ITEM NO. RA1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
SPECIAL PUBLIC MEETING DATE: February 23, 2021

REGULAR __X__ **CONSENT** ____ **EFFECTIVE DATE** ____N/A____

DATE: February 15, 2020

TO: Public Utility Commission

FROM: Michael Dougherty

THROUGH: Bryan Conway

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 2114)
Investigation into the Effects of the COVID-19 Pandemic on Utility Customers.

STAFF RECOMMENDATION:

The Public Utility Commission of Oregon (Commission or PUC) should:

1. Pursuant to the terms of the November 3, 2020, UM 2114 Stipulated Agreement, extend the April 1, 2021, date on which the energy utilities may resume providing a 15-day disconnection notice for residential customers before disconnection to June 15, 2021. And direct Staff to report back to the Commission at the June 15, 2021, public meeting regarding the moratorium and whether additional changes should be considered.

2. Require each energy utility that is a party to the UM 2114 Stipulated Agreement and has an arrearage management program approved by the Commission to file monthly Arrearage Management Program status reports, with the first report due starting March 20, 2021 for the previous month, and the last report due October 20, 2021; and to file quarterly Arrearage Management Program status reports starting January 20, 2022 through January 20, 2023, for the previous quarter. Monthly and Quarterly Status Reports shall include, at minimum: number of recipients per option, total funds expended, total funds available, funds expended per option, and average customer payments per option.

3. Require PacifiCorp to file a status report on its Deferred Payment Plan (DPP) on July 20, 2021 and October 20, 2021, including, at minimum: the number of both residential and small commercial customers enrolled, the average length of

DPPs, and the number/percentage of DPPs for which the terms have been breached by a customer.

4. Direct Staff to report to the Commission at the November 16, 2021, Public Meeting, the status of Arrearage Management Programs, status of Deferred Payment Plans, status of all terms in the Stipulated Agreement, status of customer eligibility agreements, and status of all workshops outlined in paragraphs 27 through 34 of the UM 2114 Stipulated Agreement.

ALTERNATE STAFF RECOMMENDATION TO RECOMMENDATION #1:

1. Pursuant to the terms of the November 3, 2020, UM 2114 Stipulated Agreement, take no action to extend the April 1, 2021, date on which the energy utilities may resume providing a 15-day disconnection notice for residential customers before disconnection.

DISCUSSION:

<u>Issues</u>

Whether the Commission should:

1. Pursuant to the terms of the November 3, 2020, UM 2114 Stipulated Agreement, extend the April 1, 2021, date on which the energy utilities may resume providing a 15-day disconnection notice for residential customers before disconnection to June 15, 2021. And direct Staff to report back to the Commission at the June 15, 2021, public meeting regarding the moratorium and whether additional changes should be considered.

2. Require energy utilities to file monthly Arrearage Management Programs status reports starting March 20, 2021 through October 20, 2021, for the previous month; and quarterly status reports starting January 20, 2022 through January 20, 2023, for the previous quarter.

3. Require PacifiCorp to report on its Deferred Payment Plan on July 20, 2021, and October 20, 2021.

4. Require Staff to report to the Commission at the November 16, 2021, Public Meeting, the status of Arrearage Management Programs, Deferred Payment

Plans, Customer Eligibility progress, status of all terms in the UM 2114 Stipulated Agreement, and status of all workshops outlined in paragraphs 27 through 34 of the UM 2114 Stipulated Agreement.

Applicable Law

ORS 756.040 describes the general powers and duties of the Commission in supervising and regulating public utilities and telecommunications utilities, which include representing the customers of any public utility or telecommunications utility and the public generally in all controversies respecting rates, valuations, service, and all matters of which the commission has jurisdiction. The Commission's regulatory authority is further specified in ORS Chapters 756, 757, and 759, as relevant here. Under ORS 756.090, a utility must keep and maintain records as required by the Commission. The Commission may require a utility to furnish information to carry into effect the provisions of ORS chapters 756, 757, 758, and 759, per ORS 756.105. The Commission has adopted administrative rules relevant to the matters discussed herein in OAR Chapter 860, Divisions 21, 34, and 36.

On March 8, 2020, Governor Brown declared a statewide state of emergency due to the public health threat posed by the novel infectious coronavirus, COVID-19.[1] Several extensions of that order have been issued, and the state of emergency is currently extended to March 3, 2020.[2] In a related executive order, the Governor explains that COVID-19 is a global pandemic that is causing a significant economic downturn in Oregon, imposing sustained economic hardship on many Oregonians in the form of lost wages and an inability to pay basic household expenses.[3] Oregonians were directed to stay home to the greatest extent possible and a number of government offices and retail businesses were closed.[4] Phased re-opening has begun but is not complete, and the restrictions may be re-imposed based on risk-level metrics.[5]

At its public meeting on November 3, 2020, the Commission approved the UM 2114 Stipulated Agreement. See Order No. 20-401.

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[1] EO 20-03 (March 8, 2020).
[2] EO 20-24 (May 1, 2020); EO 20-30 (June 30, 2020); EO 20-38 (September 1, 2020); EO 20-67 (December 17, 2020).
[3] See EO 20-11 (March 22, 2020).
[4] EO 20-12 (March 23, 2020).
[5] See EO 20-66 (December 2, 2020).

Analysis

Background
On June 9, 2020, the Commission conducted a Special Public Meeting on the topic of "*Impact to Utility Customers during the COVID-19 Pandemic and Future Economic Recovery."* During this public meeting, the Commission heard from investor-owned energy, water, and telecommunications utilities, as well as customer groups and other stakeholders, on the impacts of the COVID-19 pandemic, including actions taken by utilities and additional actions needed to protect customers during this pandemic.

Prior to the meeting, investor-owned energy utilities had already taken voluntary actions to suspend disconnections of residential and non-residential accounts, stop sending late and final notices, stop assessing late fees, offer more and flexible payment arrangements, and other actions to assist customers impacted by COVID-19.

On September 24, 2020, the Commission authorized Staff and the affected energy utilities and stakeholders to execute three stipulations, incorporating the three term sheets (Energy, Water, and Telecommunications) that were developed during the Commission's investigation into the Effects of the COVID-19 Pandemic on Utility Customers.

During the timeframe between September 24, 2020 and October 23, 2020, Parties refined the Energy Term Sheet and developed a Stipulated Agreement on terms and conditions to assist customers and utilities during the current COVID-19 pandemic and the aftermath of the pandemic. At its public meeting on November 3, 2020, the Commission approved the UM 2114 Stipulated Agreement. Order No. 20-401 approving the Stipulated Agreement was issued on November 5, 2020.

Parties include (though are not limited to): Clackamas County Social Services, Community Action Partnership of Oregon (CAPO), Community Action Agency of Washington County, Community Energy Project (CEP), Multnomah County Office of Sustainability, Northwest Energy Coalition (NWEC), Oregon Citizens' Utility Board (CUB), Verde, and Small Business Utility Advocates (SBUA).

Stipulated Agreement
Major features of the Stipulated Agreement that are being addressed in this memo include the residential disconnection moratorium, Arrearage Management Plans, Time Payment Arrangements, Deferred Payment Plans, Low-Income Customer Eligibility, and current and future workshops and actions.

Residential Disconnection Moratorium
Paragraph 4 of the UM 2114 Stipulated Agreement states, in part:

> For residential customers, the Utilities may resume the 15-day disconnection notice (in accordance with OAR 860-021-0405) on April 1, 2021. The Commission will have ongoing oversight to determine whether to extend the April 1, 2021 date to a later date based on ongoing economic and pandemic conditions.[6]

Paragraph 4 also states:

> Once a Utility resumes disconnections as authorized under this paragraph, a Utility may disconnect a customer for non-payment only after the following has occurred:
>
> a. The Utility has provided notice to the customer subject to disconnection as provided in paragraph 3.
> b. The Utility has provided notice to the customer subject to disconnection as specified in applicable regulations and the Utility's tariff;
> c. The Utility has made a good faith effort to contact the customer to inform the customer of flexible payment options, financial assistance programs, and any other means to avoid disconnection. These efforts must be documented by the Utility; and
> d. The requisite period of time specified in the Utility's tariff for the customer to enter into an arrangement to avoid disconnection has passed.

