STATE OF VERMONT PUBLIC UTILITY COMMISSION

Case No. 20-0703-PET

Vermont Legal Aid request for moratorium on	
utility and telecommunications shutoffs during	
State of Emergency	

Order entered: 07/30/2020

ORDER EXTENDING TEMPORARY MORATORIUM OF INVOLUNTARY UTILITY DISCONNECTIONS

I. Introduction

This proceeding concerns a petition from Vermont Legal Aid to the Vermont Public Utility Commission ("Commission") requesting the temporary halt of involuntary utility disconnections during the current state of emergency in Vermont because of the COVID-19 pandemic. In earlier orders, the Commission granted Vermont Legal Aid's request and put in place a temporary disconnection moratorium. Under those previous orders, the temporary moratorium is set to expire on July 31, 2020.

On July 22, 2020, in response to a request from the Vermont Department of Public Service ("Department") to extend the moratorium until September 30, 2020, the Commission sought comments from entities interested in this proceeding. We also directed that "[a]ny entity wishing to object to our decision, request a hearing in this matter, or seek further process in this case do so at their earliest convenience." No parties raised formal objections, requested a hearing, or sought further process, but many filed comments.

In today's Order, after considering the comments we received and examining the ongoing COVID-19 impacts on Vermont, we extend the temporary moratorium until September 30, 2020.

II. COMMENTS

The Commission received many comments from interested entities. Some were in favor of extending the moratorium and others were not.

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¹ Order of 7/22/20, at 1.

Comments in Support of the Extension

Vermont Gas Systems ("VGS"),² Green Mountain Power Corporation,³ Washington Electric Cooperative ("WEC"),⁴ Vermont Legal Aid,⁵ Burlington Electric Department ("BED"),⁶ Stowe Electric Department ("SED"),⁷ and Vermont Electric Cooperative, Inc. ("VEC")⁸ filed comments supporting an extension of the temporary moratorium on disconnections.

VGS, ⁹ GMP, ¹⁰ and Vermont Legal Aid ¹¹ all support the Department's request to extend the temporary moratorium until September 30, 2020. Vermont Legal Aid notes that the pandemic has impacted many vulnerable Vermonters and that the temporary moratorium "has provided an important health and safety protection during this period of uncertainty, which will continue to exist well after July 31, 2020."¹²

WEC filed comments stating that the current state of emergency in Vermont already has been extended until August 15, 2020, and WEC supports extending the moratorium to that date. Further, WEC expects that the Governor will extend the state of emergency beyond August 15, 2020, and supports extending the Commission's disconnection moratorium end date so that it is concurrent with the end date of the state of emergency, should the Governor extend it. 13

BED filed comments in response to the Department's request, stating:

BED supports the proposed extension of the moratorium on involuntary utility service disconnections until September 30, 2020. For BED's planning purposes, if the [Commission] approves the proposed extension, we request that the [Department] be asked to provide guidance to the utilities on how it will determine

² Letter from Eileen Simollardes, Vice President Regulatory Affairs, to Judith C. Whitney, Clerk of the Commission, filed on 7/22/20.

³ Letter from Carolyn Browne Anderson, Esq., to Judith C. Whitney, Clerk of the Commission, filed on 7/23/20.

⁴ Letter from Ronald A Shems, Esq., to Judith C. Whitney, Clerk of the Commission, filed on 7/27/20.

⁵ Letter from W. David Koeninger, Deputy Director, to Judith C. Whitney, Clerk of the Commission, filed on 7/27/20.

⁶ Letter from Amber Widmayer, Regulatory Specialist, to Judith C. Whitney, Clerk of the Commission, filed on 7/27/20.

⁷ Letter from Michael Lazorchak, Manager of Regulatory Compliance, to Judith C. Whitney, Clerk of the Commission, filed on 7/27/20.

⁸ Letter from Victoria J. Brown, General Counsel, to Judith C. Whitney, Clerk of the Commission, filed on 7/27/20.

⁹ Simollardes Letter at 1.

¹⁰ Browne Anderson Letter at 1.

¹¹ Koeninger at 1.

¹² *Id.* at 1.

