February 16, 2021

Via Efiling
Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Public Utility Service Termination Proclamation of Disaster Emergency – COVID-19, Docket No. M-2020-3019244

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Joint Comments of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), the Tenant Union Representative Network (TURN) and Action Alliance of Senior Citizens of Greater Philadelphia (Action Alliance) in response to the Commission's October 13, 2020 Order in the above-referenced docket.

Please don't hesitate to contact me if you have any questions. I can be reached at (215) 981-3756 and jprice@clsphila.org.

Sincerely,

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Enclosures

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Public Utility Service Termination Proclamation of Disaster Emergency - COVID-19	: : :	**Docket No. M-2020-3019244**

JOINT COMMENTS OF

THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA,

TENANT UNION REPRESENTATIVE NETWORK,

AND

ACTION ALLIANCE OF SENIOR CITIZENS OF GREATER PHILADELPHIA

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I. INTRODUCTION

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)[1], together with Tenant Union Representative Network (TURN)[2] and Action Alliance of Senior Citizens of Greater Philadelphia (Action Alliance),[3] collectively referred to herein as the Low Income Advocates, file the following comments in response to the Commission's October 13, 2020 Order. That Order requested input from stakeholders about the ongoing need to protect Pennsylvania utility consumers through the duration of the COVID-19 pandemic.[4] The Low Income Advocates commend the Commission's swift action at the start of the pandemic to keep Pennsylvanians connected to critical services in their homes, and its ongoing actions over the last year to ensure that the most vulnerable members of our community remain safe in their homes.

It is critical for the health, safety, and welfare of all Pennsylvanians that the Commission extend protections for economically and medically vulnerable consumers. Given unprecedented levels of consumer debt, the Commission must also establish a framework that requires utilities to

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[1] CAUSE-PA is a statewide unincorporated association of low and moderate income individuals, which advocates on behalf of its members to enable consumers of limited economic means to connect to and maintain affordable water, electric, heating and telecommunication services. CAUSE-PA membership is open to Pennsylvanians who are committed to helping low income families access and maintain safe, affordable utility services and achieve economic independence and family well-being.

[2] TURN is a not-for-profit corporation with many low and lower income members. TURN's mission is to advance and defend the rights and interests of tenants and homeless people. TURN's goal is to guarantee to all Philadelphians equal access to safe, decent, accessible, and affordable housing.

[3] Action Alliance is a not-for-profit corporation and membership organization whose mission is to advocate on behalf of senior citizens on a wide range of consumer matters vital to seniors, including utility service. As part of advancing the respective interests of tenants and seniors, TURN and Action Alliance advocate on behalf of low- and moderate-income residential customers of public utilities in Philadelphia in proceedings before the PUC.

[4] Public Utility Service Termination Moratorium – Modification of March 13th Emergency Order, Docket No. M-2020-3019244 (Order entered October 13, 2020) (hereinafter October Order).

equitably address arrears to stabilize Pennsylvania families and keep households connected for the long term.

II. BACKGROUND

On March 13, 2020, at the start of the COVID-19 pandemic, the Commission acted quickly to protect keep Pennsylvanians safe and connected in their homes, issuing an Emergency Order prohibiting involuntary termination of utility service, and urging utilities to reconnect service to households without service. The Commission squarely recognized that "[i]rreparable injury to the public is likely to occur with disruption of service, creating a clear and present danger to life."[5] On October 13, 2020, as infection rates slowed through fall, the Commission entered a subsequent Order[6] lifting the absolute moratorium on terminations. At the same time, the Commission recognized the need to protect economically vulnerable households from involuntary termination of service.

While the October Order allowed terminations to proceed on or after November 9, 2020, it also set forth targeted policies and ongoing protections designed to protect economically vulnerable consumers from the loss of critical services to their home, referred to as Phase 2 of the Commission's emergency moratorium on utility terminations. The October Order created a "Protected Customer" status, prohibiting termination of households with income at or below 300% of the federal poverty level (FPL) if the household applied for available utility assistance programs and requested a payment arrangement from the utility.[7] It also required utilities to provide

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[5] Public Utility Service Termination Moratorium, Docket No. M-202003019244 (Emergency Order entered March 13, 2020), (hereinafter March Emergency Order).
[6] Public Utility Service Termination Moratorium – Modification of March 13th Emergency Order, Docket No. M-2020-3019244 (Order entered October 13, 2020) (hereinafter October Order).
[7] October Order at 4.

additional notice of termination, and improved the accessibility of medical certificates to ensure that – regardless of income – service would not be disrupted to medically vulnerable Pennsylvanians.[8]

In addition to these critically important protections, the October Order also established a stakeholder process to revisit and revise the protections, with comments and proposals from interested parties due February 16, 2021. Stakeholders were asked to provide updated input "based on the trajectory of the pandemic and the status of the economy at that time, so that both customer and utility interests continue to be considered."[9]

As a practical matter, given the short time-frame between November 9, 2020, when the Commission lifted the emergency moratorium, and December 1, 2020, when the annual winter moratorium took effect, [10] very few utilities proceeded with terminations. As a result, there is no way to know whether the targeted protections for Protected Customers were effective at matching consumers with appropriate assistance programs to help resolve arrearages and reduce uncollectible expenses before terminating service to their home.

Without further action by the Commission, the protections contained in the October Order will expire on March 31, 2021, placing hundreds of thousands of Pennsylvania households at risk of imminent termination.

Given the ongoing public health emergency and the devastating economic harm created by the COVID-19 pandemic, the Low Income Advocates urge the Commission to take decisive action to provide certainty, stability, and protection to hundreds of thousands of economically vulnerable Pennsylvanians. As described below, we urge the Commission to continue the protections set

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[8] Id.
[9] Id. at 7.
[10] 52 Pa. Code § 56.100.

forth in the October Order, and establish additional policies and programs that will equitably address the unprecedented accrual of utility arrears – without further exacerbating an already dire economic crisis.