As a result, unless the Commission chooses to extend the April 1, 2021 date, 15-day disconnection notices (in accordance with OAR 860-021-0405) can be sent on April 1, 2021, resulting in disconnections as early as mid to late April 2021.[7]

Additionally, prior to sending disconnect notices on April 1, 2021, Paragraph 3 of the Stipulated Agreement states:

> [E]ach Utility must notify its customers with past due balances at least 30 days before issuing a 15-day notice of disconnection of: 1) the resumption

[6] UM 2114, Order No. 20-401, Appendix A at 13.
[7] Paragraph 4 of the Stipulated Agreement allowed utilities to start disconnecting commercial customers on December 1, 2021.

of utility service disconnections and late fees, and 2) all 12 flexible payment options that are available to avoid disconnection.[8]

Based on the April 1, 2021, date to send late notices, the 30-day requirement must be met by March 2, 2021.

Because Oregon is still in the COVID-19 pandemic situation, Staff recommends that the Commission move the 15-day disconnection notice (in accordance with OAR 860-021-0405) beginning on the agreed upon date of April 1, 2021, to June 15, 2021, to prevent disconnections from occurring prior to July 1, 2021. Staff makes this recommendation based on review of:

- Stakeholder Input
- Arrearages (through November 2020)
- Arrearage Management Plans (AMPs)
- Increased Low-Income Energy Assistance
- Extended Time Payment Arrangements (TPAs)
- Economic measures
    - Unemployment numbers / trends National and Oregon)
    - Federal stimulus (enhanced Unemployment Insurance benefits/ Stimulus payments)
- Pandemic/Vaccine update
- Other actions on moratoriums and disconnections
- Historical data on disconnections
- 2021-2022 Heating Season
- 2021 Legislation

Staff's recommendation would still allow the utilities to proactively engage customers with communications and notices outlined in Paragraph 3 of the UM 2114 Stipulated Agreement, but prevent any disconnections from occurring prior to July 1, 2021.

Staff's recommendation would also allow a period of time to observe the effects of utilities' arrearage management plans and extended time payment arrangements. With this information in hand, Staff would report back to the Commission at the June 15, 2021, Public Meeting public meeting regarding the moratorium and whether changes should be considered.

[8] UM 2114 Stipulated Agreement, Order No. 20-401, Appendix A at 12.

Stakeholder Input
Although Staff is concerned about the growing amount of average arrears as highlighted in the below summary table:

Table 7 – Average Arrears Summary

	31+	61+	91+
October	$68.67	$144.83	$480.31
November	$69.48	$135.37	$497.52
December	$208.68	$296.61	$718.54

Numerous stakeholders expressed their apprehensions about ending the moratorium on April 1, 2020. Stakeholders noted that:

- California extended its Moratorium until June 30, 2021.
- Schools are still being conducted virtually and that access to electricity is important to success of students during the pandemic.
- The pandemic is still in force and although vaccinations have increased, Black, Indigenous, and People of Color (BIPOC) populations are currently underrepresented in receiving vaccinations.
- Many low-income, social, and environmental justice organizations need additional time to perform outreach to utility customers who are not responding to utilities calls and contacts.

As a result, Staff proposes the primary recommendation of:

> Pursuant to the terms of the November 3, 2020, UM 2114 Stipulated Agreement, extend the April 1, 2021, date on which the energy utilities may resume providing a 15-day disconnection notice for residential customers before disconnection to June 15, 2021. And direct Staff to report back to the Commission at the June 15, 2021, public meeting regarding the moratorium and whether additional changes should be considered.

This recommendation would maintain Paragraph 3 of the Stipulated Agreement, which would allow utilities to actively engage customers, but prevent any disconnections from occurring until at least July 1, 2021.

This recommendation would also align Oregon with California, allow students to complete the current school year without loss of power, and allow low-income, social and environmental justice organizations to fulfill their commitment to become more involved in reaching out to customers.

Should the Commission extend the moratorium on disconnections, this will allow Staff and stakeholders to gather information on customer participation in utility arrearage management programs (AMPs) and extended Time Payment Arrangements (TPAs) and assess AMPs and extended TPAs' effectiveness at reducing large balances and delinquent accounts.

If the Commission adopts this recommendation, it should direct Staff to report back to the Commission at the June 15, 2021, public meeting regarding the moratorium and whether changes should be considered. Staff will arrange for a workshop with utilities and stakeholders prior to the public meeting to properly inform the Commission during the June 15 public meeting.

Although Staff recommends not sending 15-disconnection notices until June 15, 2021, certain stakeholders also mentioned that the moratorium should be extended until such time that the State of Emergency is allowed to expire or as long as a year. However, there was no discussions on how these customers would be able to pay back an incredible level of debt with the exception of the debt being a utility shareholder cost.

Arrearages
The following graphs show the changes in energy utility customer arrearages from January 2020 to November 2020:

