

Prepared Testimony of

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*before the*

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Good afternoon, Chairman Sturla, Representative Schweyer, and other members of the House Democratic Policy Committee.

I am Gladys Brown Dutrieuille, Chairman of the Pennsylvania Public Utility Commission.

On behalf of the Commission, I thank you for the invitation to testify today regarding issues related to service terminations by public utilities. As part of that discussion, I will explore how the COVID-19 pandemic has impacted the Commission, the utilities we regulate, and the consumers and businesses those utilities serve – along with an overview of steps taken by the PUC to enhance safeguards for households and small businesses struggling with the health and financial impacts of this global crisis.

I note that under the ethics rules of *ex parte* communication, I will focus my remarks in a general manner, to avoid prejudging any pending litigated proceedings at the Commission related to this topic.

### **PUC COVID-19 Actions**

To provide background and context for today’s discussion, the Commission acted quickly to issue an Emergency Order ([March 13, 2020 PUC 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.

Following discussion about “next steps” for the termination moratorium at several PUC public meetings during the late-Summer and Fall – along with a period where public comment was encouraged – my colleagues and I acted earlier this month to transition from an absolute moratorium to a less restrictive phase, while still acknowledging that the pandemic and its economic effects have not disappeared. As I stated during that October 8<sup>th</sup> public meeting, the moratorium on all utility service terminations was the right decision for the Commission to make in March, but the moratorium cannot be the sole solution for assisting vulnerable utility customers.

As we progressed to this “second phase” concerning utility service, we enacted a series of holistic solutions intended to offer customers protections and ensure the payment of bills from customers that are able to pay. These most recent PUC consumer safeguards modified the

earlier emergency order suspending all public utility terminations, and will remain in effect no later than March 31, 2021, unless the Governor’s Emergency Proclamation is rescinded before that date or the Commission establishes a different timeframe.

The newly enhanced PUC safeguards are focused on those residential households hardest hit by the economic downturn triggered by COVID-19, along with aid for small businesses, including:

- **No Terminations for “Protected Customers”** – Utilities shall not terminate service for residential customers with incomes within 300% of the Federal Poverty Income Guidelines (FPIG), unless otherwise authorized by the Commission. These “protected customers” must apply for all available assistance programs and must request a payment arrangement from the utility, if appropriate.
- **Special Outreach to Customers At-Risk of Termination** – Utilities must reach out to individual residential and commercial customers whose unpaid balances put them at-risk of termination after the PUC moratorium is lifted, detailing their options for addressing any overdue balances and a general time range for possible termination. This communication must be sent to customers at least 10 days prior to the traditional 10-day termination notice.
- **Payment Arrangements for Small Businesses** – Utilities shall offer a payment arrangement for a period of no less than 18 months to small business customers, as defined by a utility’s tariff. A small business customer who remains current on its payment arrangement and current bill shall not be terminated.
- **Waiver of Connection/Reconnection Fees** – Utilities shall waive all connection, reconnection, and deposit fees for protected customers.
- **No Late Payment Charges** – Late payment charges are waived for protected customers.
- **Additional Medical Certificates** – Two additional medical certificates shall be accepted by utilities for eligible customers who have exhausted the number otherwise available, with an additional seven days for medical professionals to return medical certificates to the utility.

- **Flexible Income Verification** – Utilities and the PUC’s Bureau of Consumer Services can utilize flexible methods to verify customer income for assistance programs, payment plans and qualification as a protected customer – such as over-the-phone or email.

With these enhanced safeguards in place for struggling households and small businesses, the PUC’s emergency moratorium on all other utility terminations will be lifted, effective November 9, 2020.

### **Scope of PUC Jurisdiction**

It is important to note that these newly enhanced PUC safeguards – along with the previous termination moratorium – apply to all electric, natural gas, water, wastewater, telecommunications, and steam utilities subject to the Commission’s jurisdiction.