III. THE ONGOING PUBLIC HEALTH EMERGENCY AND FLAGGING ECONOMY NECESSITATES CONTINUATION OF "PROTECTED CUSTOMER" STATUS

a. The public health crisis, and the profound risk to human life is ongoing.

When the Commission issued its Order establishing Phase 2 of the Termination Moratorium on October 13, 2020, Pennsylvania had 1,272 new cases of COVID-19 and 15 COVID-related deaths.[11] Since October 13, the transmission of COVID-19 has increased at a staggering rate, reaching its highest point on December 10, 2020 with 12,806 new cases reported.[12] On December 22, 2020, Pennsylvania reported 237 daily deaths due to COVID-19, and on December 31, 2020, Pennsylvania reported 232 daily deaths.[13] Both the number of cases and the number of deaths due to COVID-19 are exponentially higher than in October, 2020, when the Commission implemented Phase 2 of the termination moratorium.[14]

With rates of transmission remaining high, the public health emergency is likely to extend well into 2021 – and far past March 31, 2021, when the current utility protections are set to expire. While the rollout of the COVID-19 vaccine has commenced, just three percent of Pennsylvanians

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[11] Pennsylvania Department of Health, COVID-19 Data for Pennsylvania, *available at* https://www.health.pa.gov/topics/disease/coronavirus/Pages/Cases.aspx.
[12] Pennsylvania Department of Health, COVID-19 Data for Pennsylvania, *available at* https://www.health.pa.gov/topics/disease/coronavirus/Pages/Cases.aspx.
[13] Pennsylvania Department of Health, COVID-19 Data for Pennsylvania, *available at* https://www.health.pa.gov/topics/disease/coronavirus/Pages/Cases.aspx.
[14] Pennsylvania Department of Health, COVID-19 Data for Pennsylvania, *available at* https://www.health.pa.gov/topics/disease/coronavirus/Pages/Cases.aspx.

were fully vaccinated as of February 14, 2021.[15] For the vaccine to effectively mitigate transmission of the virus, the World Health Organization estimates 60-70% of the population will need to be vaccinated.[16] Given the slow pace of the vaccine rollout,[17] community transmission of COVID-19 is likely to continue unabated for many months. Permitting Phase 2 of the Termination Moratorium to expire on March 31, 2021, would create a significant risk to public health.[18] According to research released in late January, utility moratoria successfully reduced COVID-19 infection rates by 4.4% and mortality rates by 7.4%.[19] In Pennsylvania, this translates to nearly 33,000 fewer COVID-19 infections, and over 1,691 fewer COVID-19 related deaths.[20] The same researchers found that imposing moratoria in areas without such protections could have reduced COVID-19 infection rates by 8.7%, and could have reduced COVID-19 deaths by 14.8%. Simply put, allowing terminations to proceed without continuing critical protections for economically vulnerable consumers will put the lives and livelihoods of Pennsylvanians at risk.

b. The economic impact of the pandemic is most severe for low income families.

Since the Commission issued its October Order, Pennsylvania's economic recovery has continued to be slow, with hundreds of thousands of Pennsylvanians remaining out of work. Although the rate of unemployment compensation initial claims has declined since the early days

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[15] https://www.health.pa.gov/topics/disease/coronavirus/Vaccine/Pages/Vaccine.aspx. Pennsylvania's population in 2020 was approximately 12.8 million. Number of fully vaccinated residents as of February 14, 2021 was 394,886.
[16] Donald G. McNeil Jr., How Much Herd Immunity Is Enough?, The New York Times (Dec. 24, 2020), available at: https://www.nytimes.com/2020/12/24/health/herd-immunity-covid-coronavirus.html.
[17] Teghan Simonton, Pa's Lagging Vaccine Rollout Takes Center Stage in Harrisburg, Tribune (Feb. 3, 2021), https://triblive.com/news/pennsylvania/pa-house-health-committee-examines-lagging-vaccine-rollout-hears-complaints/.
[18] Kay Jowers, Christopher Timmins, Nrupen Bhavsar, Qihui Hu, and Julia Marshall, Housing Precarity & the COVID-19 Pandemic: Impacts of Utility Disconnection and Eviction Moratoria on Infections and Deaths Across US Counties, National Bureau of Economic Research (Jan. 2021), available at: https://www.nber.org/papers/w28394.
[19] Id.
[20] As of February 11, 2021, Pennsylvania had 764,748 confirmed cases, and 22,860 deaths attributable to COVID-19. https://www.health.pa.gov/topics/disease/coronavirus/Pages/Cases.aspx.

of the pandemic, the numbers began to climb again in December and continue to indicate a significant number of newly unemployed Pennsylvanians.[21] While unemployment claims slightly decreased in January, Pennsylvania workers are experiencing continued unemployment at a rate more than double the typical pre-pandemic rate.[22] As of February 10, 2021, more than 1 in 5 adults in Pennsylvania reported that they expected someone in their household to have a loss of employment income in the next four weeks, and 28% of adults in Pennsylvania report having difficulty paying for basic household expenses.[23] Furthermore, as of December 30, 2020, Pennsylvania experienced a 28.5% decline in the number of open small businesses and a 30.8% decline in small business revenue, compared to January 2020.[24]

Low income households have been disproportionately impacted by the economic devastation created by the pandemic, and experienced a substantially greater loss in wages compared to higher income households.[25] Continued utility service protections for vulnerable residential customers are necessary so that customers can remain in their homes and curb the spread of COVID-19 in communities. While the long-term impact that COVID-19 will have on Pennsylvania's economy is uncertain at this time, it is nonetheless clear that vulnerable customers

