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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

Vermont Electric Cooperative Response to December 22, 2020 Order Reinstating the Temporary
Moratorium on Disconnection

As the COVID crisis approaches one year in duration, VEC continues to actively communicate with members who may be experiencing economic difficulty. We believe active communication is critical to ensuring that the member and the Co-op emerge from this crisis in a position to move forward successfully. VEC requests that we be afforded every available tool to assist and motivate members to avail themselves of all the flexibility and financial assistance that is available. VEC believes it is time to begin a fair and incremental transition out of the disconnection moratorium. We believe a thoughtful and compassionate transition can accommodate special circumstances and ensure that members access available and new supports.

Since the December 22, 2020 Order, VEC has continued to contact members to encourage them to apply for crisis fuel assistance, WARMTH funding, and to enter into sustainable payment arrangements. Unfortunately, not all members have been responsive, and we have seen less assistance pledges from these sources than in previous years. This is especially unfortunate given the increased number of members that could have benefited from assistance this winter. We hope that this situation does not repeat when new COVID relief assistance becomes available. This would be a regrettable lost opportunity. If additional financial assistance becomes available, VEC will do our part to partner and collaborate to get assistance that assistance to those who may be eligible.

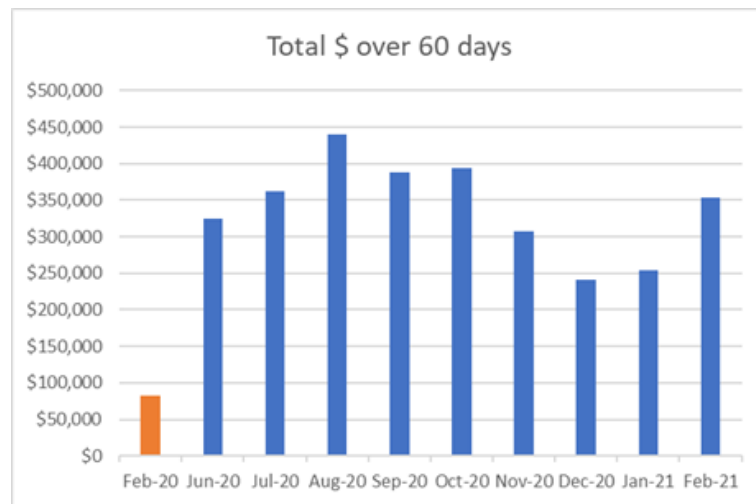
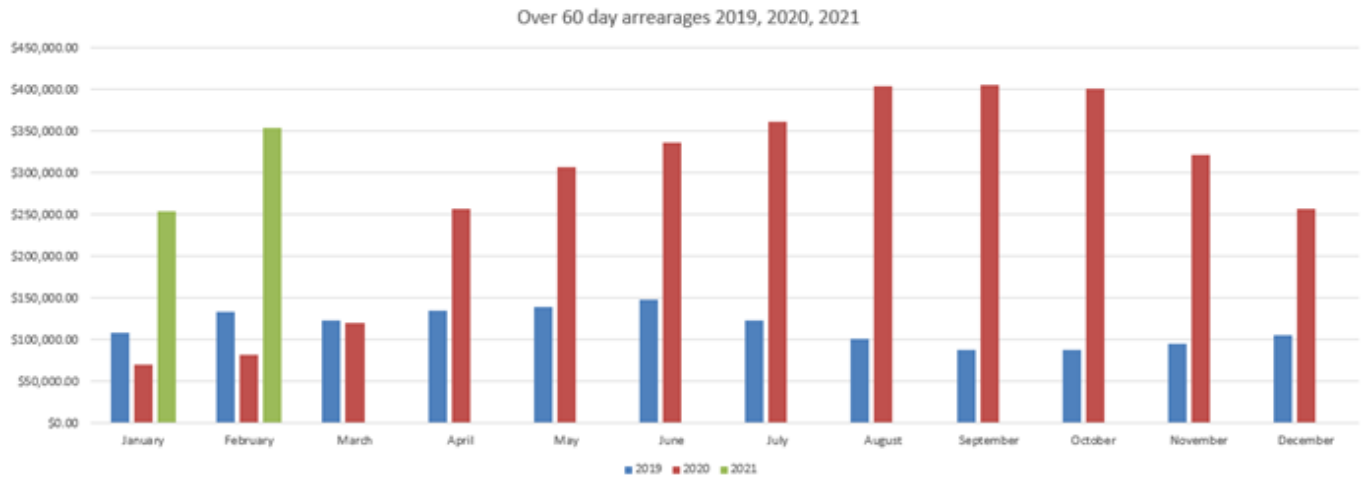
Since the December Order, VEC and other distribution utilities have advocated directly to Vermont legislators and the Vermont federal delegation to seek economic assistance for our customers. Please see the letter appended to the end of these comments that VEC submitted on behalf of the Vermont distribution utilities to the committees of jurisdiction.