Figure 1 – Total Residential Customers in Arrears

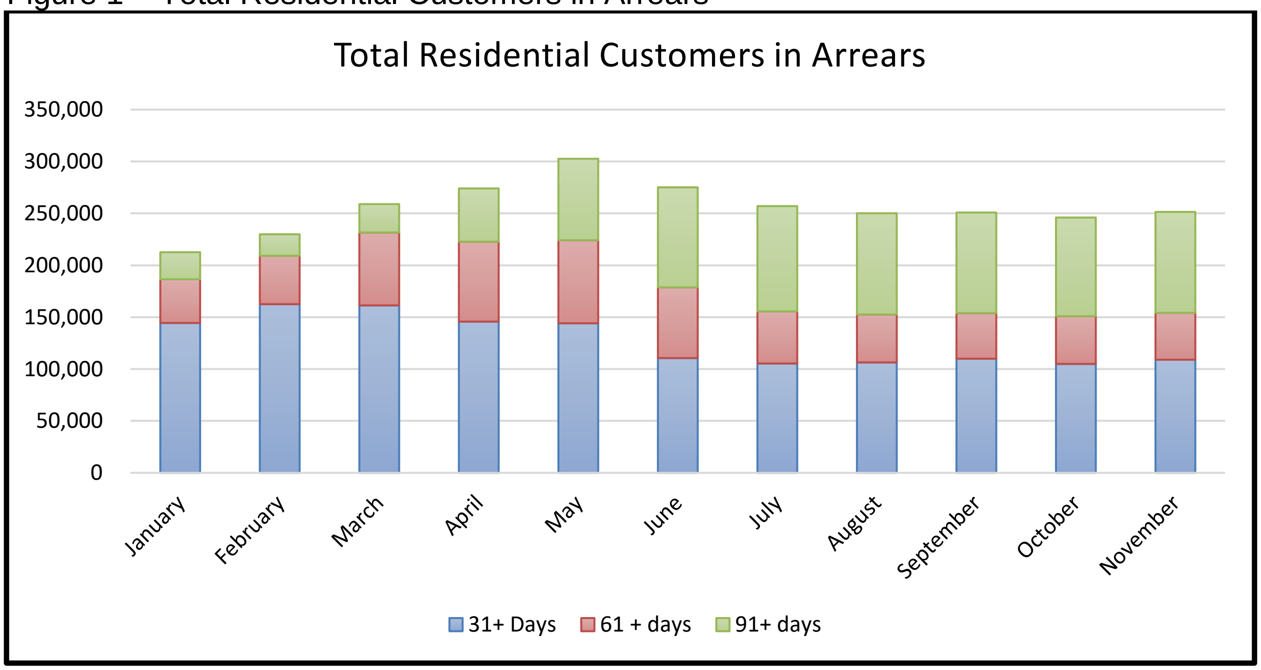


Figure 2 – Total Residential Arrears

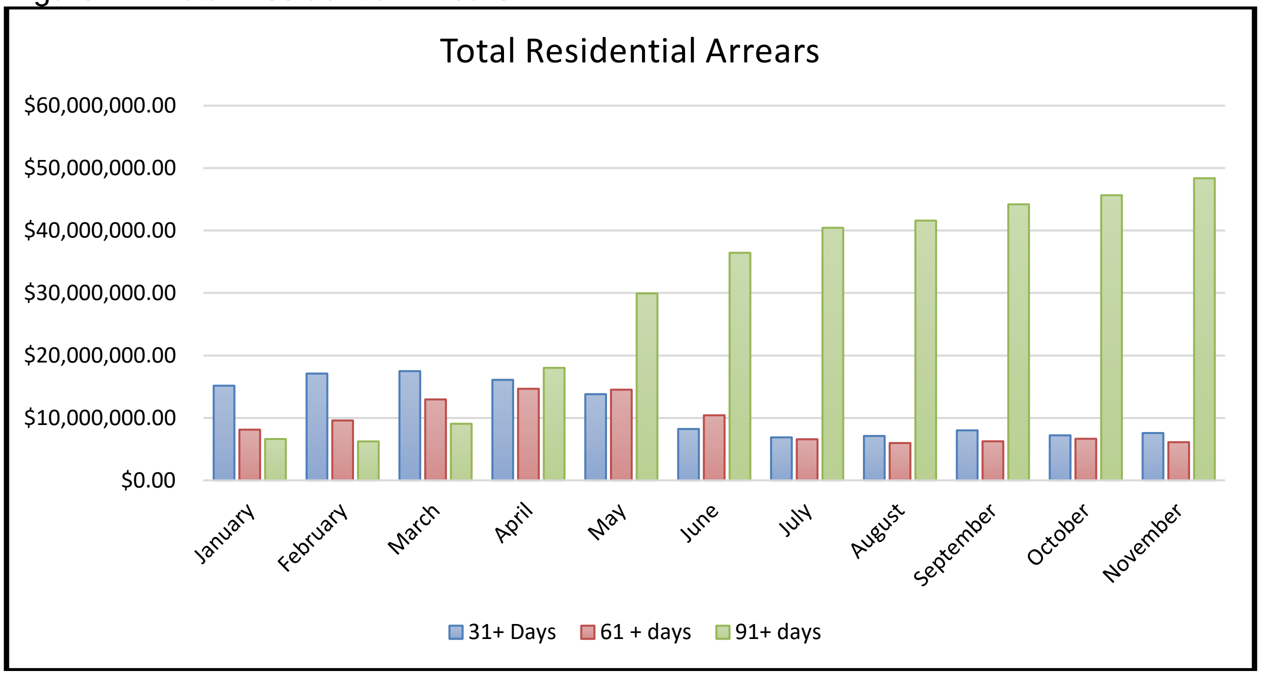
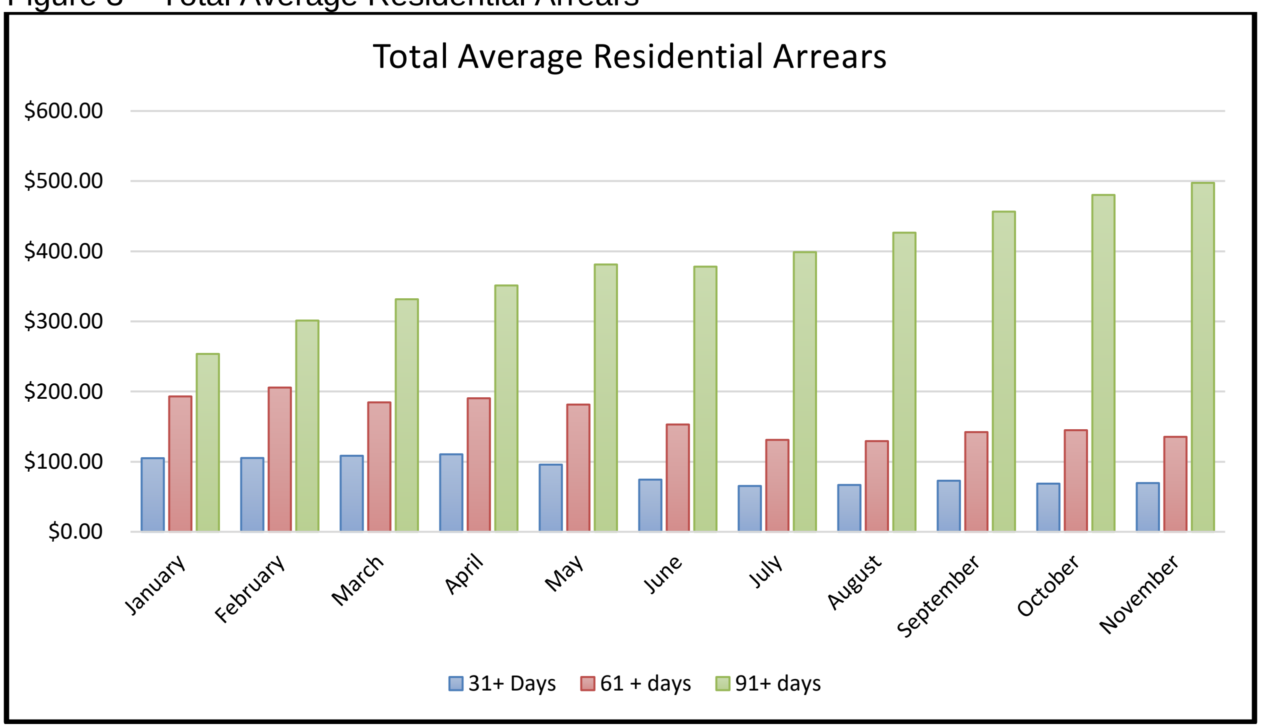


Figure 3 – Total Average Residential Arrears



Data points include:[9]

31+ Day Segment

- Customers in Arrears – Decreased by 35,435 to 109,030 (-24.53%)
- Residential Arrears – Decreased by $7,580,417 to $7,575,200 (-50.02%)
- Average Residential Arrears – Decreased by $35.43 to $69.48 (-33.77%)

61+ Day Segment

- Customers in Arrears – Increased by 3,098 to 45,153 (7.37%)
- Residential Arrears – Decreased by 2,003,927 to $6,112,566 (-24.69%)
- Average Residential Arrears – Decreased by $57.62 to $135.37 (-29.86%)

91+ Day Segment

- Customers in Arrears – Increased by 71,152 to 97,248 (272.65%)
- Residential Arrears – Increased by $41,764,327 to $48,382,868 (631.02%)
- Average Residential Arrears – Increased by $243.90 to $497.52 (96.17%)

The key take-away for Staff from this data is that the 91+ Day Segment has increased tremendously and has placed approximately 97,000 customers in an unsound financial situation. These customers need help in engaging with utilities, low-income, social and environmental justice organizations, and community action agencies. By allowing these groups to proactively reach out to customers as early as possible, this may allow customers sufficient time in requesting low-income assistance, entering in extended Time Payment Arrangements, and utilizing arrearage management plans (AMPs) offered by the utilities.

The energy utilities are in the process of submitting AMPs, as further described below.

A caution of delaying the moratorium past April will reduce the ratio of available AMP funds to the total arrears. AMP funding is limited to initial one-time funding amount of at least one percent of 2019 Oregon retail revenues (approximately $39 million). Staff, stakeholders, and utilities are aware of this fact, but stakeholders believe the extra time would help those most affected by COVID-19. The following table highlights the change in fund ratio from July 2021 to December 2021:

[9] Staff is still going through December data as there may be double counts.

Table 1 – AMP Funds to Arrears Ratio (in millions)

Month (2020)	**AMP Funds**	**Arrearage**	**AMP Ratio**
July	$39	$53.9	72%
August	$39	$54.7	71%
September	$39	$58.5	67%
October	$39	$59.5	66%
November	$39	$62.1	63%
December[10]	$39	$70.4	56%

As can be seen from the above table, arrearages will most likely increase over the upcoming months, which will result in a decrease of AMP fund effectiveness to meet the needs of all customers in arrears to become current in their bills. The extension of preventing disconnects until July 1, 2021, would effectively add two months of continued arrearages as under an April, 2021 date of notice (Paragraph 4), most disconnections would not occur to late April, early May.

