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|  | **PENNSYLVANIA****PUBLIC UTILITY COMMISSION****Harrisburg, PA 17105-3265** |  |

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|  | Public Meeting held July 15, 2021 |
| Commissioners Present: |  |

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|  Gladys Brown Dutrieuille, Chairman, Statement |
|  David W. Sweet, Vice Chairman |
|  John F. Coleman, Jr. |
|  Ralph V. Yanora |
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| Public Utility Service Termination Moratorium; COVID-19 Cost Tracking and Creation of Regulatory Asset | M-2020-3019244M-2020-3019775 |

**ORDER**

**BY THE COMMISSION:**

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, Chairman Gladys Brown Dutrieuille issued an Emergency Order (March 13 Emergency Order), Docket No. M-2020-3019244, 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. The Commission ratified the March 13 Emergency Order by unanimous vote at its March 26, 2020, Public Meeting.

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 13 Order). The October 13 Order continued the termination moratorium for “protected customers” at or below 300% of the federal poverty income guideline (FPIG), under certain conditions, and established additional protections for certain residential and small business customers. That termination moratorium and customer protections established by the October 13 Order were set to expire on March 31, 2021.

 On March 18, 2021, the Commission issued another Order lifting the utility service termination moratorium and providing that disconnections could commence effective April 1, 2021. Additionally, the Commission ordered certain additional modifications and customer protections to existing collection policies for all electric, natural gas, water, wastewater, telecommunications, and steam utilities subject to the Commission’s jurisdiction *until December 31, 2021.* The Commission authorized extended and additional repayment arrangements under the Proclamation.

 Finally, in the March 18, 2021, Order, the Commission recognized that compliance with the March 13 Emergency Order, the October 13 Order, and that Order, may increase expenses for utilities. Consistent with the May 13, 2020, Secretarial letter at Docket No. M-2020-3019775, the Commission directed that utilities shall continue tracking extraordinary, nonrecurring incremental COVID-19 related expenses and shall maintain detailed accounting records of such expenses. Additionally, the Commission authorized 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 that Order. We noted that 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 Emergency Order, the October 13 Order, and the March 18 Order.

 On June 10, 2021, the Pennsylvania Legislature passed a Concurrent Resolution (HR106) which terminated the Governor’s Proclamation of Disaster Emergency originally declared on March 6, 2020, and as amended and renewed, in response to COVID-19. In a related action, Governor Wolf signed into law HB 854 on June 11, 2021, which provides “temporary regulatory flexibility authority” to “Commonwealth agencies” which issued an Order suspending a regulatory statute prescribing the procedures for conduct of Commonwealth business, or an Order, rule or Regulation which was suspended under the authority of the Governor. Such Orders are extended *until September 30, 2021, unless sooner terminated by the authority initially authorizing them*.

In light of the termination of the Proclamation of Disaster Emergency and the “temporary regulatory flexibility authority” provided in HB 854, the Commission hereby revises the March 18, 2021, Order. Specifically, to conform with the requirements of HB 854, the Commission revises the expiration date of the March 18, 2021, Order from December 31, 2021, to September 30, 2021.

Individual Commission Orders issued pursuant to the October 13, 2020, and March 18, 2021, Orders will have the full force and effect of law and will remain viable, even if they address obligations and actions that extend beyond September 30, 2021.

**PAYMENT ARRANGEMENTS**

# As noted, all payment arrangements for residential customers and small business customers established before September 30, 2021, pursuant to provisions of the October 13, 2020, and March 18, 2021, Orders, shall continue for the duration of the arrangement under the terms and conditions outlined in the March 18, 2021, Order. After September 30, 2021, payment arrangements must adhere to the provisions of the Public Utility Code and Commission regulations.

**Extraordinary Expenses Incurred by Utilities**

 The Commission acknowledged in its March 18, 2021, Order that its COVID-19 related Orders may benefit customers and increase expenses for utilities. Consistent with our May 13, 2020, Secretarial letter at Docket No. M-2020-3019775, the Commission hereby confirms that utilities shall continue tracking extraordinary, nonrecurring incremental COVID-19 related expenses and shall maintain detailed accounting records of such expenses. Additionally, the Commission hereby confirms that electric, natural gas, water, wastewater, steam, and all rate base/rate of return telecommunications utilities are authorized to create a regulatory asset for any incremental expenses incurred above those embedded in rates resulting from the directives contained in this Order. 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 Emergency Order, the October 13 Order, the March 18, 2021, Order and this Order.

**Additional Utility Quarterly Reporting Requirements**

# Pursuant to the March 18, 2021, Order all electric, natural gas, water, wastewater, telecommunications, and steam utilities subject to the Commission’s jurisdiction have been directed to report information to the Commission quarterly concerning accounts at risk of termination, aggregate dollars of arrears and the number of accounts disconnected for non-payment with dollar amounts owed, including CAP and non-CAP low-income accounts. The remaining reports under the March 18, 2021, Order are to be filed with the Commission by the 15th of July 2021, relevant to the 2nd quarter of 2021; by the 15th of October, relevant to the 3rd quarter of 2021; and by the 15th of January, relevant to the 4th quarter of 2021. Pursuant to Section 504 of the Code, 66 Pa. C.S. §504, utilities shall continue to provide the outstanding reports through the fourth quarter of 2021.

**Commission-Approved COVID-19 Protection Plans**

All Commission-approved COVID-19 customer protection plans submitted by utilities before September 30, 2021, shall remain in full force and effect according to their individual terms; **THEREFORE,**

 **IT IS ORDERED:**

1. That the Commission’s March 18, 2021, Order is hereby modified consistent with this Order.

2. That the Law Bureau shall publish a copy of this Order in the
*Pennsylvania Bulletin*.

 3. That this docket shall be marked closed upon the filing of the last quarterly utility report required by this Order, but no later than January 31, 2022.

**BY THE COMMISSION**

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: July 15, 2021

ORDER ENTERED: July 15, 2021