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[21] See Economic Tracker by Opportunity Insights, https://tracktherecovery.org/ (Percent Change in Employment – Pennsylvania).
[22] See id. (showing 372,000 continued regular claims during the week ending January 31, 2021, compared to 136,000 such claims during the week ending February 1, 2020.)
[23] United States Census Bureau, Household Pulse Survey, https://www.census.gov/data-tools/demo/hhp/#/.
[24] See Economic Tracker by Opportunity Insights, https://tracktherecovery.org/.
[25] Pennsylvania low wage households (those with an annual household income of $27,000 or below) experienced income reductions of 19.3%. Comparatively, middle wage households ($27,000-$60,000 annually) experienced a 3.3% reduction and high wage households (those with a household income above $60,000 annually) enjoyed a 4.8% increase. Id. This disparity is a stark illustration of the severity of income inequality in the Commonwealth and serves as a potent reminder of why it is critically important to maintain protections from termination for low income households so they can maintain life-sustaining utility service to their homes. Id.

continue to profoundly struggle financially and protections from termination must continue beyond March 31, 2021.

c. Relief is on its way for some, but distribution of assistance will take time.

Relief is on its way, but it will take time for assistance to reach struggling Pennsylvanians – and not all those who are currently struggling will be able to access relief. On February 5, 2021, Governor Wolf signed into law Act 1 of 2021, which authorizes the distribution of approximately $569M in federal funding to Pennsylvania's 67 counties to provide emergency rental and utility assistance to tenants.[26] An additional $278M was allocated directly from the United States Treasury to 18 Pennsylvania counties with the largest populations.[27] At this point, the program is still in its design phase, and funding for utility assistance is unlikely to be available to renters until after March 31, 2021.[28]

Hopefully, this funding will provide significant assistance to Pennsylvania renters in the coming months, but this program will not alleviate the unprecedented level of utility debt overnight – and will not be sufficient on its own to resolve both the rental and utility debt crises.[29] As of December 30, 2020, residential utility debt for PUC regulated utilities alone nearly eclipses the amount of allocated funding for rental and utility assistance combined. At a minimum, the Commission must maintain Phase 2 of the termination moratorium while this critical relief is

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[26] Act 1 of 2021 (SB 109); see also Pa. Dep't of Human Services, Emergency Rental Assistance, https://www.dhs.pa.gov/coronavirus/Pages/Emergency-Rental-Assistance-Program.aspx.
[27] See US Dep't of Treasury, Emergency Rental Assistance Program, https://home.treasury.gov/policy-issues/cares/emergency-rental-assistance-program.
[28] Pursuant to Act 1, the Pennsylvania Department of Human Services is required to allocate funding to the counties in March, though it may take several weeks thereafter for the counties to begin accepting and processing applications and distributing funds – and even longer for assistance to be applied to their accounts. Act 1, Section 3, 102-D (c)(2). A majority of the funds must be expended by September 2021, to avoid returning funds to the federal government.
[29] Low and moderate income homeowners will have no access to this program, and it remains unclear whether and to what extent the counties will provide utility assistance as opposed to rental assistance.

distributed and as we wait for other potential relief to come.[30] By design, the Phase 2 protections require households to apply for all available assistance programs. Extending the Phase 2 protections will help drive enrollment in utility assistance programs while ensuring that those unable to obtain assistance are protected from deep and irreparable harm.

The Low Income Advocates submit that it would be premature to lift the current protections on March 31, 2021. Doing so would undermine the very purpose of the Phase 2 protections: to drive households to access available relief while ensuring that vulnerable consumers are able to maintain life-sustaining utility service to their home. Pennsylvanians should not face the loss of utility service while the Commonwealth and its subdivisions have approximately $850 million in housing stabilization funds to distribute. Thus, we strongly urge the Commission to maintain the protections against termination set forth in the October Order beyond March 31, 2021.

d. Utility data confirms the need for continued protections.

Pursuant to the October Order, utilities have filed monthly reports providing ongoing data regarding the extent of consumer debt among residential and nonresidential customers, as well as the number of residential and nonresidential customers at risk of or who experienced an involuntary termination of service. This data provides an alarming portrait of the extent to which customers still need assistance and protection from termination. These numbers show that even before the conclusion of the heating season, hundreds of thousands of households are at risk of termination.

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[30] Additional federal relief is possible, but remains uncertain at this time. Draft legislation at the federal level would allocate $4.5B in additional LIHEAP assistance, and $500M in additional water and wastewater assistance. https://energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/Subitlte%20D_Other%20Provisions_FINAL.pdf.

As of December 30, 2020, over 847,000 residential customer accounts were subject to termination, an increase of 17% compared to December 2019.[31] Residential utility arrears have also continue to increase precipitously year over year. As of December 30, 2020, the utilities reported $811,950,216 in residential customer arrears, – an increase of 64% compared to December 2019.[32] Given we are now in the peak of winter heating season, these numbers have the potential to grow exponentially before the end of March. To allow struggling households time to access relief before losing critical services to their home, residential customers must continue to be protected against termination as provided for in the Commission's October Order.

IV. WAIVERS FOR LATE PAYMENT CHARGES, CONNECTION/ RECONNECTION FEES, AND SECURITY DEPOSITS SHOULD REMAIN IN PLACE

In addition to termination protections, the Commission's October Order required utilities to waive late payment charges, connection/reconnection charges, and deposit fees for Protected Customers. In doing so, the Commission recognized that the imposition of payment demands beyond the standard bill represents an added financial barrier for vulnerable customers.