Arrearage Management Plans

The UM 2114 Stipulated Agreement, Paragraph 18 states:

> Each Utility, prior to resuming disconnections, will establish a program to identify and manage residential customer arrearages associated with the pandemic to prevent bad debt accumulating on utility accounts. The program may identify and waive residential arrearages at an initial one-time funding amount of at least 1 percent of each utility's 2019 Oregon retail revenues (approximately a $39 million combined total for all utilities), not to be increased without prior Commission approval.

All utilities have filed or are in the process of filing arrearage management plans that, if approved by the Commission, will be available to customers no later than April 1, 2021. Currently, the approximate $39 million set aside for bad debt covers about 56 percent of total customer arrearages as of December 31, 2020. Given that many utility plans include customer payment matching programs and customer caps to grants, it is hopeful that the available funds will be sufficient to manage existing arrears, as long as the arrears do not grow to an unmanageable amount. These funds are in addition to any low-income assistance programs (LIHEAP, OEAP, OLGA, LIRAP, and OLIBA)[11] that certain eligible customers will be able to obtain through the community action agencies/ counties.

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[10] Does not contain PAC's December figures.

[11] Low Income Home Energy Assistance Program (federal), Oregon Energy Assistance Program (PacifiCorp and PGE), Oregon Low-Income Gas Assistance (NW Natural), Low Income Rate Assistance Program (Avista), and Oregon Low Income Bill Assistance (Cascade).

To Staff's knowledge, this will be the first time that the utilities are operating a large scale bill assistance program particularly one that is not-exclusively available to low-income customers. The goal of examining these programs is to strike an appropriate balance between providing relief to a broad range of customers, all of whom are in unique circumstances of need, and prioritizing those who are burdened by the greatest amount of debt and are at the highest risk of disconnection, increasing the likelihood of accrued bad debt.

The following are highlights of each utilities' plans, either as filed or likely to be filed, though changes may be made before filing. Staff will provide its position on each plan when the respective filing comes before the commission.

PGE

- 50/50 Plan – A one-time PGE payment to match a customer payment of an equal amount.

- Three-Month Payment Match – PGE will match customer payments of equal amounts. Matching stops after three months or when the total account balance reaches $0.

- Extended Match Program – A plan under which PGE will match customer payments for up to 12 months. To be eligible, a customer must enroll in a Time Payment Arrangement (TPA) plan, up to 24-months, to match payments up to the first 12 months of a TPA. Matching stops after 12 months, when total account balance reaches $0, or if the customer is disconnected.

- Customer Assistance – A one-time payment by PGE, for up to $500, to help a customer get current on their balance. This assistance will be made available to customers who are unable to make matching payments. This assistance will also cover any remaining customer balance after receiving energy assistance, up to $500. PGE will allocate no more than 10 percent of total funding available to this program.

- Reconnect Assistance – One-time PGE bill payment matching a customer's payment to reconnect disconnected customers. For customers who utilize this option, PGE will also offer enrollment in a TPA plan of up to one year. Customers who previously used one of the four other options are eligible to utilize this option.

PAC

- Instant Grants - Customers will receive a one-time grant up to $500 of arrears. The grants may be used to pay arrears, reconnect service, or set up a deferred payment arrangement. Deferred payment arrangements using the $500 dollars grant are not eligible for the Extended Payment Match option. (Customer will still have the option of a no down payment plan on the extended match program.) Offers customers with a lower balance the ability for a fresh start. The average arrears for past due customers is around $400 dollars.

- Extended Payment Match – Customers requiring long-term payment arrangements for past due balances will receive a monthly payment match up to $1,000. Customer may use a portion of the $1000 for the down payment. Payment plans may be either a time payment plan up to 24 months or an equal time payment plan up to 12 months. Equal time payments can be renegotiated at the end of the 12 months. Targeted for customers with higher balances and who may not be able to make a down payment.

Idaho Power

- 40/60 Balance Split - Customer pays 40 percent of their past due balance, and the program covers the remaining 60 percent up to $1,500. This gives relief to customers who can contribute a lump sum payment towards their past due amount and provides the largest amount of program assistance.

- Payment Arrangement Match - The program will match payments up to a cumulative total of $1,500 for up to 12 months, for customers who are enrolled in a TPA. This gives relief to Customers who are unable to make a lump sum payment, but who can enroll in a TPA to satisfy the past due program. Customers can enroll in a TPA up to 24 months in duration.

- Instant Grant - Relief up to $100 intended to help customers with smaller past due balances.

NW Natural

This set of options provides flexibility to meet residential customer needs and also considers individual account conditions without income eligibility verification up to a program limit of $1,200.

- Instant Grant Option - An option that offers a one-time grant up to $100 for the residential customer with a smaller past due or full account balance who expresses economic hardship.

- 50/50 Matching Grant Option - A one-time payment match option that offers up to a $300 matching grant in the form of a credit applied to the account and eliminates a past due or full account balance.

- Time Payment Arrangement (TPA) with Matching Grant Option - An option that offers a TPA in which the residential customer makes a payment each month and receives a matching grant payment to reduce the balance at the time the customer's TPA payment posts. The customer's grant is equal to 50 percent of the total account balance with matching grant payments divided up in a number equal to the number of TPA payments required by the TPA term. Grant not to exceed the $1,200 Program limit.

Avista

- Automatic Grant - One-time grant intended to forgive arrearage balances, not to exceed $1,500, for customers with proven history of low-income program eligibility, as determined by customer receipt of Energy Assistance (EA) within the previous 24 months. The Company will review all residential customer accounts on April 1, 2021, and administer these grants automatically.

- Arrearage Forgiveness Grant - One-time grant intended to forgive arrearage balances, not to exceed $1,500, for customers that have not received EA within the previous 24 months yet are expressing a financial hardship due to COVID-19. The customer is expected to make any possible payments to decrease account balance, or to set up suitable payment arrangements if able, prior to the offering of this grant.

Cascade Natural Gas

- Automatic Hardship Grant - Customers with a history of low-income program eligibility (previous 24-months) will automatically receive a one-time grant equal to their outstanding balance including current charges. Assistance not to exceed $1,500 or result in an account credit.

- Financial Hardship Grant - Customers who verbally express financial hardship will receive assistance based on benefit calculator to determine grant amount.

The development of these arrearage management programs is critical, urgent, and uncharted. Staff is agreeable to quickly reacting to how these programs are being utilized by customers, and adjusting as fast as possible to ensure that funds are being allocated appropriately.

Additionally, throughout the process, Staff and stakeholders have expressed strong interest in first reaching out to customers who have been most directly affected by the pandemic to ensure that there is enough funding for these customers.

As previously noted, available AMP funds currently only cover 56 percent of customer arrearages. Extending the moratorium to July 1, 2021, will probably result in greater arrearages, which will result in a lower ratio of AMP funds to cover the increased arrearages. In other words, an extended moratorium would result in the same amount of funds ($39 million) spread over a larger arrearage amount.

To track fund expenditures of these programs, Staff recommends that Utilities file Arrearage Management Program monthly status reports starting March 20, 2021, covering the previous month, through October 20, 2021, for the last report; and file quarterly status reports starting in January 20, 2022, covering the previous quarter, and ending with the last quarterly reporting on January 20, 2023. Reports should include, at a minimum, the number of recipients per option, total funds expended, total funds available, funds expended per option, and average customer payments per option.

To understand why reports are especially important, recall that Order No. 20-401 allows for the costs of arrearage management programs to be tracked and recorded for future rate recovery in utilities' COVID-19 deferrals This means that funds used to relieve current arrears (and prudently incurred incremental program costs), will be collected in rates to be determined at a future date.