Vermont Electric Cooperative (VEC) offers the following information in response to the questions in the December 22, 2020 Commission Order:

- a. The magnitude of customer balances that are more than 60 days past due, the number of customers with balances that are more than 60 days past due, and how these data compare with the same time period in 2020 (broken out into residential and non-residential customers).**

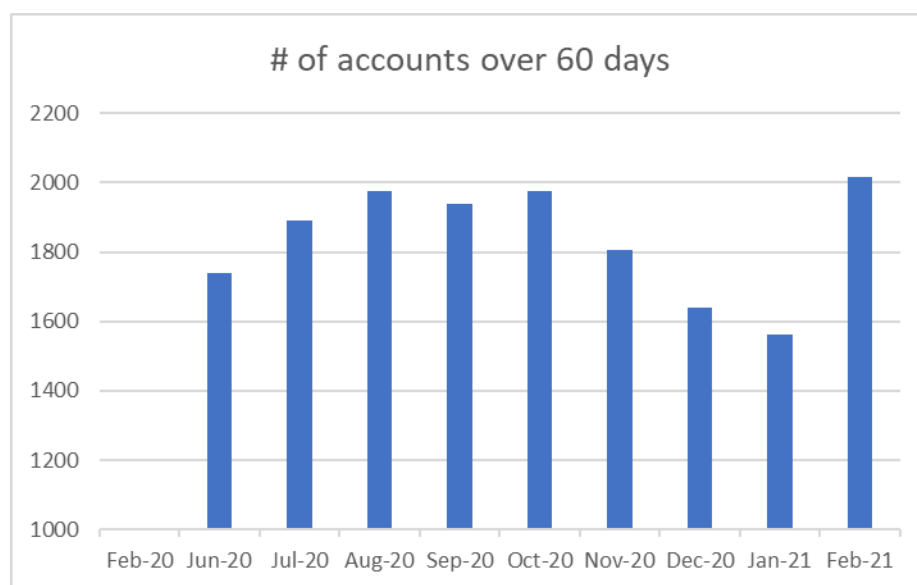
Prior to COVID, VEC had been working to keep past-due balances low so that cost pressure would not be passed on to other VEC members. In February 2020, just prior to the start of the COVID crisis, VEC members had a total of **\$ 82,637** in balances that were more than 60-days past due. One year later, at the end of February 2021, after the implementation of the VCAAP

program, the over 60-day arrearages totaled **\$353,785**. For informational purposes we provide a chart that shows trends for 2019, 2020, and 2021 to date. As the graph illustrates, arrearages are again increasing in 2021 after the decreases due to the VCAAP assistance.



Although we do not maintain historical records of the number of accounts with over 60 days arrearages, provided here are a few data points for comparative purposes. The number of accounts with over 60-day arrearages increased during the COVID crisis and continued to increase until the VCAAP assistance was implemented. Since the closure of the VCAAP program those number have again increased considerably and are larger now than the previous peak in October. The proportion of residential to non-residential accounts has remained consistent with approximately 95% of the accounts being residential.

