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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' OPPOSITION TO VLA-VPIRG MOTION
TO EXTEND DISCONNECTION MORATORIUM**

Eight Vermont rural local exchange carriers (the “Eight RLECs”)¹ oppose the motion filed jointly by Vermont Legal Aid (“VLA”) and the Vermont Public Interest Research Group (“VPIRG”) on June 11, 2021,² which seeks to extend the temporary disconnection moratorium by an additional two months, from June 30, 2021, to August 31, 2021. The Eight RLECs urge the Public Utility Commission (“Commission”) to deny the VLA-VPIRG Motion and to allow the current moratorium to expire by its terms on June 30, 2021.

From the moment the Commission ordered a temporary moratorium on utility disconnections in March 2020, the Eight RLECs have endeavored to work with their customers to address any past-due arrearages and to keep those customers connected to basic exchange telecommunications services. As incumbent local carriers who have served in their respective territories for decades, and in most cases for well over a century, the Eight RLECs are deeply tied to the economic well-being of their customers and communities. In addition, the Eight RLECs serve as Eligible Telecommunications Carriers under federal law, as carriers of last resort under Vermont law, and as carriers of E911 traffic, with obligations to keep their customers connected to basic voice service whenever possible.

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 “Joint Request to Continue to Temporary Moratorium”, submitted jointly on behalf of Vermont Legal Aid and the Vermont Public Interest Research Group (filed June 11, 2021) (the “VLA-VPIRG Motion”).

In opposing the VLA-VPIRG Motion, the Eight RLECs restate the arguments they have made in opposition to previous proposed extensions of the Commission's disconnection moratorium.³ The current moratorium has been in effect for nearly fifteen months, except for a brief 5-week pause last fall. The Commission undoubtedly did not expect, when it initially put the moratorium in place in the Spring of 2020, that it would still remain in effect into the Summer of 2021. The Eight RLECs have previously described the moratorium as "a prudent response to the economic shock that resulted from the shutdown of Vermont's economy."⁴

However, a protracted moratorium has unintended consequences. The Commission's regular rules discourage utility customers from accruing past-due arrearages beyond a few months.⁵ These rules reflect the Commission's understanding that the longer utility arrearages continue to accrue, the greater the challenge customers will face in bringing their accounts current. VLA and VPIRG seek to extend the moratorium with the expectation that new federal funding for arrearage assistance will become available through two Vermont housing agencies.⁶ To date, however, federal emergency assistance for Vermonters' utility arrearages has been heavily weighted toward electric and gas utilities, rather than telecommunications utilities.⁷ The Eight RLECs do not expect

³ See, e.g., "Eight RLECs' Responses to Commission's Questions Re: Further Extension of Disconnection Moratorium" (filed Sept. 17, 2020) ("September Responses"), at 2; "Eight RLECs' Opposition to Department's Motion to Extend Disconnection Moratorium" (filed July 27, 2020), at 4-5; Ltr. from Paul J. Phillips, on behalf of the Eight RLECs, to Judith C. Whitney, Clerk (filed May 22, 2020), at 2.

⁴ Eight RLECs' September Responses, at 2.

⁵ See, e.g., Commission Rule 7.622(F)(1)(a) ("When establishing satisfactory payment arrangements . . . a carrier shall not require more than a payment of one-half of the delinquent bill in advance *and a promise to pay any balance owed over a period of three months or more.*") (emphasis added); see also Commission Rule 7.609(E) ("Late payment fees may be imposed on delinquent amounts that are not disputed or on disputed amounts *over six months delinquent.*") (emphasis added).

⁶ VLA-VPIRG Motion, at 3 (referencing rental assistance to be offered through the Vermont State Housing Authority and mortgage assistance to be offered through the Vermont Housing Finance Agency).

⁷ The VCAAP program provided assistance of up to \$440 for electric arrearages, up to \$320 for gas arrearages, but only up to \$150 for telephone arrearages. See "Vermont COVID-19 Arrearage Assistance Program: Frequently Asked Questions" (Vt. Dept. of Pub. Service, Sept. 3, 2020), at 1, available at <https://publicservice.vermont.gov/sites/dps/files/documents/VCAAP%20Frequently%20Asked%20Questions%20by%20UTILITIES%209-3-2020.pdf>.

that Vermont's housing agencies will take a different approach to arrearage assistance programs than the Department has taken, so they are concerned that extending the moratorium will simply allow arrearages to accrue at higher levels than the funds that might be provided to repay them.

The long period of the Commission's moratorium has also undermined the traditional relationship that utilities have with their customers regarding past-due bills. The purpose of the moratorium was to give customers breathing room in their budgets to focus on more immediate financial needs. But a prolonged moratorium allows some customers to fall out of the habit of making room in their budgets for current utility payments, let alone for payment of accrued arrearages. The moratorium also allows customers to postpone discussions with their utility providers about repayment arrangements, which makes those inevitable discussions more difficult.

The Eight RLECs have always worked with customers, when they fall behind in their payments, to establish payments arrangements tailored to the customers' individual needs. But the 15-month moratorium on disconnections has distorted these relationships in ways that benefit neither the customers nor the service providers. The Eight RLECs favor an end to the current disconnection moratorium so that providers and customers will again have a mutual interest in resolving arrearages and bringing accounts current.

Vermont has led the country in its vaccination rates and its ability to safely and responsibly reopen its economy. Governor Scott this week announced the successful conclusion of Vermont's COVID-related state of emergency.⁸ Despite these welcome milestones, Vermont now lags behind Maine and New Hampshire in retaining its moratorium on utility disconnections.⁹ As prudent as

⁸ "Gov. Scott Announces State Has Reached Its 80% Vaccination Goal; Lifts All State Covid-19 Restrictions," Press Release, Office of Vt. Gov. Phil Scott (June 14, 2021), available at <https://governor.vermont.gov/press-release/governor-phil-scott-announces-state-has-reached-its-80-vaccination-goal-lifts-all>.

⁹ The Maine PUC's disconnection moratorium expired effective April 20, 2021. In New Hampshire, which never imposed a COVID emergency moratorium on utility disconnections, Gov. Sununu ended the state of emergency as of June 11, 2021. In Massachusetts, Gov. Baker lifted the state of emergency as of June 15, 2021; a moratorium on utility disconnections is set to expire by its terms on July 1, 2021.

the moratorium was when Vermont's economy first shut down, the moratorium should be brought to a successful conclusion now that Vermont's economy has reopened.

WHEREFORE, the Eight RLECs oppose the VLA-VPIRG Motion to extend the disconnection moratorium and ask the PUC should deny the motion and to allow the current moratorium to expire by its terms on June 30, 2021.

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 17, 2021, I caused electronic copies of the "Eight RLECs' Opposition to VLA-VPIRG Motion to Extend Disconnection Moratorium" 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 17, 2021

/s/ Paul J. Phillips
Paul J. Phillips, Esq.