephone Company
Perkinsville Telephone Company, Inc.**

(The following responses are aggregated across the TDS Telecom companies.)

- 1. 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.**

		# that should receive disconnect notice	Current amount due	Amount past due
June 2020	Res	1,255	464,650	135,860
	Bus		133,406	42,293
	Total		598,056	178,153
June 2019	Res	1,248	440,703	111,885
	Bus		162,232	67,576
	Total		602,935	179,461
Difference		+7	(4,879)	(1,308)

Customer totals are not broken down between residential and business classes of service.

- 2. 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?**

The Company does not expect to change its current process. Customers have an opportunity to enter a payment arrangement to address past-due balances.

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

Yes. The current duration of payment arrangements is 6 months.

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

Late fees are being imposed but, if requested, they may be waived for balances accrued before, during, and after the moratorium.

- 5. 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?**

At this time, we are not seeking any outside funding to make up for any possible future losses.

RESPONSES OF SHOREHAM TELEPHONE LLC d/b/a OTELCO

1. **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.**

	90 Days & Over	60 Days	30 Days	Current
Total Accounts	70	112	268	2600
Active Accounts	63	108	264	2593
Inactive Accounts	7	4	3	7
Amounts	\$ 16,051.12	\$ 7,964.39	\$ 20,120.12	\$217,890.04

Data are not broken down between residential and business classes of service. Shoreham's overall customer mix is 90% residential and 10% business.

2. **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?**

Customers will be asked to pay their current charges each month in full and make payments towards past-due amounts at the same time. We will request that they pay off past due amounts in the same number of months it took to accrue the past due balance, understanding that this will essentially mean paying double their typical monthly charges. If this is not possible, then we will review the total past due and work with the customer on an appropriate payment arrangement for the past due balance. Late fees will continue to be assessed as before the moratorium.

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

See Response #2 above.

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

See Response #2 above.

5. **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?**

No.

RESPONSES OF TOPSHAM TELEPHONE COMPANY, INC.

1. **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.**

	# that should receive disconnect notice	Current amount due	Amount Past due
June 2020	385	178,594.43	50,869.13
June 2019	313	169,919.90	36,149.96
Difference	72	8,674.53	14,719.17
Percentage	+23%	+5.1%	+40.7%

Data are not broken down between residential and business classes of service.

2. **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?**

The Company will bill arrearages during and after the moratorium as it did before the moratorium. The Company's policy conform to the requirements of PUC Rule 7.600.

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

The Company is always willing to work with its customers on payment arrangements. The Company's payment plans conform the requirements of PUC Rule 7.00.

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

The Company has waived late fees during the moratorium period. Once the moratorium ends, the Company will commence charging late fees in accordance with PUC Rule 7.600.

5. **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?**

The Company is not seeking outside funds to offset its past-due balances or other COVID-related expenses.

VERMONT TELEPHONE COMPANY, INC. d/b/a VTel

1. **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.**

		# that would receive disconnect notice	Current amount due	Amount past due
June 2020	Res	1,305	336,577	174,870
	Bus	109	47,816	28,673
	Total	1,414	384,393	203,543
June 2019	Total	1,208	253,744	182,864
	Difference	+206	130,649	20,679
	Percentage	+17.10%	+51.50%	+11.30%

2. **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?**

VTel does not anticipate changing its current practices regarding treatment of past-due balances. VTel currently provides customers the flexibility to enter payment plans to pay past-due balances, provided the customer has not broken more than two repayment arrangements within the last year. VTel will continue to work with customers to establish plans to address past-due balances that have accrued during the moratorium.

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

VTel currently works with customers to make reasonable payment arrangements for past-due balances, and will continue to do so for past-due balances accrued during the moratorium. VTel typically works with customers to establish arrangements for payment of past-due amounts that do not exceed 6 months duration. On a case-by-case basis, VTel considers longer-duration arrangements for longer-term customers that may have accrued higher past-due balances than the customer can pay within 6 months.

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

VTel does not charge late fees, only re-connect fees. Because the Company has not disconnected customers during the moratorium, re-connect fees will not be immediately applicable to accounts that have accrued past-due balances. Once the moratorium ends, a customer that is disconnected would be charged a re-connect fee to resume services.

5. **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?**

VTel is not seeking outside funds. The Company supports the financial assistance for ratepayers arrearages proposed in H.966, which would provide financial support to utility ratepayers to cover account arrearages of ratepayers likely to face disconnection when the moratorium ends.

**RESPONSES OF WAITSFIELD-FAYSTON TELEPHONE COMPANY, INC.
d/b/a Waitsfield Telecom, d/b/a Champlain Valley Telecom**

1. **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.**

		# that would receive disconnect notice	Amount past due
June 2020	Res*		
	Bus*		
	Total	1188	\$194,009.96
June 2019	Total	1157	\$141,309.71
	Increase	31	\$52,700.25
	Percentage	2.6793%	37.2941%

*Detailed residential and business data not currently available.

2. **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?**

The Company does not expect to change its current process. The Company will continue to bill arrearages during and after the moratorium as it did before the moratorium.

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

The Company currently works with customers on payment arrangements as per current Commission rules. The Company plans on being very flexible in extending the repayment window (currently 3 months) to a longer timeframe (preferably no longer than 6 months) depending on the amount owed, giving the customer more time to repay their past due balances.

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

The Company does not charge late fees, but does charge for the reconnection of service. The Company does not see this process changing after the moratorium is lifted.

5. **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?**

The Company will seek assistance if Congress provides funds through any federal legislation such as the Keeping Critical Connections Act of 2020 Act and if any similar mechanism is created by the State of Vermont. In addition, the Company supports H.966, Sec 10. (Financial Assistance for Ratepayer Arrearages), now pending before the Vermont legislature.