	Total # of accounts over 60 days	Residential	Non-Residential
June 2019	1244	N/A	N/A
June 2020	1741	1593	148
Oct 2020	1977	1834	143
Dec 2020	1638	1558	80
Jan 2021	1561	1468	93
Feb 2021	2015	1910	105

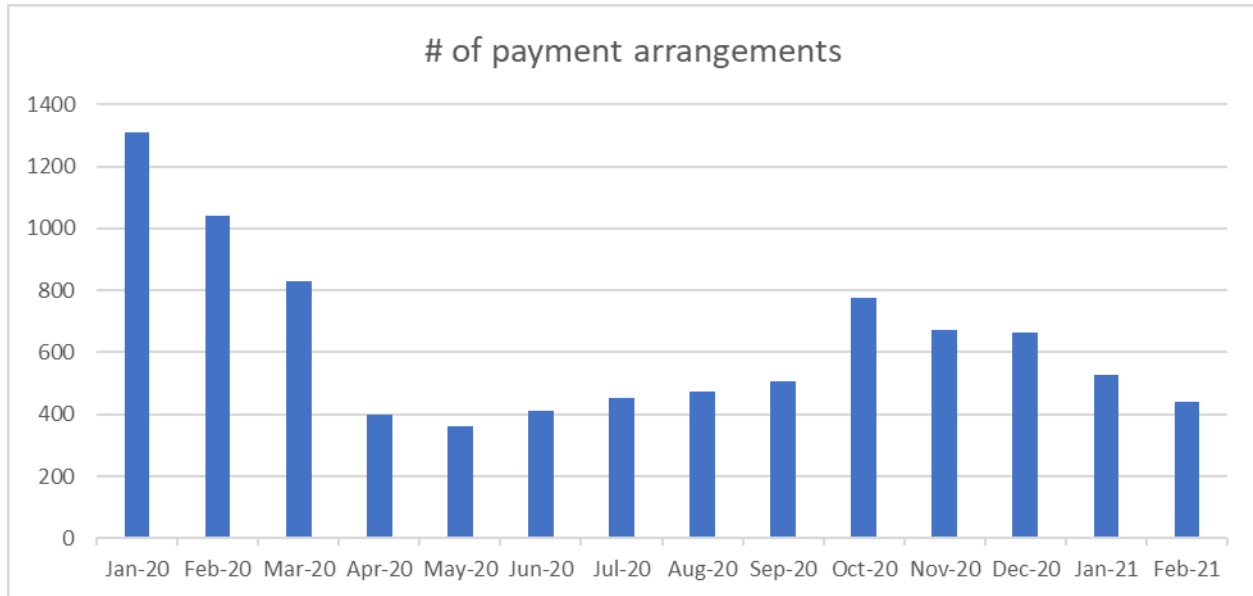


In sum, the total amount of over 60-day arrearages and the total number of accounts with over 60-day arrearages have increased concurrent with the end of VCAAP assistance and the continued disconnection moratorium. Even when VCAAP assistance was available we had many members that did not utilize that assistance or assistance from crisis fuel and WARMTH during the winter months.

b. (and c). The number of customers with whom the utility has interacted to set up a payment agreement between the date of the issuance of this Order and March 1, 2021.

During 2019 and through March 2020, the number of active payment arrangements ranged from 922 to 1,346. The chart below illustrates that the number of payment arrangements have decreased significantly during the COVID crisis and the disconnection moratorium, despite the large number of accounts in arrearages. When the moratorium was briefly lifted from October 15 through the end of November, there was a temporary increase in number of members that entered into payment arrangements. We believe the lifting of the moratorium had a beneficial effect.

There were 664 active payment arrangements at the end of December, and there are 439 at the end of February. There are fewer payment arrangements in place despite significantly more accounts in arrearages. (It is important to note that some portion of the payment arrangements may be with accounts that are less than 60-day overdue).



d. The number of payment agreements successfully adhered to by the customer between the date of the issuance of this Order and March 1, 2021.

At the end of December 2020, the percentage of payment arrangements that were being successfully adhered to was 80%. At the end of January 2021, this percentage was 76% and at the end of February 87%. These percentages are in line with the 2019 range of 78%- 90%.

VEC appreciates that these are unprecedented times and the pandemic has imposed severe financial and other stresses on so many in our community. We will continue to work on behalf of our members. VEC will continue to provide flexibility in the hope of ensuring a successful path forward.