As noted above, the most significant loss of income and employment during the COVID-19 pandemic has been experienced in the bottom wage quartile of workers. These Pennsylvanians continue to struggle with employment rates that are almost 20% lower than they were in January 2020. In contrast, middle wage workers and high wage workers employment rates have largely rebounded, as shown in the following chart:[33]

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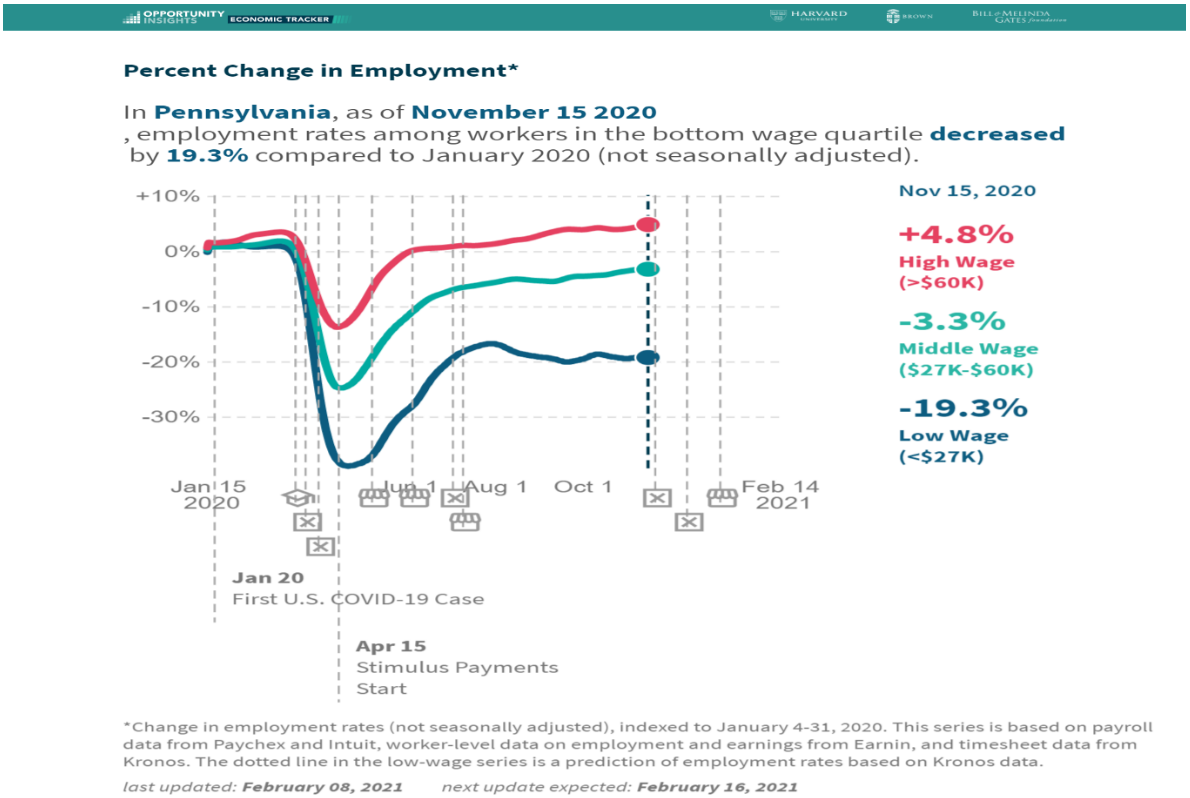
[31] See Appendix A. Note that the Peoples Companies reported zero accounts at risk of termination for December 30, 2020 due to the winter moratorium.
[32] Id.
[33] See Economic Tracker by Opportunity Insights, available at: https://tracktherecovery.org/. This database is described by the authors in the accompanying paper, available at https://opportunityinsights.org/wp-content/uploads/2020/05/tracker_paper.pdf



For these low and moderate income households, any added costs, on top of the ordinary utility bill, could further inhibit their ability to afford basic life necessities. In the context of this unprecedented economic crisis, adding fees and charges to a customer's bill when they already cannot afford to pay has a punitive effect on low income households. Late payment charges, connection/reconnection fees, and deposits should continue to be waived for Protected Customers. These customers continue to lack sufficient resources to recover from the loss of income and job opportunities due to COVID-19.

V. ENHANCED PROTECTIONS FOR MEDICALLY VULNERABLE HOUSEHOLDS SHOULD REMAIN IN PLACE

In its October Order, the Commission required utilities to accept at least 2 additional medical certificates for eligible customers who have otherwise exhausted the three available medical certificates. The Commission also extended the timeframe for a medical professional to provide a written medical certificate to a utility from 3 to 7 days, and provided that medical certificates may be written on letterhead of the certifying medical professional.[34]

As more fully discussed in the Low Income Advocates' Comments submitted on August 18, 2020, our medical system has been profoundly strained as it attempts to cope with the COVID-19 pandemic, making it difficult – and risky – to obtain a medical appointment needed to receive a medical certificate.[35] COVID-19 continues to spread across Pennsylvania at alarming rates and has only increased in prevalence since the Commission issued its October Order. As such, we urge the Commission to maintain the additional medical certificate provisions set forth in the October Order.

The Commission should also require utilities to work with stakeholders to eliminate barriers that medically vulnerable consumers face in accessing medical certificates and should ensure that those protected by a medical certificate are aware of their rights and responsibilities attendant with a medical certificate. Medical certificates should be a last resort to prevent termination, after all available relief and other regulatory protections are applied. For example, if a household has income below 300% FPL, and would remain protected from termination after applying for available assistance, they should be instructed to do so – rather than resorting to the temporary protection of a medical certificate which does not otherwise address or resolve underlying debts. Utilities often advise consumers to obtain a medical certificate even if the household might be otherwise protected from termination. Obtaining a medical certificate when the certificate is unnecessary to prevent termination creates more obstacles and expense for the

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[34] The Low Income Advocates note that utilities are already required to accept any written document from a certifying medical professional, provided the required information is contained in the document, and may not require the use of a standard medical certificate form. 52 Pa. Code § 56.113 ("The public utility's medical certificate may not be mandatory.").