Increased Low-Income Energy Assistance
As introduced above, certain low-income customers have access to numerous fund sources administered through community action agencies (CAAs) and counties. These funds include:

Table 2 – Low Income Assistance Funding

Program	**Funding**
LIHEAP (State-wide)	$33 million
LIHEAP CARES (State-wide)	$9.5 million
Energy Assistance Stability Coronavirus Relief (EASCR) (State-wide)[12]	$15 million
OEAP (PGE/PAC)[13]	$20 million
OLGA (NW Natural)	$2.8 Million
LIRAP (Avista)	$255,000
OLIBA (Cascade Natural Gas)	$120,000

The CAAs and Counties have been effective in administering these programs to the benefit of low-income customers. Additionally, utilities have strong working relationships with CAAs and counties to ensure eligible customers are directed to the correct resources.

Voluntary Programs

Although not to the magnitude of arrearage management plans and low-income assistance, utilities also maintain voluntary programs to assist customers. The following are brief descriptions of these voluntary programs.

- Cascade Natural Gas' (CNG) offers a Winter Help program. Winter Help is CNG's program for helping Cascade Natural Gas customers. Per its website, CNG has helped more than 10,000 families since starting the program in 1989. When a customer contributes to Winter Help, CNG will match each dollar donated up to a total of $50,000.[14]

- NW Natural offers a Gas Assistance Program (GAP). In the past year, NW Natural customers and shareholders contributed $160,000 to the Gas Assistance Program to help low-income families and seniors with their winter heating bills. NW Natural shareholders matched the first $60,000 in contributions to this year's program. NW Natural covers all of GAP's administrative costs so 100 percent of the funds can be donated to recipients. Since it began in 1982, NW Natural's GAP has raised more than $6.5 million for community action groups that distribute the funds directly to those in need.[15]

[12] As of January 25, 2021 these EASCR funds are close to being spent.
[13] Staff understands that there is legislation being proposed in the 2021 session to increase this amount from $20 million to $30 million for a three year timeframe.
[14] https://www.cngc.com/customer-service/low-income-assistance-programs/
[15] https://www.nwnatural.com/about-us/the-company/newsroom/2020-gap.

- Avista maintains a Project Share that provides emergency energy assistance grants to individuals and families (anyone, not just Avista customers) to help them stay warm and safe through unexpected emergencies or hardships.

- Idaho Power also offers Project Share. Idaho's Power Project Share is funded by donations from customers and shareholders. This program provides a one-time payment of up to $300 per year to assist with energy bills.

- Pacific Power (PAC) partners with Oregon Energy Fund, a nonprofit agency, to offer energy assistance to residents with donated funds. To make a bigger impact for those facing financial hardships, PAC matches every dollar donated to Oregon Energy Fund with $2 more, up to $144,000 annually.[16]

- PGE also partners with the Oregon Energy Fund. Additionally, according to PGE's website:

> PGE and the PGE Foundation are committing more than $1 million to educational programs in our region and to help address food insecurity and other immediate needs through donations to the Oregon Food Bank, Partners for a Hunger-Free Oregon, Marion Polk Food Share, the Oregon Community Foundation's COVID-19 Community Recovery Fund, 211info and community action organizations in Washington, Yamhill and East Multnomah Counties.[17]

Concerning additional voluntary programs, Paragraph 21 of the Stipulated Agreement states:

> If a Utility does not already have a voluntary program where customers can choose to "round-up" their bill to the next whole dollar or other voluntary customer program to provide bill assistance, the Utility will explore creating such a program. This will include studying the costs and benefits of such a program.

Staff will work with utilities and stakeholders on exploring Paragraph 21 in future workshops and report back to the Commission on these programs at the November 16, 2021, Public Meeting.

[16] https://www.pacificpower.net/my-account/payments/bill-payment-assistance.html.
[17] https://portlandgeneral.com/help/covid-19/supporting-our-communities/.

Extended Time Payment Arrangements (TPAs)
The UM 2114 Stipulate Agreement, Paragraph 5, states:

> Each Utility currently offers TPAs of various durations. Each Utility will offer TPAs up to 24 months for residential customers and up to six months for small commercial customers. Utilities may provide additional flexibility on the duration of the TPA that could go beyond 24 months for residential customers or six months for small commercial customers based the circumstances of a customer's ability to pay. For residential customers, no down payment is required. For small commercial customers, a minimum 10% down payment is required. For natural gas utilities, TPAs under this paragraph are not available to transportation customers. Utilities must offer extended TPAs until October 1, 2022 under the terms of this paragraph. Parties agree to confer in good faith on or about October 1, 2021 to determine whether to request that the Commission modify the October 1, 2022 end date. Any future adjustments to the length and end dates of TPAs will be a subject of discussion in the workshops conducted under paragraph 29.

And, the UM 2114 Stipulated Agreement, Paragraph 6, states:

> During the term of the TPA, a residential customer or small commercial customer whose financial condition changes during the term of a TPA, or a residential customer or small commercial who defaults on a TPA and who seeks to renegotiate payment arrangements, may do so at least one time under the same terms specified above.

Lastly, the UM 2114 Stipulated Agreement, Paragraph 7, states:

> Utilities will continue to offer levelized payments in accordance with OAR 860-021-0415 to customers that have outstanding arrearage balances. When the levelized payment plan is established, Utilities will inform customers of Equal Payment Plans described in OAR 860-021-0414.

These three paragraphs allow customers to pay back any outstanding debt over an extended period and allows them flexibility in the terms of the TPAs. The flexibility afforded by the change in TPAs combined with AMPs and enhanced low-income assistance programs will likely help prevent customer disconnections.

Paragraph 26 of the UM 2114 Stipulated Agreement requires enhanced reporting on TPAs and customer outreach. The following tables highlight recent activity concerning TPAs. This activity will probably increase when late notices and subsequent disconnection notices are again sent to customers.

Table 3 - New TPAs – Residential

Utility	Oct-20	Nov-20	Dec-20	Total
Avista	NR	NR	382	382
Cascade	55	68	78	180
Idaho Power	152	321	379	783
NW Natural	190	171	317	678
Pacific Power	2372	2129	2647	7148
PGE	NR	NR	447	447
Total	**2617**	**2368**	**3871**	**9618**

Table 4 - Renegotiated TPAs - Residential - Quarterly Reporting

Utility	Oct-20	Nov-20	Dec-20	Total
Avista	NR	NR	NR	41
Cascade	31	23	11	65
Idaho Power	NR	NR	NR	87
NW Natural	69	51	49	169
Pacific Power	33	66	88	187
PGE	NR	NR	NR	6
Total	**133**	**140**	**148**	**555**

As the above tables indicate, utilities are working with customers to address bad debt through various means to keep customers connected. Based on the assistance available, most customers should be able to stay connected as long as they make every effort to work with their utility.

Economic Trends

After seven months of decreasing unemployment rates, the Oregon unemployment rate increased in December. This increase was expected due to the November/December lockdown that occurred in the tri-county and other areas throughout the state.

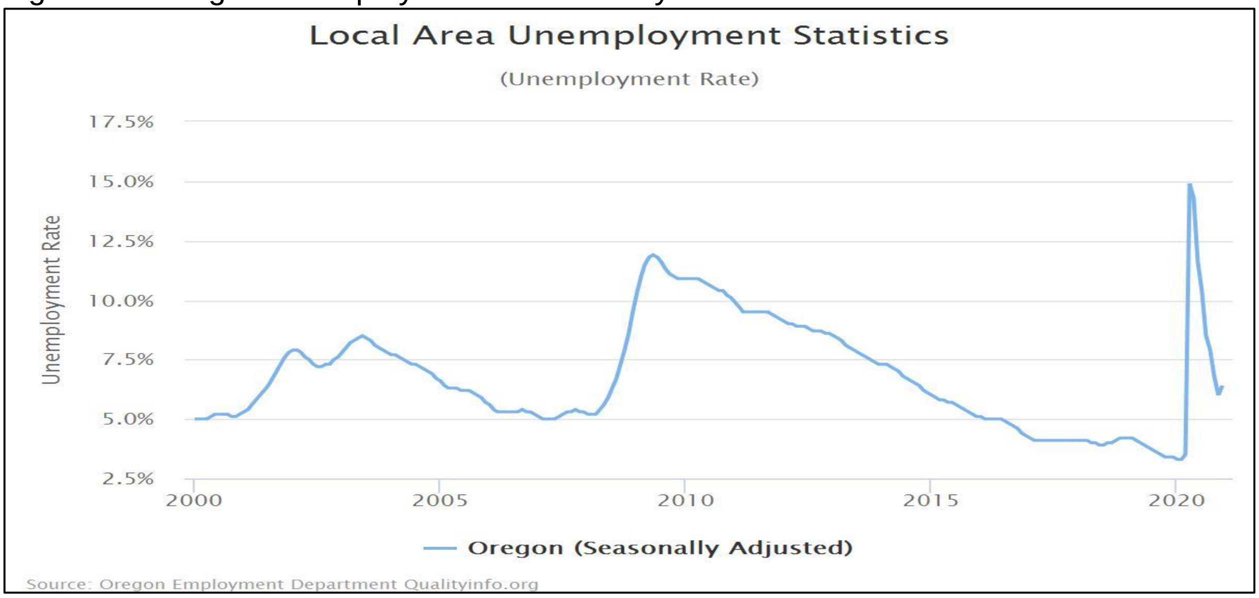
According to the Oregon Employment Department:

