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July 29, 2020

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

Re: Case No. 20-0703-PET – Vermont Legal Aid Request for Moratorium on Utility and Telecommunications Shutoffs During State of Emergency;

Washington Electric Cooperative, Inc.'s (WEC) Response to DPS July 10 Comment and Recommendations

Dear Ms. Whitney:

On July 10, 2020, the Department of Public Service made 18 recommendations and asked the Commission to implement these recommendations as an order upon expiration of the state of emergency.

WEC shares the Department's laudable goals, and indeed, already has tariffs, policies and a plan in place that address many of the Department's recommendations. However, many of these recommendations overlap with existing PUC Rules 3.200 and 3.300, proposed revisions to Rule 3.300, and WEC's tariffs and policies implementing Rule 3.300. Therefore, several of the recommendations may not be necessary. Also, variations between the Department's recommendations and existing rules, tariffs, and procedures would cause confusion and create a costly and administratively onerous two-track (existing and post-state of emergency) system. The recommendations could lead to lack of consistency across Vermont's distribution utilities and create confusion and conflict. WEC is also concerned that the recommendations could create inequities between those whose arrears stem from the state of emergency and those suffering from financial hardship not related to the pandemic.

The Department raised no issues with any particular utility's post-state-of-emergency plans. As a first step, WEC requests that the Department work with utilities individually to determine whether post-state-of-emergency requirements can be addressed through existing procedures and plans.

WEC also notes that it is a democratically run and member-owned cooperative already charged to serve all of its members' best interests, and thus already has procedures in place that parallel most of the Department's recommendations.

WEC's responses to the Department's specific recommendations are set out below. Each Department recommendation is numbered and italicized, and is followed by WEC's response.

1. *Ensure that a utility that automatically enrolled its customers in a payment arrangement also provides those customers with clear information that the payment arrangement was provided as a courtesy and how to contact the company if an alternate payment arrangement is desired. Customers should also be informed that they may choose to pay the full amount due (including arrearages).*

WEC's Tariff and policies implementing Rule 3.300 and WEC's Response to the PUC's May 28, 2020 Information Request largely address this recommendation.

2. *Payment of current charges due shall forestall disconnection of utility service until December 31, 2020.*

As a practical matter, WEC will not be seeking to disconnect any member prior to the November 1 start of the winter disconnection period when it is less likely that disconnections can take place due to temperature limitations. As such, an order forestalling disconnections until December 31, 2020 would not offer significant safeguards, particularly in light of other measures WEC is taking, see e.g. ¶ 3, below.

3. *Reasonable payment arrangements, considering COVID-19 as an unforeseen circumstance, shall be offered for nonresidential and residential customers alike and shall be at least of twelve months duration.*

WEC has a plan in place to provide reasonable payment arrangements that could extend up to 24 months. See WEC's Response to the PUC's May 28, 2020 Information Request at ¶¶ 2-3.

4. *Customers may elect to apply their deposit to an arrearage/account balance.*

WEC's deposit tariff and policy waives deposits for members who show good credit. When deposits are paid, the deposit is returned one year later if payments have been regular. Members who pay a deposit are generally at risk of arrears and therefore allowing them to use deposits could result in higher write-offs. The deposit is a protection for other WEC members. It would be unfair to other members to increase the risk of transferring arrears to those that pay their bills. If WEC is required to apply a member's deposit to its account, we would need to be able to require a new deposit if the account is subsequently disconnected

for non-payment. This later effort to seek a deposit is likely to lead to conflict and difficult member interactions causing emotional and challenging conversations.

5. *Customers who have failed to honor a payment arrangement for a deposit shall not be disconnected if the current amount due on the account is paid.*

See response to ¶¶ 1, 3, & 4, above. Further, this recommendation, if ordered, should have a limited duration. Otherwise, it would effectively prohibit WEC from collecting deposits. As explained in ¶ 4, WEC takes deposits to protect the general membership.

6. *Customers who have broken a payment arrangement must be provided a conventional notice of disconnection with at least 14 days-notice. Suspend 3.305 Notice Under Repayment Plan so that a utility may not disconnect rapidly with only 72 hours-notice for a broken payment arrangement.*

See response to ¶ 1 & 3, above. This recommendation, if ordered, should have a limited duration.

7. *Waive all late fees and fees associated with disconnection until December 31, 2020.*

WEC does not charge late fees. See WEC's Response to the PUC's May 28, 2020 Information Request at ¶ 4. Also, because it is unlikely that anyone would be eligible for disconnection during this timeframe, other charges would not be an issue. However, if disconnection is necessary, WEC should not lose the right to offset some of the cost of the disconnection. WEC's disconnection fee is \$20 which covers only a portion of staff costs to drive and disconnect the account, so it is not a significant cost. Such costs even as small as \$20 should not be passed on to other members.