[35] August 18 Joint Comments at 19-20.

consumer, as it often requires the household to secure childcare, transportation, and pay a co-payment, which could have a detrimental impact on the ability of the consumer to pay their utility bill. Moreover, consumers who obtain a medical certificate are often not apprised of their obligation to make payment on their current charges by the due date – or the corresponding right to additional medical certificates if they continue to make timely payments on new bills.[36] Given the heightened impact that a utility termination would have on the household and the greater community as a result of the ongoing pandemic, it is imperative that the utilities improve their medical certificate policies to address these shortcomings with the current process.

VI. COMPREHENSIVE ARREARAGE MANAGEMENT TOOLS ARE CRITICAL TO ADDRESS UNPRECEDENTED LEVELS OF DEBT CAUSED BY COVID-19

In its October Order, the Commission addressed the short-term considerations of utilities and customers to ensure service would remain available to those impacted by the public health and economic consequences of COVID-19. In doing so, the Commission addressed many of the recommendations included in the Low Income Advocates' Joint Comments submitted on August 18, 2020.[37] However, the Commission stopped short of addressing the long-term solutions that are necessary for Pennsylvania consumers and utilities to fully recover from this pandemic. Thus, in addition to urging that the Commission continue its current Phase 2 protections, the Low Income Advocates implore the Commission to adopt a plan to equitably and uniformly address the unprecedented utility debt crisis that continues to unfold due to the COVID-19 pandemic. The Low Income Advocates submit that it would be premature to fully lift protections against

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[36] 52 Pa. Code §§ 56.114. In the Low Income Advocates' experience, consumers are often advised that they have just two opportunities for medical certificate renewals, but are not advised that they may obtain additional renewals if they pay any current charges or the budget bill amount by the due date. See 52 Pa. C.S. §§ 56.114, .116.
[37] See August 18 Joint Comments at 19-20.

termination prior to developing a plan to address the accumulation of arrears. While federal relief is coming, it will be inadequate to alone resolve the staggering levels of utility debt that economically vulnerable consumers have accrued since the pandemic began. Pennsylvanians deserve a comprehensive plan to equitably resolve this crisis. Such a plan must, at a minimum, include a comprehensive arrearage management program and flexible payment arrangement standards for residential customers.

a. Arrearage Management

The pandemic dramatically changed the household financial circumstances of hundreds of thousands of Pennsylvania utility customers, causing many to rely more heavily on emergency programs to meet their most basic needs – often for the very first time. At the same time, many families experienced a substantial increase in energy and water usage due to stay-at-home orders, virtual schooling, and job loss. This combination of hardships continues to limit the ability of consumers to keep up with monthly bills. To address these unprecedented hardships, the Low Income Advocates urge the Commission to establish new opportunities for customers to eliminate arrears that have accumulated during the pandemic.

i. CAP Customer Arrears

Low income, CAP-eligible households have experienced disproportionate financial harm as a result of the pandemic – both in term of lost wages and increased costs associated with working and attending school from home. For customers currently enrolled in a utility's Customer Assistance Program (CAP), utilities should freeze arrears accrued while in the program. Those arrearages should be rolled into pre-program arrears, and should be eligible for forgiveness with on-time, in-full payments, using a timeframe for forgiveness consistent with the utilities' pre-program arrearage forgiveness timeframe. Likewise, utilities should be required to provide returning CAP customers with an additional opportunity to earn debt forgiveness even if they previously received debt forgiveness through CAP. CAP customers are not eligible for Commission issued payment arrangements, and therefore do not have the same opportunities as other households to catch up after falling behind. This is especially true during the pandemic. It is therefore critical that the Commission provide equitable debt forgiveness to those enrolled in CAP who have fallen behind on their CAP bills.

ii. Protected Customers Not Eligible for CAP

The Commission should also require utilities to create a temporary, emergency arrearage management program for Protected Customers who are not currently eligible for CAP. The Low Income Advocates recommend that such a program include the following minimum standards:

- Prior to enrollment, applicants for the emergency arrearage management program must be screened for eligibility in CAP, and all CAP eligible households should be referred to CAP for enrollment in that program.
- Upon entry in the program, participants will be placed on budget billing, and arrearages accrued from March 13, 2020 to the date that the customer is enrolled in the arrearage relief program will be frozen and will not accrue additional late fees or other charges.
- Participants will receive a one-time bill credit of 25% of their arrears, which will be applied on the date the Protected Customer status is lifted.[38]
- Participants will earn monthly forgiveness with each on time, in full payment of their current bill over a 36-month period.

[38] This suggestion is modeled after UGI's Emergency Relief Program, approved by the Commission in the Joint Settlement in the base rate proceeding of UGI Utilities, Inc.–Gas Division and commended by Commission Chairman Dutrieuille in a statement at the October 8, 2020 public meeting of the Commission. Docket No. R-2019-3015162.

- Participants will be charged a monthly arrearage co-payment, not to exceed $5 per month, to contribute to paying off the remainder of arrearage debt.
- If a participant misses two consecutive payments, they may be removed from the program, but will be provided a 60-month payment arrangement for all remaining arrears.

The Low Income Advocates recommend that enrollment in the emergency arrearage management program begin as soon as possible. However, the benefits of the program should not begin until the Protected Customer status is lifted. In developing broader parameters for the program, such as application requirements, program outreach, and other detailed terms and conditions, the Commission should require the utilities to consult with stakeholders through their respective Universal Service Advisory Committees.

b. Flexible Credit and Collections Standards

The Low Income Advocates strongly encourage the Commission to establish additional payment arrangement opportunities for *all* residential customers who have fallen behind on their utility bills, regardless of income level or CAP status. The Commission's October Order established payment arrangement opportunities for small business customers, but did not address additional payment arrangement opportunities for residential customers. Importantly, those residential customers fortunate enough to have regained some financial stability, but who are not or do not remain Protected Customers, could face harsh payment demands when utilities move forward with termination activity. The existing standards of the Public Utility Code provide insufficient flexibility to protect customers from avoidable termination. Residential customers should be provided flexible repayment alternatives combined with extensions of existing payment arrangements.

