

Pennsylvania Telephone Association

*"The Communications
Leader in Pennsylvania"*

Steven J. Samara
President

August 18, 2020

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Emergency Order at Docket Number M-2020-3019244

Dear Secretary Chiavetta:

The Pennsylvania Telephone Association (PTA) files this letter with the Pennsylvania Public Utility Commission (PUC or Commission) in response to PUC Chairman Brown Dutrielle's correspondence of August 10, 2020 which requested comments from interested parties affected by the service termination moratorium imposed by the Commission's Emergency Order of March 13, 2020.

The PTA represents the interests of Commonwealth rural local exchange carriers (RLECs) and its member companies appreciate the opportunity to offer their perspectives on this critical customer issue.

As a threshold matter, the PTA believes that the Chairman's correspondence accurately frames the discussion by stating that we are indeed in a much different environment than we were when Governor Wolf issued his Proclamation of Disaster Emergency and when the Commission issued its Emergency Order in March. The PTA Member Companies also share the Chairman's concerns regarding the impact of a moratorium which continues too long and puts customers at risk of ultimately losing service due to insurmountable arrearages – a very likely result that ultimately threatens the provision of safe and reliable utility service.

For the reasons stated above and subsequent discussion in these comments, the PTA believes that the service moratorium should be immediately lifted.

Customer Treatment

The PTA responded to an inquiry from the Chairman's office shortly after the COVID-19 pandemic started and indicated the following:

- Several PTA Member Companies have signed onto the FCC's Keep Americans Connected pledge (and the extension) and none of the other RLECs are terminating service if a customer refuses (or is unable) to indicate that their inability to pay is a direct result of COVID.

- We are unaware of any circumstances under which a suspension would be allowable under the Commission's Emergency Order and, to the best of our knowledge, suspensions of this type have not occurred.
- The PTA Member Companies have implemented stringent safety protocols for all their employees, most notably for purposes of this response letter, for those employees who have some physical contact with and proximity to customers for installation/repair service etc.

To the best of PTA's knowledge, these statements are as accurate today as they were when filed several months ago.

It bears mentioning that, regardless of the pandemic, as carriers of last resort the PTA Member Companies are accustomed to making every effort to keep customers connected and have exercised that level of commitment in working with individuals via payment plans and other means to ensure that no one needlessly drops off the network.

Company Impacts

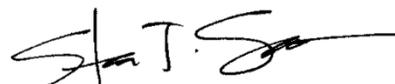
Since the PTA Member companies are no longer rate-of return regulated like other utilities affected by the Emergency Order, it is unclear whether any of the arrearages accumulating during the pendency of the order are recoverable in the event the arrearages become insurmountable to the customer and ultimately uncollectible by the company.

Under Chapter 30, the RLECs are operating under either a price-cap mechanism or a Simplified Ratemaking Plan, both of which include rate increase limitations as customer safeguards. Neither form specifically addresses the scenario which these companies now face as a result of the Commission's Emergency Order.

Even if allowed some recovery mechanism, Pennsylvania's RLECs operate in a highly competitive environment which may preclude recouping any of this lost revenue. What is clear however, is that the need for the Commission's moratorium at this point is outweighed by the potential harms created by continuing the Emergency Order status quo.

As always, the PTA appreciates the opportunity to provide our perspectives to the Commission and stands ready to work cooperatively on this important matter.

Sincerely,



Steven J. Samara, President
Pennsylvania Telephone Association