8. *Cease reporting late payments to credit bureaus until January 1, 2021.*

WEC does not report to credit bureaus, except for uncollectible closed accounts.

9. *New account holders who elect to make a payment arrangement for a deposit shall be afforded the opportunity to pay their deposit in equal installment payments over six months.*

WEC's deposit tariff and policy allows for three equal payments over 60 days.

10. *Install drop boxes to receive checks for payment on accounts, if not already available.*

The Co-op already has a convenient front door drop box at its centrally located East Montpelier offices and has had a drop box for 30 years. This recommendation appears to require more than one drop box. It is unclear on how many would be sufficient and their locations. Drop boxes must be secure and monitored. Additional drop boxes are unnecessary, insecure, and unnecessarily costly.

11. *Increase marketing and outreach about the ability to make automatic payments or utilize online/electronic payment of utility bills. Utilize reminder calls and notices (other than the disconnection notice) to encourage payment.*

WEC already does significant outreach to its members through its website and newsletter, Coop Currents. This outreach has included, and will continue to include, detailed information and updates on how members can best meet their electric needs during the state of emergency. WEC also makes automated call and personal calls, and sends emails and letters to encourage members to contact us to develop a payment plan. WEC seeks to continue its current member outreach practices without adding new unnecessary workload to already busy staff.

12. *Suspend requirement for door knocks until the heating season resumes and require an additional phone contact. (Rule 3.306)*

While WEC supports lessening the need for in-person visits and door knocks due to expense and safety concerns, we believe this should be left up to the utilities' discretion. WEC currently makes automated and personal phone contacts prior to disconnection. While personal contact (via door knocks) is an important step that can lead to assistance and payment arrangements, it can also lead to staff being confronted in the field and we have had safety concerns with some members. WEC seeks to have discretion to choose whether or not to visit a location based on safety issues.

13. *Provide an additional 5 days-notice to tenants in advance of disconnection. (Rule 3.302 C)*

WEC's tariff and policy provides for a 10-day notice in advance of disconnection, and we believe this is sufficient even during the pandemic. It encourages members to contact WEC and set up a payment plan. The longer waiting period will simply delay members taking action such as setting up a payment plan. The worst thing we can do is discourage members communicating with WEC if they are having difficulty. We want members to reach out as soon as possible so we can get a plan in place or direct them to agencies that can help them.

14. *Provide heating customers resuming service in the fall after a seasonal voluntary disconnection the opportunity to pay arrearages over a minimum of six months.*

WEC does not identify heating customers and we would not be able to determine who uses electricity as a means to heat their homes. Existing tariffs and policies would address this circumstance if it were to occur. Further variations would be burdensome.

15. *Consider the optimal use of concurrent budget billing with arrearage repayment plans.*

WEC currently encourages members to consider budget billing and has secured programming that allows concurrent payment plans to print on the bill. It would be burdensome to vary from WEC's existing process for little or no gain to members needing a budget billing.

16. *Suspend increases to a budget billing plan that resulted from increased usage during the Stay at Home/Stay Safe Executive Order until January 1, 2021.*

This recommendation would be burdensome, unnecessary, and we are unsure if we can automate the billing mechanisms to accommodate the request. WEC already allows for payment over 24 months and we believe this is sufficient for those who cannot fully pay their bill. See ¶ 3, above. WEC does not have the staff needed to make a manual calculation for every member seeking a partial payment plan based on pre-pandemic use.

17. *Include a bill stuffer and/or utilize other electronic means (emails, page on utility's website, including an application or link to application, and social media) to communicate with customers to encourage applications to the Vermont Arrearage Assistance Program.*

See ¶¶ 11-12, above. It is not clear that a bill stuffer would be of further value. Members tend to recycle stuffers without reading them. WEC believes its newsletter and website are far more effective means of communication and less expensive.

18. *Suspend disconnections to any home with a terminally ill household member or a household member relying on life sustaining equipment.*

Rule 3.300 and WEC's tariff and policy implementing Rule 3.300 already and more broadly address this concern and no further changes are needed.

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WEC has reviewed VEC and VPPSA's comments reacting to the Department recommendations and concurs with their comments. Further comment should be allowed with the goal of efficient implementation of post-state of emergency procedures.

WEC shares the Department's concerns and is already implementing measures to best address the important needs of its members affected by the state of emergency. WEC is happy to take additional efficient steps consistent with existing procedures to best meet these needs. Simply ordering a new layer of parallel requirements could have unintended consequences and detract from meeting these needs.

Many thanks for your consideration.

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