



July 21, 2020

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

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

Dear Ms. Whitney:

Through a May 28 Order, the Public Utility Commission ("Commission") extended the *Temporary Moratorium on Involuntary Utility Service Disconnections* through July 31, 2020 and required each utility to file a detailed plan on how it intended to resume disconnect activities once the moratorium is lifted. These plans were filed on or before June 19, 2020, and on July 10, 2020 the Department of Public Service ("Department") filed comments in response to the utilities' plans. No other party commented on the utilities' post-moratorium disconnect plans. Vermont Public Power Supply Authority ("VPPSA") offers the following comments in response to the Department's filing.

The Department did not offer specific comments or raise concerns with any of the utilities' plans. However, the Department requested that the Commission include an extensive set of prescriptive requirements in its order when the Disconnect Moratorium is lifted. These recommendations significantly alter the provisions of Vermont's current Disconnect Rule and severely limit the electric utilities' discretion in carrying out disconnect activities. VPPSA urges the Commission to refrain from making such sweeping changes via order without additional process and opportunity for comment.

The VPPSA member utilities recognize the financial hardship many families and businesses are experiencing due to circumstances created by the COVID-19 pandemic. As community-owned and democratically run electric utilities, VPPSA members' operations are carried out to serve the best interests of their collective customers. Locally elected officials strive to keep utility costs low in order to keep electric rates affordable for the community. Several of the Department's recommendations for utilities require that utilities to take on financial risk and could lead to increased administrative burden and utility costs. VPPSA and its members are concerned that these recommendations could ultimately be detrimental to the entirety of the customer base.

The VPPSA members have significant concern with the Department's recommendations surrounding arrearages and payment plans. VPPSA's municipal utilities have had success in proactively reaching out to customers who are struggling to pay their electric bills due to COVID-19. The VPPSA members find that the existing payment plans are appropriately meeting the customers' situations and are flexible enough to accommodate those who need it most. However, the Department's recommendations would extend that flexibility to all customers to a point where it could financially harm the utility. For example, if customers were to elect to apply their deposit to an arrearage/account balance, it would leave the utility without a deposit on customers that have been deemed a credit risk. Additionally, extending payment arrangements to a minimum of 12 months across the board requires utilities to carry outstanding debt for an unnecessarily long period of time in some circumstances. Prohibiting disconnects until at least December 31, 2020 so long as current charges are paid has a similar effect on utility cash positions while also effectively eliminating the ability to disconnect until after winter 2020/2021.

The VPPSA members routinely enroll customers in reasonable payment plans that accommodate unforeseen circumstances and will continue to do so. The VPPSA municipals recognize that outreach is necessary to ensure customers are aware of payment arrangement opportunities and arrearage assistance. They will continue to share this information with their customers in accordance with the Department's recommendations.

VPPSA is very concerned that implementing the 18 additional prescriptive criteria around customer arrearage collections and disconnects will add unnecessary administrative costs, will increase the risk of rate impacts to all customers, and may place some customers at greater risk of being unable to eventually bring their accounts into a current status. Such dramatic requirements should not be implemented without full consideration of their potential implications.

Thank you for your consideration of these comments.

Sincerely,

Melissa Bailey
Manager of Government and Member Relations
Vermont Public Power Supply Authority