



Stowe Electric Department
PO Box 190
435 Moscow Rd
Stowe, VT 05672
802-253-7215
www.stowelectric.com

June 19, 2020

Ms. Judith 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 the State of Emergency

Dear Ms. Whitney,

The Town of Stowe Electric Department (“SED”) offers the following post-moratorium utility disconnection plan and responses to the information requests contained in the Vermont Public Utility Commission’s (“Commission”) May 28, 2020 Order.

As a public power utility owned by its ratepayers, SED continues to help its customers during these difficult times to the greatest extent possible. SED will continue to communicate with ratepayers with past due utility bills and provide them with information on how to access financial assistance during the COVID-19 pandemic. SED will continue to offer payment arrangements for customers with arrearages during these difficult times.

SED is concerned, however, that extending the moratorium beyond the July 31, 2020 deadline will make it increasingly difficult to structure payment agreements that allows ratepayers in arrears to successfully restore their accounts

to good standing and within a reasonable time frame. SED believes that a thoughtful transition out of the moratorium with continued flexibility to work cooperatively with ratepayers is mutually beneficial.

What is the magnitude of past-due balances and how many customers have past due balances?

SED currently has 217 customers with past due accounts. The table below shows SED has experienced a significant increase in past due balances compared with the prior calendar year. The arrearage amounts shown in the table below do not include late charges or interest, because SED has not assessed late charges or charged interest on past due balances during the COVID-19 pandemic.

Since mid-March of this year, SED has run its past due account reports about 2 weeks later than it did pre-COVID-19. Historically, SED ran its past due account reports about 4 days after the due date. This procedure change makes it difficult to precisely compare current past-due accounts to previous years, since data for 2020 was gathered more than 2 weeks after the due date (meaning the year-over-year increase is actually slightly larger than stated.)

		30 Days	60 Days	90 Days	Total Past Due
June 2020	1 day before bill date	\$112,730.13	\$76,857.61	\$81,830.08	\$271,417.82
June 2019	4 days after bill date	\$72,302.63	\$35,663.83	\$26,379.78	\$134,346.24

How does this compare with the same time period last year? Please break out this data into residential and non-residential customers.

SED does not have the ability to easily differentiate between past due accounts for residential and non-residential customers, but the table set forth below contains the general breakdown between customer classes. The number of delinquent residential customers is greater than the number of delinquent

commercial customers, but the total dollar amount represented by delinquent commercial customers is much greater than for residential customers. For comparison, 20% of SED ratepayers are commercial customers, which accounts for more than 60% of SED’s revenues, but those commercial customers represent 79% of the total past due amounts.

	Past Due Amounts	Percentage of past due \$	Number of customers
Commercial	\$215,521.29	79%	72
Residential	\$55,896.53	21%	145

How will past-due balances accrued during the moratorium be addressed with Customers?

During the moratorium, SED continues to mail reminder letters asking SED ratepayers in arrears (with past due balances over \$50.00) to contact SED customer service personnel to discuss budget payment plans and pay agreements for past due amounts. SED will continue to provide ratepayers with delinquent accounts a notice of delinquency along with information on how to reach out to government programs and community-based organizations for assistance.

On or after July 1, 2020, SED intends to send out past due reminder letters notifying customers that the moratorium on involuntary disconnections may terminate on July 31, 2020. SED will continue to alert ratepayers to alternative funding sources and offer advice on how to access help through government programs and community-based organization. SED will also continue providing guidance to ratepayers on how they can pay their utility bills and the importance of

making any possible payments now so that delinquent amounts do not become completely overwhelming. As arrearages continue to build, SED and its ratepayers will face real challenges to find successful repayment arrangements to bring past due accounts current.

When the Commission lifts the moratorium on involuntary utility disconnections, SED intends to send out disconnection notices in accordance with PUC Rule 3.300. However, the disconnection notices will be accompanied by a separate cover letter, offering payment agreements and continued help linking customers with government programs and local organizations who can offer additional assistance. SED will also inform past due customers that they can use the disconnection notices to file for assistance through the CARES Act. Until further notice, SED will also call and e-mail ratepayers at risk of being disconnected and will post disconnect notices 72 hours before the disconnection date. SED plans to only consider disconnection of a ratepayer if the ratepayer has not responded to SED's disconnection notice, phone calls, and/or property visit, and has agreed to a payment plan or otherwise addressed their delinquency.

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?

SED will continue to implement its current policy for the remainder of the moratorium and will implement the post-moratorium disconnection plan as presented above. During the current state of emergency, SED has encouraged customers to take advantage of budget billing and payment plan programs. SED's

policy before the COVID-19 pandemic was to offer payment plans of up to 50% of the delinquent amount to commercial customers for up to 6 months, and for residential customers for up to 12 months. During the COVID-19 pandemic, SED will continue to offer payment agreements to past due ratepayers for the full past due amount to commercial customers for up to 6 months, and to residential customers for up to 12 months. SED will continue offering such repayment plans to both commercial and residential customers for full past due amounts once the moratorium is lifted.

It is SED's understanding that ratepayers will need access to disconnection notices, and must be in danger of being disconnected, in order to have access to funds made available under the CARES Act. If the Commission identifies a date certain to reinstate involuntary disconnections, the utilities will have a better opportunity to educate and communicate with ratepayers about options to restore their accounts to good standing before the moratorium is lifted.

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

SED has not imposed late fees for past due balances that accrued during the moratorium. SED also has not assessed late charges on any utility bills since Governor Scott declared the state of emergency on March 13th.

SED will not impose late fees or assess interest on past due accounts until at least 30 days after the Commission lifts the current moratorium, but ultimately intends to return to its normal disconnect procedures.

