PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120

PUBLIC UTILITY SERVICE TERMINATION MORATORIUM

PUBLIC MEETING MARCH 11, 2021
3019244-CMR
DOCKET NO. M-2020-3019244

MOTION OF CHAIRMAN GLADYS BROWN DUTRIEUILLE

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, relying on both the Proclamation and the Commission's authority under the provisions of Section 1501 of the Public Utility Code, I issued an Emergency Order (March 13 Emergency Order) establishing a 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, for the duration of the Proclamation, or until a time otherwise established by the Commission.[1]

On October 13, 2020, the Commission entered an Order modifying the March 13 Emergency Order by initiating Phase 2 of the public utility service termination moratorium (October 13th Order). The October 13th Order continued the termination moratorium for "protected customers" at or below 300% of the federal poverty income guideline (FPIG), under certain conditions, and established protections for certain residential and small business customers. The current termination moratorium and protections established by the October 13th Order expire on March 31, 2021.

I have reviewed the numerous Comments filed in response to the October 13th Order and I thank the stakeholders for their participation in this process. Those Comments, the monthly account data filed by the utilities at this docket, as well as Pennsylvania's COVID-19 and employment statistics guide my belief that it is time to return to the regular collections process as set forth in the Public Utility Code and the Commission's Regulations, with some modifications.

First, I acknowledge that even though Pennsylvania's COVID-19 diagnoses and deaths are decreasing from previous tragic peaks reached in 2020 and January of this year, and vaccinations have begun, the pandemic is not yet over. However, the pandemic's effect on the Commonwealth's unemployment numbers has changed. Unemployment has improved from an astounding 16.1% in April 2020, to 10.3% in August 2020, to 6.7% in January 2021.[2] This downward trajectory bodes well for Pennsylvania's economy if this trend continues but, I am

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[1] March 13, 2020 Emergency Order issued at the instant Docket.
[2] https://www.media.pa.gov/pages/labor-and-industry-details.aspx?newsid=526. February 2021 PA statistics are not yet available but the national unemployment rate for February is 6.2%. https://www.bls.gov/news.release/pdf/empsit.pdf. Pennsylvania's number has historically tracked slightly higher than the national average during the pandemic. https://www.bls.gov/eag/eag.pa.htm

cognizant that even at 6.7%, Pennsylvania's unemployment is over 3 percentage points higher than it was prior to the onset of the pandemic.

While the economic reality is much improved, but not yet optimal, successive stimulus packages by the federal government continue to counter a portion of the negative employment impacts. This past December's federal stimulus package, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021, directed roughly $848 million in funding to Pennsylvania for rent and utility assistance. Of that funding, $278 million has already been allocated to larger counties, which are working to establish funding distribution programs, while approximately $570 million has been directed to all Pennsylvania counties. The Pennsylvania General Assembly has also passed legislation to appropriate the funds and establish a grant program, the Emergency Rental Assistance Program (ERAP), administered by the Pennsylvania Department of Human Services (PA DHS). Additionally, the American Rescue Plan Act (ARPA) of 2021, passed by Congress on March 10, 2021, contains extended unemployment compensation, stimulus checks, monthly payments for families with children, and assistance for low-income water and wastewater customers. The ARPA also makes a significant additional allocation to the Low-Income Home Energy Assistance Program (LIHEAP), which directs approximately $270 million more in home energy grants for low-income payment troubled customers in Pennsylvania. This amount exceeds, and is in addition to, the previous LIHEAP funding allocated to Pennsylvania of which approximately $40 million remains available. Utilities are strongly encouraged to notify their customers of all available funding sources through any available means of communication.

In light of the foregoing, it is now time to return to the regular collections process as set forth in the Public Utility Code and the Commission's Regulations, with some additional protections.

In recognition of the COVID-19 pandemic, the Commission's March 13 Emergency Order, and the accumulation of customer arrearages, it is appropriate for utilities and the Commission to offer extended repayment terms to residential and small business customers. I move to formalize these extended repayment terms under the authority provided by the Governor's Proclamation.

The utility service termination moratorium is lifted and disconnections may commence effective April 1, 2021. The following modifications to existing collection policies shall apply to all electric, natural gas, water, wastewater, telecommunications, and steam utilities subject to the Commission's jurisdiction until December 31, 2021:

1. For residential customers with incomes below 250% of FPL, a utility is required to offer a payment arrangement length of a minimum of 5 years while allowing the customer to agree to or request a shorter payment arrangement and the utility to agree to a longer payment arrangement.

