



MOVING WATER FORWARD

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August 17, 2020

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg PA 17120
rchiavetta@pa.gov

RE: Comments on Emergency Order at Docket Number M-2020-3019244

Dear Secretary Chiavetta:

On August 10, 2020, Public Utility Commission (PUC) Chairman Gladys Brown Dutrieuille issued a letter seeking comment about the PUC's current moratorium on utility terminations, and asking for input regarding protections for at-risk consumers and whether the PUC's moratorium on all utility terminations should be lifted.

The National Association of Water Companies, PA Chapter (NAWC-PA) appreciates the opportunity to comment on this important issue for our member companies and their customers.

The NAWC-PA represents all aspects of the private water service industry including ownership of regulated drinking water and wastewater utilities. NAWC-PA member companies provide safe and adequate drinking water service to over 3.1 million Pennsylvanians in 492 communities in 39 counties. In addition, NAWC-PA member companies provide wastewater service to approximately 195,000 Pennsylvanians in 34 communities across nine counties.

The NAWC-PA member companies have supported the PUC's moratorium on terminations in response to COVID-19. However, the consequence that resulted from this action is that some customers have accrued very large arrearages on their utility bills that they may not be able to repay, resulting in the loss of service in their name, and damage to their credit. In addition, public utilities must proactively manage the issue of delinquencies and arrearages to protect all customers from the costs associated with unpaid bills in accordance with Chapter 14 of the Public Utility Code.

Therefore, the NAWC-PA believes that the moratorium on terminations should be lifted since the number of customers subject to termination are increasing and only going to continue to increase until the moratorium is lifted.

By lifting the moratorium, utilities will be able to evaluate customer accounts in arrearages and begin collecting unpaid bills. Moreover, each member company remains committed to working with all customers facing financial difficulties through customer assistance programs, payment arrangements, and other tools provided under Chapter 14.

With respect to additional temporary customer protections, the NAWC-PA member companies will support whatever the Commissioners can agree upon. However, we would discourage any programmatic changes to handling delinquent accounts, which would require changes to our systems and practices. These changes are time consuming, require training and are more likely to lead to errors in interpretation, at least initially, from our customer care agents, and would likely be reversed within months. To the extent that the Commission establishes additional customer protections beyond what has been established in law, those protections should be concise and succinct to have the immediate desired results for the benefit of those customers. In the absence of concise and succinct protections, public utilities development of an implementation plan for the additional consumer protections may require modifications to processes, procedures, and documents as well as retraining, which may delay the intended benefits.

In addition, due to the changing nature of this pandemic and with no clear indication when the Governor's Proclamation may be lifted, we recommend that the PUC set firm dates to revisit this issue. For example, the annual "Winter Moratorium" begins on November 30th so we believe that it is appropriate for the PUC to revisit whatever temporary changes outside of Chapter 14 are made prior to this deadline.

In conclusion, the NAWC-PA sent the **attached** letter to the Pennsylvania General Assembly on June 22, 2020 urging them to consider appropriating CARES Act funding for the purpose of helping delinquent customers pay their utility bills and to help avoid utility terminations. It is our hope that when the General Assembly returns to voting session in September (unless sooner recalled) they will take up such a proposal to utilize CARES Act funding for utility assistance.

Thank you for the opportunity to comment on this important issue to our member companies and customers. We stand ready to work with you and other stakeholders to address this utility termination issue, particularly regarding the use of CARES Act funding.

Sincerely,



Erik A. Ross
NAWC-PA Governmental Relations



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June 22, 2020

RE: **CARES Act Assistance for Utility Bills**

Dear Senators and Representatives:

The National Association of Water Companies (NAWC), PA Chapter is proactively reaching out to you to express our concerns regarding the ability of water and wastewater customers to pay their utility bills and especially with respect to those customers who will be facing possible service termination when the moratorium on terminations is lifted by the Pennsylvania Public Utility Commission (PUC). Specifically, **we are respectfully requesting your consideration of appropriating a portion of the federal Coronavirus Aid, Relief and Economic Security Act ("CARES Act") funding to help Pennsylvania consumers who are unable to pay their utility bills or will be facing termination when the moratorium on utility terminations is lifted.**

The NAWC (www.nawc.org) represents all aspects of the private water service industry including ownership of regulated drinking water and wastewater utilities. NAWC-PA member companies provide safe and adequate drinking water service to over 3.1 million Pennsylvanians in 492 communities in 39 counties. In addition, NAWC-PA member companies provide wastewater service to approximately 195,000 Pennsylvanians in 34 communities across nine counties.

On March 6, 2020, Governor Tom Wolf issued a Proclamation of Disaster Emergency (Proclamation) that identified the COVID-19 pandemic as a disaster emergency affecting the entire Commonwealth.

On March 13, 2020, the PUC issued an Emergency Order establishing a prohibition on the termination of public utility service and directing the reconnection of service to customers previously terminated for the duration of the Proclamation, or until a time otherwise established by the PUC.

The PUC's actions preceded and preempted the normal expiration of the annual "Winter moratorium" on the termination of low-income residential customers that began on November 30, 2019 and would have otherwise ended on April 1, 2020.

On March 27, the CARES Act was signed into law. Under the CARES Act, Pennsylvania received a \$34.9 million LIHEAP supplement, which is now available through a special program administered by our Department of Human Services. No funds were earmarked for water or wastewater services

even though these services are essential for handwashing and other cleaning to help stop the spread of COVID-19.

Further, on May 29, 2020, the PUC issued a Secretarial Letter to all public utilities requesting information on a number of topics, including the number of customers that would be subject to termination, and a comparison with the same information from this time in 2019. Many public utilities from all regulated sectors provided responses by the June 15, 2020 due date. **NAWC-PA member companies provided the PUC with the following estimates on the number of customers that would be subject to termination:**

Number of Water and Wastewater Customers Subject to Termination (May 31)

	<u>2020</u>	<u>2019</u>
Total	49,858	41,456

While Pennsylvania did receive significant, supplemental LIHEAP funding as part of the CARES Act, this program will expire August 31, 2020, or earlier if funds are exhausted by customers of fuel sources not subject to the moratorium. As you know, LIHEAP assistance does not apply to water and wastewater service except for steam heat.

The NAWC-PA member companies have supported the PUC's moratorium on terminations in response to COVID-19. However, the consequence that resulted from this action is that some customers have accrued very large arrearages on their utility bills that they may not be able to repay, resulting in the loss of service in their name, and damage to their credit.

In conclusion, the financial hardship on utility customers who were financially impacted by COVID-19 and the accompanying business closure orders may result in long-term economic problems for those customers that have accrued large arrearages during the moratorium on terminations. In addition, public utilities must proactively manage the issue of delinquencies and arrearages to protect all ratepayers from the costs associated with unpaid bills in accordance with Chapter 14 of the Public Utility Code.

Therefore, we urge you to consider appropriating CARES Act funding for the purpose of helping delinquent customers pay their utility bills and to help avoid utility terminations. We remain committed to working with our customers facing financial difficulties through our customer assistance programs, payment arrangements, and other tools provided under Chapter 14.

Thank you for your consideration of this important issue to our member companies and customers. We stand ready to work with you, the PUC, and other utility sector associations to address this pending issue through CARES Act funding.

Sincerely,



Erik A. Ross
NAWC-PA Governmental Relations