> Oregon's unemployment rose to 6.4% in December from 6.0% in November. This was the state's first monthly increase in its unemployment

> rate following seven months of declines. Meanwhile, the U.S. unemployment rate remained at 6.7% in both November and December.

The following chart shows Oregon unemployment trends from 2000 to 2020.

Figure 4 – Oregon Unemployment Rate History



As the chart indicates, Oregon's highest unemployment rate of 14.9 percent in April 2020 occurred at the height of the pandemic, but has decreased from the highest levels. December's 6.4 percent is higher than November's 6.0 percent, but lower than December heights in other recessions and recoveries (2001 – 7.8 percent, 2002 – 7.6 percent, 2003 – 7.8 percent, 2009 – 10.9 percent, 2010 – 10.1 percent, 2011 – 9.2 percent, 2012 – 8.6 percent, 2013 – 7.3 percent). Staff is unaware of any arrearage management plans offered during previous recessions.

Although, specific Oregon January unemployment numbers are not posted, the federal rate dropped from 6.7 percent to 6.3 percent.[18]

The Oregon Employment Department (OED) actually gives good insight of Oregon unemployment trends in a recent report and states:

> Every recession is unique, with varying impacts on workers in different parts of the economy. The dot com recession in 2001 hit high-tech harder than other sectors. Construction bore the hardest brunt of job losses

[18] SHRM Daily Alert, February 5, 2021.

> during the Great Recession. The COVID-19 recession, now in its eighth month, is showing its own set of disparate impacts in Oregon and nationwide.
>
> In March and April, Oregon's total nonfarm payroll employment dropped by 285,200, or 14.5%. Oregon regained nearly half (46% or 131,700) of the net job loss by November. Both the initial spring losses and the rebound in employment look quite different by sector and across workers of varying demographics.
>
> One out of every seven jobs in Oregon was either temporarily or permanently lost in two months' time. That's a stunning and unparalleled rate of job loss over such a short period. Three of the state's service-based sectors lost much larger shares of jobs. Leisure and hospitality – including hotels, restaurants, and theaters – shed 110,500 jobs in March and April, more than half (-51.1%) of its employment. Other services – which includes automotive repair, and barber shops and beauty salons – dropped one-fourth of its 65,800 jobs (-25.2%). Private education services also saw sharp declines (-8,200 or -21.9%) as schools shuttered in the spring.
>
> Recovery is underway in each of these sectors. By November, leisure and hospitality regained half of the spring job losses, while other services added 59% of the initial loss. Private education has been slower to rebound. These establishments have only added back 800 jobs, as instruction remains largely online and initial estimates show lower enrollments. Even with the initial bounce back, these combined sectors remain 72,200 jobs below their February level.[19]

The OED's report also specifically identifies job sector's that have been hardest hit by COVID -19.

> While most sectors are rebounding from the initial COVID-19 recession job losses, others are starting to see additional declines as COVID-19 and its economic impacts linger. The state's local government and wholesale trade sectors each had lower rates of job loss than Oregon overall in March and April. They're still on the downward slide though. Since April, wholesale trade lost another 300 jobs (-0.4%) for a total decline of 6.9% since February. Similarly, local government – roughly half of which is K-12 and

[19] https://www.qualityinfo.org/-/disparate-impact-covid-19-job-losses-by-sector-and-gender-in-oregon.

> higher education – dropped by 15,400 jobs (-6.7%) in spring and lost another 11,100 jobs since then.[20]

Another concern pointed out by OED in the high amount of job losses that are in female dominated sectors.

> The differing makeup of each sector's workforce, and different impacts of the COVID-19 closures by sector, means workers in some demographic groups are feeling this recession to a greater degree than others so far. Women held the majority of jobs in each of the three sectors with the largest initial losses by share. In 2019, the Census Bureau's Quarterly Workforce Indicators show women held two out of three jobs in private education services. They accounted for 54% of jobs in leisure and hospitality, and 55% in other services.
>
> Women also hold two out of three jobs in public education services. Most public school districts in Oregon remain physically closed, and as detailed by the Office of Economic Analysis, that's creating negative employment impacts. Enrollments are down, and online education largely cuts the need for substitute teachers.[21]

OED also points out that:

> Other disparate impacts have occurred so far in this recession as well – by geography, and race and ethnicity – which will continue to be researched and published at QualityInfo.org in the coming weeks and months.[22]

Although it is in many ways a grim picture, OED does point out that recovery is underway.

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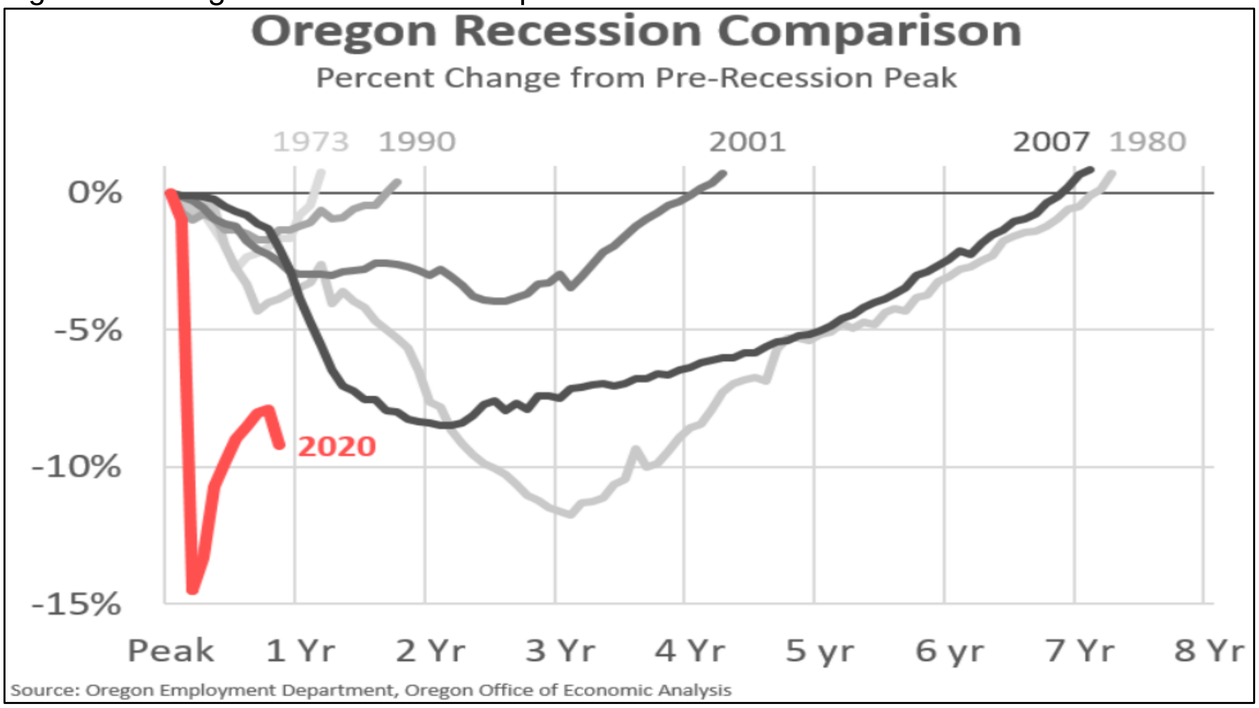
[20] *Ibid.*
[21] *Ibid.*
[22] *Ibid.*

The following graph From Oregon Economic Analysis (OEA) compares the COVID-19 recession with previous recessions.