Dated at Montpelier, Vermont, this 1st day of March 2021.

Respectfully submitted,
VERMONT ELECTRIC COOPERATIVE, INC.

By: Andrea Cohen, Manager
Government Affairs and Member Relations

COPY OF DISTRIBUTION UTILITY LETTER TO VERMONT LEGISLATIVE COMMITTEES

January 21, 2021

Chair Bray and Members of Senate Natural Resources and Energy
Chair Briglin and Members of House Natural Resources and Technology
Chair Hooper and Members of House Appropriations
Chair Kitchel and Members of Senate Appropriations
Chair Cummings and Members of Senate Finance
Chair Sirotkin and Members of Senate Economic Development, Housing & General Affairs
Chair Marcotte and Members of House Commerce and Economic Development

We, the undersigned Vermont energy utility representatives, are writing to seek help for our customers, as many are experiencing continued financial stresses and impacts due to the COVID crisis. We thank you for all your efforts to protect vulnerable Vermonters during this pandemic, including passing direct utility bill relief funding last year. Thanks to your work, more than ten thousand Vermont households and businesses have received help.

Even with that assistance, the financial fall out for customers and members continues to grow. Right now, over 40,000 Vermonters are more than 60 days behind on their utility bills and falling further behind every day. Households are facing hard decisions and businesses are struggling to stay viable. Many are facing financial hardships for the first time due to the pandemic. We have all worked with our members and customers through this pandemic and we are requesting continued assistance on their behalf.

Although there is currently a moratorium on involuntary utility disconnections in place, this is a temporary stop gap. Arrearages continue to grow, and action is needed to help customers from falling further behind on their bills. Vermont utilities are offering customers compassion, flexibility, and long-term payment arrangements, but many people will continue to find themselves in difficult financial circumstances. Going forward people will need more support and financial assistance to get caught up with their household expenses, including their electric and gas bills.

While the Vermont COVID-19 Arrearage Assistance Program (VCAAP) was essential in helping many customers through a total of \$8 million in funding, more is needed to help Vermonters. Right now, there is a more than \$15 million arrearage problem that is growing every day.

Here is some of what we know about the current extent of the problem customers are facing:

- Vermont Electric Cooperative
Over 60-day arrearages are 2 ½ times higher than one year ago.
Over 60-day arrearages at the end of 2020 were \$257,403 (1,184 members).
- Burlington Electric Department
Over 60-day arrearages are 3 ¼ times higher than one year ago.
Over 60-day arrearages at the end of 2020 were \$749,000 (4,007 rate-payers).

- Green Mountain Power
Over 60-day arrearages are over 4 times higher than one year ago.
Over 60-day arrearages at the end of 2020 were \$14 million (27,000 customers).
- Vermont Public Power Supply Authority
Over 60-day arrearages are 60% higher than one year ago.
Over 60-day arrearages at the end of 2020 were \$434,994 (1,387 rate-payers).
- Washington Electric Cooperative
Over 60-day arrearages are 5 times higher than one year ago.
Over 60-day arrearages at the end of 2020 were \$ 227,450 (894 members).
- Vermont Gas Systems
Over 60-day arrearages are 55% higher than one year ago.
Over 60-day arrearages at the end of 2020 were \$836,000 (5,757 rate-payers).

While the distribution of vaccinations creates a light at the end of the tunnel and hope for a return to normal, significant uncertainty and financial concern for customers remain. We urge the Vermont legislature to appropriate funds to meet this immediate need so that Vermont citizens and businesses will emerge stronger from this crisis. We stand ready to work with you to help our customers and members. Thank you.

Sincerely yours,

Andrea Cohen, Vermont Electric Cooperative



Melissa Bailey, Vermont Public Power Supply Authority



Patty Richards, Washington Electric Cooperative



Robert Dostis, Green Mountain Power



Darren Springer, Burlington Electric Department



Michael Lazorchak, Stowe Electric Department



Neale Lunderville, Vermont Gas Systems



cc: Speaker of the House Jill Krowinski
Senate Pro Tempore Becca Balint