At times, there can be some confusion regarding that point, especially regarding utility systems that are operated by municipalities, municipal authorities and/or cooperatives (such as rural electric cooperatives). These systems are generally outside the jurisdiction of the PUC, with the notable exception of the Philadelphia Gas Work and the Pittsburgh Water and Sewer Authority – both of which were placed under the Commission’s jurisdiction by the General Assembly.

### **Status of At-Risk Utility Customer Accounts**

Utility customers have been a central focus of the Commission throughout the pandemic, as exhibited by the termination moratorium and other related actions – including this month’s adoption of enhanced safeguards for income-qualified consumers and small businesses.

The most recent data reported to the Commission by regulated utilities for September 2020 details the following regarding the number of customers with arrearages and the total amount of those arrearages, compared to such figures from last year:

**Year over Year Comparison as of September**

	<b>2019 Customers in Arrears</b>	<b>2020 Customers in Arrears</b>	<b>% Change</b>	<b>\$ Owed 2019</b>	<b>\$ Owed 2020</b>	<b>% Change</b>
<b>Residential</b>	860,348	1,009,404	17%	380,911,563	637,837,948	67%
<b>Non-Residential</b>	74,226	89,212	20%	50,475,449	91,153,202	81%

**Additional Opportunities**

As we move forward in this ever-evolving situation, there is no “silver bullet” solution to the evolving health and financial impacts of the COVID-19 pandemic. But, there are additional opportunities to help our residents, businesses and communities move toward recovery.

Beyond the steps that have already been taken, the Commission reaches out annually to public utility leadership across the state as part of the PUC’s “Prepare Now” campaign. That initiative underscores the importance of identifying and assisting consumers struggling with the cost of cold-weather energy bills. As we continue to emphasize, the Commission-required safeguards – including this year’s new protections for income-qualified consumers and small businesses – are a **starting point** for assistance that public utilities can offer. Utilities in Pennsylvania have much more flexibility to make allowances for payment-troubled customers than the PUC does, and we encourage utilities, consumers, businesses, advocacy groups and all other concerned parties to work closely during this unprecedented time.

The Commission is also continuing to gather data and comments about this issue, with an eye toward possible future actions. As part of the motion I offered during the PUC’s public meeting on October 8<sup>th</sup>, utilities have been directed to provide monthly reports detailing the number of active residential and non-residential accounts that are at-risk of termination and/or have been the subject of other actions. And, the PUC staff has requested comments and proposals from interested parties regarding any revisions to the current consumer protections. All of this information will

help guide discussion about “next steps” as the Commission revisits COVID-related protections during the first quarter of 2021.

Additionally, the PUC annually encourages households across the state to take advantage of financial assistance available through LIHEAP – the Low Income Home Energy Assistance Program. LIHEAP is an important tool for helping Pennsylvania families stay warm and safe during the winter, and the PUC has a long history of supporting this important service. The new LIHEAP enrollment season begins on November 1<sup>st</sup>, and we encourage consumers to enroll in LIHEAP, and to explore other assistance programs available from their utilities and various non-profit groups. Combined, these many different resources help hundreds of thousands of households and families across the Commonwealth every year.

And finally – there is an opportunity for the General Assembly to have a notable impact on the economic challenges facing many households and businesses. I noted last month during testimony before the Pennsylvania House Commerce Committee, and in earlier correspondence sent to the General Assembly – the Commission continues to support the utilization of Federal Corona Virus Aid, Relief, and Economic Security Act (CARES) dollars to assist customers in arrears. And, we stand ready as a resource to provide any assistance and information necessary to assist this Committee and the Legislature as it seeks to implement policies that can best aid the Commonwealth’s recovery from this pandemic.

## **Conclusion**

I hope my testimony today has offered some clarity on the PUC’s role and perspective concerning this important topic.

We are committed to working with the Legislature and other stakeholders across the state to ensure that consumers’ interests are safeguarded, and the PUC stands ready as a resource for any further discussions about proposed legislation or other similar initiatives.

I appreciate the opportunity to testify today and would be happy to address any of your questions.