¹³ Shems Letter at 1.

the need to request further extensions of the moratorium, or alternately, how it will determine that the moratorium should be lifted [at a later date]. 14

SED comments that it "does not object to extending the moratorium on involuntary disconnections to September 30, 2020." SED also states that "extending the moratorium beyond September 30th, 2020, will make it difficult to structure repayment plans with those ratepayers with arrearages."

VEC comments that it "does not object to the extension of the moratorium on involuntary service disconnections through the end of September 2020, but VEC will be hesitant to support future extensions." ¹⁷

Comments Opposing the Extension

Vermont Public Power Supply Authority ("VPPSA"), ¹⁸ the eight Vermont rural local exchange carriers ("Eight RLECs"), ¹⁹ the Village of Hyde Park Electric ("HPE"), ²⁰ and Consolidated Communications of Vermont Company, LLC and Consolidated Communications of Northland Company, both doing business as Consolidated Communications ("Consolidated")²¹ all oppose the Department's request. These utilities seek an end to the temporary moratorium on July 31, 2020, at least as applied to their companies.

VPPSA opposes the Commission granting a blanket extension of the disconnect moratorium through September 30, 2020. Instead, VPPSA recommends that the Commission lift the moratorium and direct utilities to begin implementing the provisions of the utilities' postmoratorium disconnection plans.²² VPPSA makes this recommendation because "VPPSA and

¹⁴ Widmayer Letter at 1.

¹⁵ Lazorchak Letter at 2.

¹⁶ *Id*.

¹⁷ Brown Letter at 1.

¹⁸ Letter from Melissa Bailey, Manager of Government and Member Relations, to Judith C. Whitney, Clerk of the Commission, filed on 7/27/20.

¹⁹ Letter from Paul J. Phillips, Esq., to Judith C. Whitney, Clerk of the Commission, filed on 7/27/20. The Eight RLECS are comprised of Franklin Telephone Company, Inc.; Ludlow Telephone Company doing business as TDS Telecom; Northfield Telephone Company doing business as TDS Telecom; Perkinsville Telephone Company, Inc. doing business as TDS Telecom; Shoreham Telephone LLC doing business as Otelco; Topsham Telephone Company, Inc.; Vermont Telephone Company, Inc. doing business as VTel; and Waitsfield-Fayston Telephone Company, Inc. doing business as Waitsfield Telecom, doing business as Champlain Valley Telecom.

²⁰ Letter from Carol Robertson, General Manager, to Judith C. Whitney, Clerk of the Commission, filed on 7/27/20.

²¹ Letter from Jeffrey B. Austin, Director – Government Relations, to Judith C. Whitney, Clerk of the Commission, filed on 7/27/20.

²² Bailey Letter at 1.

its members are concerned that arrearage levels are reaching the point that the customers will not be able to recover financially."²³

The Eight RLECs oppose the Department's request on two bases. First, the Eight RLECs argue that the Department's request lacks a factual basis in violation of Vermont Rule of Civil Procedure 7(b)(1), which is made applicable to Commission proceedings by Commission Rule 2.103.²⁴ Second, the Eight RLECs contend that extending the moratorium will cause customer confusion and damage the RLECs' business reputations because the Eight RLECs already have begun reaching out to customers with arrearages to work with them on establishing payment agreements to avoid disconnections after July 31, 2020.²⁵

HPE states that it does not object to the continuance of the temporary moratorium on disconnections for those utilities receiving federal aid, but "requests that the disconnection moratorium end for utilities who do not receive federal pandemic relief funds." HPE voices its concern that the continuation of the disconnection moratorium is not in the long-term best interest of its customers. According to HPE, if arrearages continue to build up and the payment burden becomes insurmountable for HPE customers, then those customers will eventually still experience disconnection and the resulting debt will fall on the utility and its customers. ²⁷

Consolidated states that it "continues to support the Commission's efforts to ensure ongoing essential services to Vermonters experiencing financial hardships related to the COVID-19 pandemic." However, Consolidated claims that extending the moratorium will make it harder to collect past due balances once the moratorium is lifted. Consolidated is concerned that the resulting delay in cash flow from the growing arrearage amounts has the potential to interfere with Consolidated's ability to fund operations and invest in infrastructure buildouts and improvements, including internet services for unserved areas. As such, Consolidated encourages the Commission to deny the Department's request and allow the moratorium to expire.

²³ Bailey Letter at 1.

²⁴ Phillips Letter at 1 and 2-4.