Figure 5 – Oregon's Recession Comparison



In a recent post, OEA also comments on the current recession, and states:

> The key from a macroeconomic perspective is to look through this temporary malaise. Not only is there a lot of pent-up demand and excess household savings, but there is a second major federal relief package passed just weeks ago.

And:

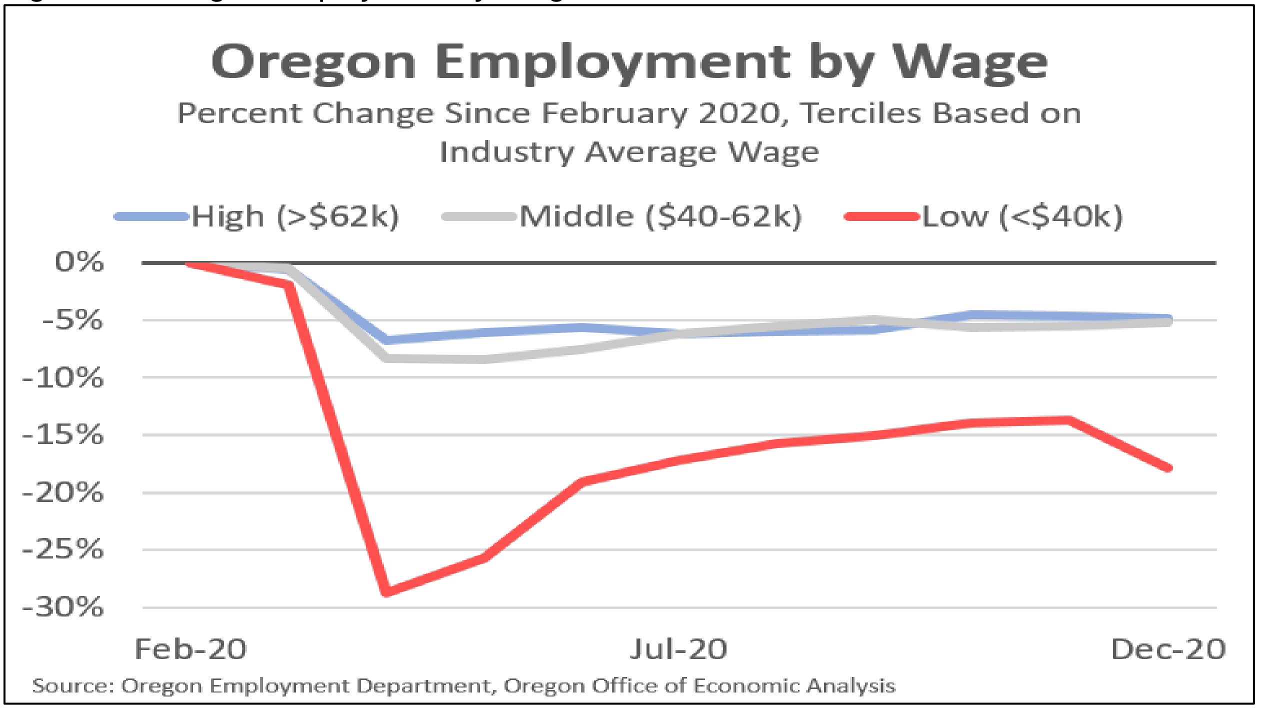
> To the extent we continue to limit the amount of economic scarring, or permanent damage that accumulates during the pandemic, the recovery should be stronger, and faster than in recent cycles.[23]

As pointed out by OEA, when looking at employment across sectors based on wages, the recent setback is in the low-wage industries. Middle- and high-wage industries are

[23] https://oregoneconomicanalysis.com/.

holding steady or growing slightly in recent months on net. The K-shaped cycle continues, at least until the pandemic is over.[24]

Figure 6 – Oregon Employment by Wage



OEA also points out that growth in employment will return as new cases and hospitalizations continue to fall and vaccinations rise.[25] OEA also points out:

> Nearly a year into this cycle, it looks like there is "only" a few percentage points of pain that needs to be made up, despite the record highs set back in the spring. A key concern has been the amount of permanent damage, or economic scarring that occurs. So far it continues to be much less than feared.[26]

It is important to note that there is evidence that workers in occupations with lower wages were disproportionally displaced by the COVID-19 crises. Although the utilities are making it a priority to assist these customers as effectively as possible, the purpose of the arrearage management plans were not limited specifically for customers who qualify for other low-income programs.

[24] https://oregoneconomicanalysis.com/.
[25] https://oregoneconomicanalysis.com/.
[26] https://oregoneconomicanalysis.com/.

Although unemployment is high and is affecting low-wage industries, a second federal relief package passed in December. This package included a $600 stimulus payment for certain individuals earning under $75,000 and heads of households under $112,500; an additional extra $300 per week in unemployment insurance benefits; and an extension of both Pandemic Unemployment Assistance (PUA)[27] and Pandemic Emergency Unemployment Compensation (PEUC).[28]

Additionally, more help may be on the way, as the Biden Administration is proposing the American Rescue Plan, which includes several familiar stimulus measures in the hope that the additional fiscal support will sustain U.S. families until the COVID-19 vaccine is widely available. The Plan includes:

- Direct payments of $1,400 to most Americans, bringing the total relief to $2,000, including December's $600 payments.
- Increasing the federal, per-week unemployment benefit to $400 and extending it through the end of September.
- Increasing the federal minimum wage to $15 per hour.
- Extending the eviction and foreclosure moratoriums until the end of September.[29]

Although full or near full employment is a desired result for the economy, the additional federal funds, extension of funds, and proposed additional funds are important assistance to the unemployed and under-employed during the duration of the pandemic. When considering all available federal funds combined with utility AMPs, extended TPAs, increased low-income assistance (LIHEAP, CARES, and EASCR), end of the heating season, and utilities outreach to customers, Staff believes there are adequate mechanisms in place to protect customers following the restart of disconnections in early July.

Staff will continue to monitor unemployment trends and consider any additional unemployment numbers, trends, and disparate impacts of the COVID-19 recession.