As the Low Income Advocates previously submitted, the Commission should issue policy guidance clarifying that the pandemic constitutes a "significant change in circumstances" to extend defaulted payment arrangements pursuant to 66 Pa. C.S. § 1405(e).[39] Likewise, the Commission should establish flexible guidelines for what constitutes a "change in income" to provide additional payment arrangements pursuant to 66 Pa. C.S. § 1405(d).[40] Many households have experienced a significant and substantial increase in energy and water usage as they work and attend school from home. For families with a fixed budget, such an increase can have a substantial and destabilizing effect on their household finances. Any pandemic-related impact on a household's income or expenses should constitute a significant change in circumstances to extend a defaulted payment arrangement or provide a new payment arrangement with more favorable terms.

VII. UTILITIES SHOULD BE REQUIRED TO IMPROVE OUTREACH AND ASSISTANCE TO CONSUMERS WITH PAST-DUE ARREARS

The Low Income Advocates share the Commission's goal of ensuring that customers obtain available assistance to help with utility bills. However, we assert that the utilities should be required to measurably improve efforts to ensure consumers are able to access and enroll in available programs. As it stands, the October Order imposed the obligation to apply for available assistance solely on customers seeking to remain protected from termination, without imposing a corresponding obligation on utilities to conduct targeted outreach, provide appropriate referrals, and improve screening for eligible customers.

The Commission should require utilities to conduct affirmative outreach to all those at risk of termination (prior to the issuance of termination notices) to identify and enroll eligible

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[39] See August 18 Joint Comments at 17-18.
[40] Id.

customers in available assistance programs. Utilities should also be required to conduct targeted outreach to specific areas within their service territories with high concentrations of low income individuals who may not be aware of the assistance that is available to them. Utilities could employ GIS mapping or similar technology to determine which neighborhoods would be best served by this type of targeted outreach. Overlaying poverty data with existing program enrollment will help to show where there may be critical gaps in services to discrete populations that may be harder to reach. A proactive approach could help connect at-need customers with critical assistance programs to address customers' existing arrears, and ultimately help to improve payment behavior and associated collections costs.

Such outreach could help utilities maximize grant assistance to customers, while reducing uncollectible expenses following involuntary termination of service. Unlike prior Federal stimulus funding, the approximately $850 million in recently released aid referenced above may be available to pay utility bills and, with utility cooperation, can be paid directly to the utility companies on behalf of eligible customers. Accordingly, utilities should be directed by the Commission to assist customers in obtaining these funds based on the utility's records of increasing arrearages since the outset of the COVID-19 pandemic.

VIII. UTILITIES SHOULD BE REQUIRED TO REPORT ADDITIONAL DATA TO BETTER IDENTIFY ISSUES AND WORKABLE SOLUTIONS

Utility data reported so far, as discussed above, paints a dismal, if incomplete, picture of the state of utility consumer debt and hardship. To properly evaluate the impact of the pandemic on utility consumers, additional data from utilities is required. This data is not only critical to inform necessary steps to protect customers during the pendency of the COVID-19 pandemic, but will also help to target customer outreach to educate customers about additional protections. To that end, and to the extent the data is reasonably available, utilities should be required to report the following information in addition to the requirements imposed by the October Order:

- The monthly number of confirmed low income and CAP accounts at-risk of termination;[41]
- The monthly number of accounts designated by the utility as a Protected Customer;
- The monthly number of residential accounts granted a payment arrangement by the utility;
- The monthly number of accounts receiving federal stimulus payments to cover the costs of utility bills and/or arrears, and the aggregate of such payments;
- The monthly number of pre-termination notices issued to residential customers;
- The monthly number of termination notices issued to residential customers; and
- The monthly number of medical certificates used to prevent a termination, identifying how many of such certificates were the initial certificate, a renewal certificate, or an additional certificate authorized by paragraph 6 of the Commission's October Order.

Further, as discussed in our prior comments, the pandemic has had a disproportionate impact on communities of color in Pennsylvania, both in terms of the health and economic outcomes.[42] The Low Income Advocates recommend the Commission require utilities to begin tracking and reporting demographic information, which will allow the Commission to assess the distribution of COVID-19 related utility hardship and any resulting inequities. The Commission should also require utilities to report the following information on the Census block group or nine-digit zip code level for the following dates: March 1, 2019; September 1, 2019; March 1, 2020; September 1, 2020; March 1, 2021; and September 1, 2021:

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[41] The Low Income Advocates recognize that many of the smaller water and telecommunication companies subject to the Commission's Order may not have any income information for consumers, and do not offer CAP. It is not our intention to recommend in this proceeding that small water and telecommunications companies track low income customers and/or establish a CAP.

[42] August 18 Joint Comments at 2-3, 12

- The number of households receiving service;
- The number of households in arrears;
- The average amount of arrears within the Census block group or nine-digit zip code;
- The number of households whose service has been terminated; and
- The number of households receiving assistance through CAP and LIHEAP.

This information should be maintained by the Commission, regularly updated, and made accessible to the public.

IX. THE COMMISSION SHOULD ESTABLISH AN ADDITIONAL OPPORTUNITY FOR STAKEHOLDER INPUT

The Low Income Advocates urge the Commission to issue immediate guidance to the utilities extending the Phase 2 protections and setting forth a framework for equitable debt relief, consistent with our comments above. Utilities that have begun issuing termination notices to Protected Customers should be instructed to notify such customers of the availability of the extended protections.