²⁵ *Id.* at 1 and 4-6.

²⁶ Robertson Letter at 1.

²⁷ *Id*.

²⁸ Austin Letter at 1.

²⁹ Id.

³⁰ Austin Letter at 1-2.

III. DISCUSSION & ORDER

After considering the comments we received (most of which supported or did not oppose the Department's request) and examining the current situation regarding COVID-19 in Vermont, we extend the existing temporary disconnection moratorium until September 30, 2020.

Extending the moratorium will give the Department time to implement a program for disbursing the \$8 million that it recently received from the Vermont General Assembly to address the impacts of COVID-19 on ratepayers. On July 10, 2020, the Department filed with the Commission a letter informing us that "[t]he Department will receive an appropriation from the Vermont General Assembly of \$8,000,000.00 to minimize the financial hardship caused by the COVID-19 pandemic and mitigate the potential for utility rate increases." Given the importance of these funds to utilities and customers, we believe that the Department needs time to produce a successful program, and that the success of that program will alleviate many of the concerns raised by those utilities that oppose an extension of the temporary moratorium on disconnections.

We further observe that the Department, utilities, and others continue to search for more funding for utilities and their customers. These entities are looking to the Federal government, the State, and other places for assistance to offset the impact of the pandemic. It makes sense, for this short extension, to see if these worthwhile efforts bear fruit.

Regarding VPPSA's concerns, we recognize that VPPSA represents eleven municipal utilities in Vermont, and we understand that these utilities tend to have some of the most financially challenged customers in the state. We agree with VPPSA that some of its utilities' customers may not be able to recover financially to the point where they can pay back all of the arrearages that have built up during the pandemic. However, despite VPPSA's concerns, we find it in the public good to extend the temporary disconnection moratorium until September 30, 2020. The Department recently obtained an \$8 million appropriation from the Vermont General Assembly to "minimize the financial hardship caused by the COVID-19 pandemic and mitigate the potential for utility rate increases." While it is currently unclear how the \$8 million will be distributed, or whether it will be enough to mitigate COVID-19 impacts on customers, we have

³¹ Letter from James Porter, Esq., Director for Public Advocacy, to Judith C. Whitney, Clerk of the Commission, filed on 7/10/20, citing H. 966, Sec. 20, citing H.966, Sec. 20.

³² Porter Letter at 1.

decided to extend the moratorium to allow time until it becomes clear what impact the \$8 million will have on utilities and customers and whether the Department seeks and receives additional funds.

The Eight RLECs also object to the Department's request. Regarding the allegation that the Department does not have a factual basis for its request, we disagree. It is a matter of public record that the Department just obtained an \$8 million appropriation to help utilities and customers. Providing the Department with time to plan for and disburse these funds is in the public good. Further, we do not believe that consumers will be unduly confused by our decision to extend the moratorium. On the contrary, extending the moratorium will give utilities more time to work with customers and help them receive assistance from the Department to pay for arrearages. Finally, we do not believe the Eight RLECs' reputations will suffer from extending the moratorium. It seems unlikely that customers receiving more time to pay off their arrearages will be upset with their utility company.

Regarding HPE's concerns about insurmountable payment burdens, we think this concern is premature for the same reasons noted above in our analysis of VPPSA's comments. We conclude that the Department should have more time to carefully craft a plan for the disbursement of the \$8 million fund to alleviate the financial concerns raised by utilities like HPE.

Finally, regarding Consolidated's arguments, we are not convinced that arrearages will reach a critical level if we extend the moratorium for a brief time while the Department crafts a plan for the distribution of the \$8 million fund. Further, we are not convinced that a short extension of the moratorium will have a serious or long-term effect on Consolidated's ability to invest in infrastructure buildouts and improvements.

For all the reasons stated above and in previous orders, we grant the Department's request. The temporary disconnection moratorium is extended until September 30, 2020.

SO ORDERED.

Dated at Montpelier, Vermont, this	30th day of July, 20)20
	9/1/in	
	Anthony Z. Roisman	PUBLIC UTILITY
ra) Margaret Cheney	Commission
	Sarah Hofmanr)	OF VERMONT

OFFICE OF THE CLERK

Attest:

Filed: July 30, 2020

Clark of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made (e-mail address: puc.clerk@vermont.gov).

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