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August 18, 2020

The Honorable Gladys Brown Dutrieuille, Chairman
The Honorable David W. Sweet, Vice Chairman
The Honorable John F. Coleman, Commissioner
The Honorable Ralph V. Yanora, Commissioner
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 3rd Floor
Harrisburg, Pennsylvania 17120

RE: Docket Number M-2020-3019244

Dear Chairman and Commissioners:

On behalf of our 1.8 million members, AARP Pennsylvania hereby files comments on the emergency order regarding the moratorium and related customer service protections for at-risk customers.

Even prior to the coronavirus pandemic, many of our members and the 50+ population throughout the Commonwealth were already struggling to make ends meet or were living on fixed incomes. Moreover, others suddenly found themselves unemployed due to the pandemic. Such unprecedented financial challenges and health concerns make this issue of the utmost importance.

We appreciate the Chairman's leadership in issuing the March 13, 2020 Emergency Order establishing the prohibition on the termination of public utility service and directing the reconnection of service to customers previously terminated, to the extent it could be done safely. We also realize that this step was intended to be in place only for the duration of the Governor's Proclamation of Emergency Disaster, which continues, or until a time otherwise established by the Commission. Understanding that the Chairman intends to address the termination moratorium at the Commission's August 27, 2020 public meeting, we appreciate the opportunity to provide these comments and encourage the Commission to ensure that if it lifts the ban, it does so in a manner that does not cause many thousands of Pennsylvanians to lose critical utility services to their homes.

Consumers facing termination must be made aware of the utility and governmental alternatives that are available to them and must understand that utilities are providing affected customers adequate time and flexibility to repay their bills.

Therefore, AARP reiterates, as we have in previous comments, that if the termination moratorium expires, an allowance of an additional 60 days should be added so that customers can make reasonable payment arrangements and seek enrollment in the energy assistance programs, including:

- Low Income Home Energy Assistance Program (LIHEAP)
- Customer Assistance Programs (CAP)

- Hardship Funds
- Enrolling customers in budget billing

We also support flexible re-payment protocols in which customers can pay back their past due bills over a longer period; and we support possible arrearage forgiveness or debt forgiveness program development.

Additionally, similar to other key advocacy groups, we support and urge the Commission to initiate a process that includes soliciting meaningful input from consumers and others stakeholders to develop uniform statewide policies that would apply to electric, gas, and water utilities. Such discussions should include the following proposals:

- **Require more flexible and extended deferred payment plans**
AARP supports flexible deferred payment plans. This would allow customers with financial hardships to pay off their arrearages over an extended period. Prior to this arrangement, the utility customer service representative should assess which bill assistance programs the customer might be eligible for in order to reduce the customer's arrearage and provide easily accessible information on how the customer can access such assistance. Those customers verbally expressing financial hardship and those who are LIHEAP-qualified should be offered deferred payment arrangements with no down payment. Self-certification should be sufficient to waive the down payment. For all other customers, utilities should be limited to requiring down payments that do not exceed ten percent (10%) of the deferred payment amount. Such deferred payment arrangements increase a customer's likelihood of successfully completing a payment plan, while reducing the utility company's uncollectible expense and increasing its chance of recouping costs from customers.
- **Arrearage management incentives**
AARP recommends the investigation into incorporation of incentives for arrearage management (sometimes referred to as "arrearage forgiveness" incentives). Arrearage management is already an important component of some low-income utility programs, including Pennsylvania's CAP programs. Arrearage management should be implemented or expanded by all essential regulated utilities because of the many potential benefits, including more efficient distribution of public assistance, and the likelihood that such incentives will be encouraging regular timely payments on past-due utility accounts.

There are many ways to design an arrearage management program. Most such programs include a requirement for making timely monthly payments on utility bills along with a required percentage payment towards the customer's arrears. In return for that timely payment towards arrears, or a series of timely payments, a percentage of the customer's over-due amounts are written off.

In addition to making it easier for customers to get on top of their debt, such incentives encourage the prioritization of utility bill payments and can allow utilities to recover more of the over-due amounts than it would in the absence of such incentives, thereby reducing write-offs.

Sincerely,



Bill Johnston-Walsh
State Director
AARP Pennsylvania