Thereafter, the Commission should continue the stakeholder input process established by the October Order, scheduling the next round of comments for July 30, 2021. By setting the next round of comments for July 30, 2021, the Commission will allow stakeholders to more fully assess whether consumers have been reasonably able to access federal relief funding, including the Emergency Rental Assistance Program and possible other relief. Stakeholders will thus be better able to provide informed input based on the review of the data described above, as well as the number of accounts at risk, number of disconnected customers, and aggregate dollars of arrears.

Moreover, the Low Income Advocates note that the solutions and recommendations outlined above are not necessarily translatable to telecommunications and broadband. But, the COVID-19 pandemic has made telecommunications and broadband access absolutely critical to access and engage in work and education, to access healthcare, and even to obtain COVID-19 testing and vaccination. Low income households are less likely to be able to afford broadband access and are, thus, sidelined and disenfranchised in profound ways – further entrenching the digital divide. The Low Income Advocates recommend convening a separate working group to help identify ways to improve telecommunications and broadband access to low income families through the pandemic.

X. RESIDENTIAL CONSUMERS SHOULD NOT ALONE BEAR THE FINANCIAL BURDEN OF THE COVID-19 PANDEMIC

Finally, but of critical importance, the Commission must act to ensure that the full responsibility for repayment of COVID-19 arrears does not fall solely upon residential utility ratepayers, many of whom have been deeply impacted by the pandemic. Pandemic related costs should be addressed through equitable cost-recovery mechanisms, including cost-sharing strategies that would impose longer-term, interest-free recovery periods for pandemic related costs and would require the utilities and all ratepayers to share in our recovery.[43] We urge the Commission to set forth clear expectations for how pandemic-related costs will be recovered or recoverable, if at all. The Commission can and should require utilities to ensure that COVID-19 arrears are resolved in a manner that does not overly burden residential utility ratepayers in subsequent proceedings that address the cost recovery of COVID-19 arrears. The Commission should not wait and rely on piecemeal policy to develop through the course of multiple and varied rate proceedings. To the contrary, it is critical that the Commission set clear guidelines to apply

[43] Review of Universal Service and Energy Conservation Programs Docket No. M-2017-2596907, Joint Comments of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia (Aug. 8, 2017).

statewide to help provide needed certainty and to cut down on duplicative litigation that will cause ratepayers, the Commission, and stakeholders to incur substantial and avoidable costs.

XI. CONCLUSION

Exposure to the threat of utility service termination during the continuing economic devastation and public health crisis caused by the COVID-19 pandemic is unreasonable and avoidable. Protected Customers, as well as customers who have begun to recover from loss of income, require additional protections, *and additional time*, to cope with accumulated utility bills. As set forth above, Phase 2 of the termination moratorium should continue with enhancements to protect vulnerable customers from a loss of service. This is particularly important in order to maximize housing stability and the use of additional federal stimulus dollars. Future stakeholder input, based on additional utility data, is vital to assessing when conditions have improved sufficiently to permit utilities to proceed with termination activity. The Low Income Advocates look forward to our continued participation in this stakeholder process.

Respectfully Submitted,

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RESIDENTIAL UTILITY DEBT AND ARREARS - AS OF DECEMBER 30, 2020 (REPORTED JANUARY 15, 2020)

Pennsylvania PUC Docket No. M-2020-3019244 (Note, excludes telecommunication, small private water systems, and all unregulated utilities)

	2019 - Res. Terms	2019 Res. Arrears	2020 Res. Terms	2020 Res. Arrears	% Increase - Arrears	% Increase - Terms
Valley Energy	732	$ 30,062	792	$ 66,705	122%	8%
Citizens' Electric	223	$ 49,895	266	$ 110,361	121%	19%
UGI Gas	61,415	$ 35,858,322	65,586	$ 41,998,531	17%	7%
UGI Electric	6,522	$ 4,859,269	6,765	$ 6,148,122	27%	4%
Wellsboro Electric	216	$ 55,126	109	$ 42,637	-23%	-50%
Columbia	60,887	$ 13,269,470	69,787	$ 23,591,426	78%	15%
NFG	21,440	$ 7,727,753	21,853	$ 12,080,627	56%	2%
PWSA	4,917	$ 3,774,696	9,015	$ 7,167,567	90%	83%
Columbia Water					0%	0%
PPL	110,127	$ 92,310,609	125,973	$ 154,425,022	67%	14%
Aqua	52,994	$ 1,409,083	55,385	$ 14,337,866	918%	5%
Suez - Bethel	56	$ 3,785	82	$ 15,038	297%	46%
Pa American Water	8,105	$ 24,686,655	36,330	$ 39,768,324	61%	348%
PGW	137,988	$ 47,574,402	151,831	$ 73,555,958	55%	10%
MetEd	9,723	$ 37,619,714	11,907	$ 59,222,358	57%	22%
Penelec	8,841	$ 41,726,615	12,079	$ 65,045,364	56%	37%
Penn Power	2,314	$ 10,756,121	3,360	$ 15,734,174	46%	45%
West Penn Power	10,947	$ 47,033,656	13,879	$ 66,968,359	42%	27%
PECO	107,924	$ 57,456,413	139,890	$ 136,303,977	137%	30%
Suez	8,116	$ 720,921	7,454	$ 1,484,428	106%	-8%
Peoples Gas	0	$ 27,798,617	0	$ 26,525,921	-5%	0%
Peoples Natural	0	$ 2,779,261	0	$ 4,059,548	46%	0%
Duquesne	103,520	$ 36,207,217	106,296	$ 58,704,581	62%	3%
York Water	2,585	$ 257,914	5,339	$ 1,216,049	371%	107%
Pike Co. Power/Light	171	$ 50,114	245	$ 47,979	-4%	43%
Community Utilities	109	$ 27,492	237	$ 162,081	490%	117%
Newtown Water	2,610	$ 41,659	3,193	$ 93,025	123%	22%
TOTAL	722482	$ 494,084,841	847653	$ 808,876,028	64%	17%

*Peoples Gas and Peoples Natural Gas did not report any customers as eligible for termination in December due to the winter moratorium. All other utilities reported those eligible for termination notwithstanding the winter moratorium.