2. For residential customers with incomes between 250% and 300% of FPL, a utility is required to offer a payment arrangement length of a minimum of 2 years while allowing the customer to agree to or request a shorter payment arrangement and the utility to agree to a longer payment arrangement.

3. For residential customers with incomes over 300% of FPL, a utility is required to offer a payment arrangement for a minimum length of 1 year while allowing the customer to agree to or request a shorter payment arrangement and the utility to agree to a longer payment arrangement.

4. For small business customers, a utility is required to offer a payment arrangement for a minimum length of 18 months while allowing the customer to agree to or request a shorter payment arrangement and the utility to agree to a longer payment arrangement.

5. In response to informal and formal complaints filed by December 31, 2021, the Commission may:

    a. Order one payment arrangement consistent with the terms outlined in numbers 1-3 above for a residential customer who is eligible for a new payment arrangement under the Public Utility Code.

    b. Order one payment arrangement consistent with the terms outlined in numbers 1-3 above for a residential customer who has previously defaulted on a Commission payment arrangement, even where 66 Pa. C.S. §1405(d) has not been satisfied. This allowance for one additional payment arrangement is made solely in response to the COVID-19 pandemic and the March 13 Emergency Order.

    c. Order one payment arrangement consistent with the terms outlined in number 4 above for a small business customer.

    Neither residential nor small business customers shall receive more than one Commission payment arrangement with the extended repayment terms outlined in numbers 1-4 above. The terms outlined in numbers 1-3 above shall not apply to payment arrangements ordered under 66 Pa. C.S. §1405(e). For residential customers eligible for both a payment arrangement under 66 Pa. C.S. § 1405(e) and a payment arrangement under the terms outlined in numbers 1-3 above, the Commission should order the payment arrangement most advantageous to the customer.

6. Utilities and the Commission's Bureau of Consumer Services may accept income verification and business status information obtained through flexible means, for example, over-the-phone or via electronic mail, for the purpose of qualifying customers for payment arrangements or universal service programs.

7. The Commission recognizes that compliance with the March 13, 2020 and October 13, 2020 Emergency Orders, and this Motion may increase expenses for utilities. Consistent with our May 13, Secretarial letter, utilities shall continue tracking extraordinary, nonrecurring incremental COVID-19 related expenses and shall maintain detailed accounting records of such expenses. Additionally, the Commission authorizes electric, natural gas, water, wastewater, steam and all rate base/rate of return telecommunications

utilities to create a regulatory asset for any incremental expenses incurred above those embedded in rates resulting from the directives contained in this Motion. To be eligible for inclusion in a utility's COVID-19 designated regulatory asset, the utility must maintain detailed records of the incremental extraordinary, nonrecurring expenses incurred as a result of compliance with the Commission's March 13, 2020 and October 13, 2020 Orders, and the Order resulting from this Motion.

8. In addition to the filing already due on March 15, 2021, utilities shall report the following information to the Commission quarterly for the remaining 3 quarters of 2021. The information shall first be filed by the 15th of July 2021, relevant to the 2nd quarter of 2021, and thereafter, by the 15th of the month following the quarter. The information shall be separated by residential and commercial accounts. This should include CAP and non-CAP low-income accounts, if appropriate. Reporting requirements are as follows:

    a. Total number of accounts at risk of termination at the end of the month and for the same month in 2019 and 2020.
    b. Total aggregate dollars of arrears at the end of the month and for the same month in 2019 and 2020 (both total and by vintage, i.e., 30-60 days, 60-90 days, 90+days).
    c. The number of accounts disconnected for non-payment with dollar amounts owed.

I wish to thank the utilities for efficiently implementing the requirements of our prior pandemic related directives. I especially thank the utilities that have implemented Commission-approved COVID-19 customer protection plans; those plans will remain in effect according to their individual terms.

THEREFORE, I move that:

1. The Commission's Law Bureau shall prepare an Opinion and Order consistent with this Motion.

2. This docket shall be marked closed upon the filing of the last quarterly report required by number 8 above, but no later than January 31, 2022.

MARCH 11, 2021
DATE

GLADYS BROWN DUTRIEUILLE
CHAIRMAN