**No data was available at the public docket for Columbia Water as of January 25, 2021.

RESIDENTIAL UTILITY DEBT AND ARREARS - AS OF NOVEMBER 30, 2020 (REPORTED DECEMBER 15, 2020)

Pennsylvania PUC Docket No. M-2020-3019244 (Note, excludes telecommunication and small water systems)

	2019 - Res. Terms	2019 Res. Arrears	2020 Res. Terms	2020 Res. Arrears	% Increase - Arrears	% Increase - Terms
Valley Energy					0%	0%
Citizens' Electric	192	$ 43,018	188	$ 80,058	86%	-2%
UGI Gas	61,036	$ 25,476,546	66,267	$ 39,093,450	53%	9%
UGI Electric	6,346	$ 4,167,880	6,600	$ 5,808,854	39%	4%
Wellsboro Electric	226	$ 60,249	242	$ 116,826	94%	7%
Columbia	56,733	$ 11,488,055	58,972	$ 21,572,456	88%	4%
NFG	18,156	$ 6,547,949	20,370	$ 11,386,894	74%	12%
PWSA	5,247	$ 4,366,863	10,990	$ 7,475,862	71%	109%
Columbia Water					0%	0%
PPL	100,756	$ 80,877,023	121,898	$ 145,752,568	80%	21%
Aqua	28,320	$ 7,656,279	119,678	$ 5,015,667	-34%	323%
Suez - Bethel	69	$ 7,317	109	$ 17,178	135%	58%
Pa American Water	9,572	$ 22,583,800	35,284	$ 34,071,218	51%	269%
PGW	130,294	$ 42,881,185	149,045	$ 71,164,815	66%	14%
MetEd	20,038	$ 33,001,595	13,308	$ 51,851,652	57%	-34%
Penelec	20,036	$ 36,431,465	11,478	$ 57,705,830	58%	-43%
Penn Power	5,312	$ 9,373,060	3,217	$ 14,080,971	50%	-39%
West Penn Power	23,934	$ 41,774,453	13,448	$ 61,033,324	46%	-44%
PECO	80,193	$ 42,637,014	131,241	$ 122,293,000	187%	64%
Suez	5,104	$ 450,781	8,153	$ 1,563,535	247%	60%
Peoples Gas	993	$ 3,895,073	1,126	$ 2,807,858	-28%	13%
Peoples Natural	6,513	$ 26,897,837	18,898	$ 26,108,550	-3%	190%
Duquesne	95,675	$ 30,412,260	100,419	$ 52,158,307	72%	5%
York Water	2,640	$ 295,425	5,592	$ 1,314,578	345%	112%
Pike Co. Power/Light					0%	0%
Community Utilities	136	$ 29,641	307	$ 177,265	498%	126%
Newtown Water	2279	$ 31,012	2,602	$ 86,453	179%	14%
TOTAL	679800	$ 431,385,780	899,432	$ 732,737,169	70%	32%

RESIDENTIAL UTILITY DEBT AND ARREARS - SEPTEMBER DATA REPORTED ON OCTOBER 15, 2020

Pennsylvania PUC Docket No. M-2020-3019244 (Note, excludes telecommunication and small water systems)

	2019 - Res. Terms	2019 Res. Arrears	2020 Res. Terms	2020 Res. Arrears	% Increase - Arrears	% Increase - Terms
Valley Energy	371	$ 30,661	521	$ 137,337	348%	40%
Citizens' Electri	188	$ 49,141	448	$ 136,925	179%	138%
UGI Gas	65,417	$ 28,553,655	66,770	$ 40,369,851	41%	2%
UGI Electric	6,533	$ 4,351,202	6,486	$ 5,481,165	26%	-1%
Wellsboro Elect	203	$ 69,762	281	$ 164,633	136%	38%
Columbia	62,036	$ 13,429,366	67,820	$ 24,168,037	80%	9%
NFG	20,322	$ 7,405,073	21,497	$ 11,388,311	54%	6%
PWSA	8,354	$ 888,047	12,937	$ 1,261,095	42%	55%
Columbia Wate	481	$ 29,516	563	$ 83,004	181%	17%
PPL	99,268	$ 82,148,557	118,978	$ 136,004,028	66%	20%
Aqua	26,601	$ 3,730,536	28,330	$ 8,297,381	122%	6%
Suez - Bethel	58	$ 5,535	127	$ 19,823	258%	119%
Pa American W	32,430	$ 22,771,615	52,724	$ 31,680,288	39%	63%
PGW	119,563	$ 38,996,782	147,117	$ 76,634,065	97%	23%
MetEd	43,974	$ 34,208,165	46,578	$ 51,025,193	49%	6%
Penelec	44,474	$ 37,432,120	48,275	$ 56,207,197	50%	9%
Penn Power	10,405	$ 9,323,559	11,363	$ 13,741,380	47%	9%
West Penn Pow	47,126	$ 42,014,533	48,712	$ 59,903,494	43%	3%
PECO	90,738	$ 45,901,448	135,171	$ 116,132,994	153%	49%
Suez	7,593	$ 682,438	7,194	$ 1,239,275	82%	-5%
Peoples	22,843	$ 29,432,425	40,565	$ 30,078,968	2%	78%
Duquesne	92,992	$ 30,845,660	102,402	$ 55,956,873	81%	10%
York Water	2,836	$ 315,045	4,891	$ 930,707	195%	72%

TOTAL	804806	$ 432,614,841	969750	$ 721,042,025	67%	20%