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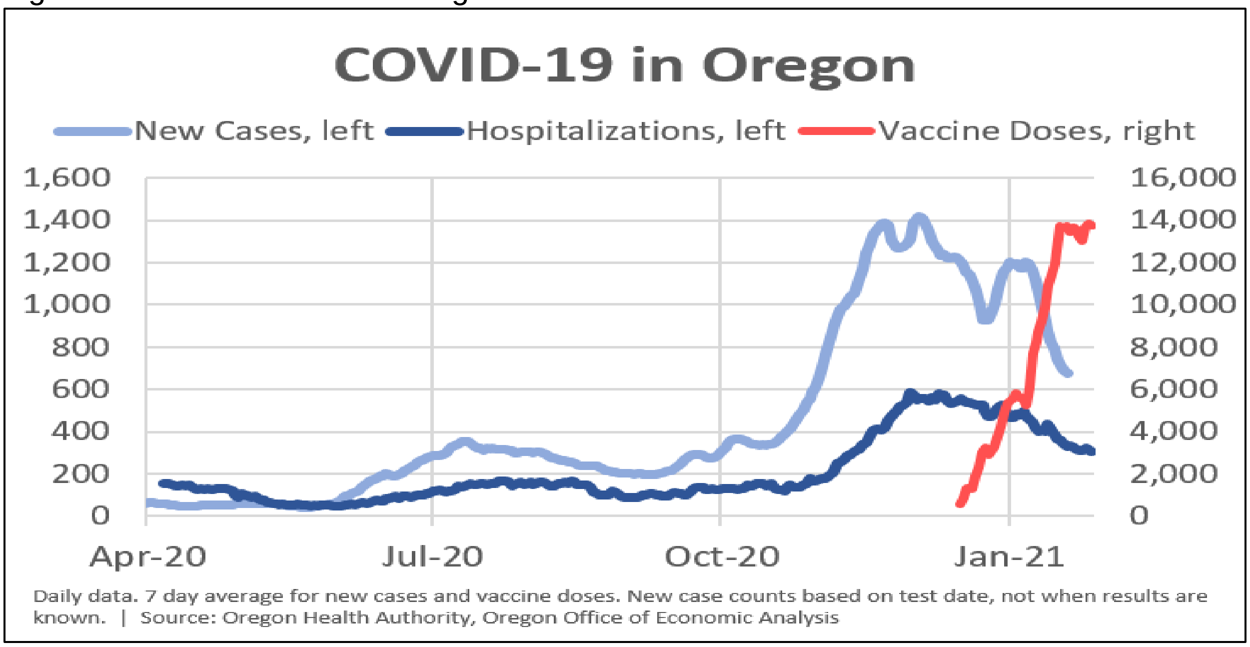
[27] Pandemic Unemployment Assistance (PUA) is a program that temporarily expands unemployment insurance (UI) eligibility to self-employed workers, freelancers, independent contractors, and part-time workers impacted by the coronavirus pandemic. PUA program runs from Jan. 27, 2020, through March 13, 2021.
[28] Pandemic Emergency Unemployment Compensation (PEUC) is an emergency program designed to help Americans affected by the COVID-19 pandemic extending unemployment insurance up to 24 weeks to those who exhausted their benefits. Although the benefits under the PEUC program were due to expire on Dec. 31, 2020, the PEUC was extended to March 13, 2021.
[29] https://www.cnbc.com/2021/01/14/biden-stimulus-package-details-checks-unemployment-minimum-wage.html.

Pandemic / Vaccine
In a recent post, OEA discusses positive news about the pandemic:

> The number of new COVID cases, and the number of current hospitalizations have fallen nearly 50 percent in the past month or two. Vaccinations continue to increase. Given household incomes remain largely in good shape*, the outlook brightens with every inoculation.[30]

Figure 6 – COVID Cases in Oregon



More recently, Oregon Health Authority reported:

> During Monday, February 1, through Sunday, February 6, 2021, OHA recorded 4,049 new cases of COVID-19 infection—a 15% decrease from last week's total and the lowest weekly total in 3 months.[31]

Nationally, daily cases have dropped 45 percent since the latest peak on January 11, according to data from the COVID-19 Tracking Project.[32]

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[30] https://oregoneconomicanalysis.com/.
[31] COVID-19 Weekly Report, February 10, 2021.
[32] Covidtracking.com.

As previously mentioned, OEA states:

> To the extent we continue to limit the amount of economic scarring, or permanent damage that accumulates during the pandemic, the recovery should be stronger, and faster than in recent cycles.[33]

Concerning the vaccine front, there is also good news. As of January 20, 2021, just over a month after the first COVID-19 vaccines arrived:[34]

- Oregon ranked 19th in the nation in percentage of vaccine administered at 50 percent.
- Oregon ranked 20th in the nation in the percentage of population given at least one dose at 4.6 percent.
- Oregon has vaccinated more than two-thirds of those in the “Phase 1A” group of health care workers, first responders, and people who live or work in nursing homes and other group residences.
- Over the past week, Oregon vaccinators met Governor Brown’s daily target of administering 12,000 doses per day, delivering a daily average of 12,289 shots.
- As of January 20, Oregon vaccinators had administered a cumulative total of 253,711 first and second doses of COVID-19 vaccines.
- To date, 479,325 first and second doses of vaccine have been allocated to sites across Oregon.
- Building on January 20, 2021, total of 221,721 first doses administered, Oregon Health Authority expects to add another 30,000 to 40,000 first doses administered by the end of this week.
- Approximately 105,000 teachers and other K-12 school staff and 47,000 early learning and childcare staff were eligible for a vaccine, starting Monday January 25.

As the Oregon vaccine plan moves from Phase 1A to educators to other vaccine phases, county risk levels may be lowered allowing local economies to open more widely resulting in higher employment levels.

Other actions on moratoriums and disconnections
Although PacifiCorp, PGE, and Idaho Power serve 74 percent of electric customers in Oregon, 26 percent of Oregon customers are served by 37 Consumer-Owned Utilities (COUs).

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[33] https://oregoneconomicanalysis.com/.
[34] Information supplied by Michael Grant PUC Executive Director and Oregon Health Authority.

Concerning disconnections, most COUs started the disconnect notification process during late summer of 2020, while others never lifted their moratorium or restarted a moratorium due to wildfire impacts or during the winter temperatures. Because the Commission does not regulate COUs, we do not have specific data on disconnects. With that said, correspondence with COU organizations confirms that COUs, like investor-owned electric utilities, have performed extensive outreach and other actions to keep their customers connected during the pandemic.

Concerning small commercial customers of investor-owned utilities in Oregon, the UM 2114 Stipulated Agreement Paragraph 4 allowed the utilities to resume imposing late fees (in accordance with OAR 860-021-0126) and disconnecting service for non-payment (in accordance with OAR 860-021-0505) on December 1, 2020.

Staff requested energy utilities to provide December 2020 and January 2021 small commercial customer counts and small commercial disconnects in December and January for (1) whole company service territory and (2) Oregon only service territory.

The following tables show the Oregon only information.

Table 5 – Oregon Small Commercial Disconnects

	Oregon Only		
Company	Small Commercial Customers	Small Commercial Disconnects	Disconnects as a Percentage of Small Commercial Customers
	December 2020		
Avista	10,023	0	0
Cascade Natural Gas	10,351	0	0
Idaho Power Company*	2,622	0	0
Northwest Natural Gas	57,218	0	0
PacifiCorp	46,807	0	0
Portland General Electric**	104,866	2	0.002%

	January 2021		
Company	Small Commercial Customers	Small Commercial Disconnects	Disconnects as a Percentage of Small Commercial Customers
Avista	10,028	0	0
Cascade Natural Gas	10,371	0	0
Idaho Power Company	2,632	0	0
Northwest Natural Gas	not available		
PacifiCorp	46,937	0	0
Portland General Electric	104,962	3	0.003%

* Per IPC: January data reflects January 1 – January 18, 2021.

** Per PGE: January data reflects January 1 – January 20, 2021.

It is important to note that some utilities did not start resume disconnect notices until January and these numbers will change. However, Staff has confidence that the utilities will be proactive in working with residential customers to keep them connected after the moratorium is lifted.

As a result of cooperation between utilities and Stakeholders in crafting the UM 2114 Stipulated Agreement, no residential customers were disconnected during the 2020-2021 heating season. Staff maintains that the utilities placed customer interests in the forefront during the pandemic and that the AMPs and extended TPAs will greatly assist customers when the moratorium is lifted.

Also, when comparing Oregon to other states (Attachment A),[35] Oregon, California, and Washington have the longest moratoriums.

On February 11, 2021, the California Public Utilities Commission (CPUC) has issued an Order Instituting Rulemaking (OIR) to consider the necessity of establishing special relief mechanism(s) for customers who could not pay their energy bills during the COVID-19 pandemic to give them a better chance of becoming current on their energy bills. The main issues to be addressed in this proceeding are whether the CPUC should

[35] https://neada.org/wintercovid19moratoriums/.

develop any special relief mechanism(s) to address energy arrearages accumulated during the COVID-19 period, estimates of the costs of such proposed relief mechanism(s), potential funding sources, and cost allocation. [36] Also on February 11, 2021, the CPUC extended the moratorium date to June 30, 2021.[37]

Historical data on disconnections and reconnections
The time from initial billing date to disconnect date varies between utilities and ranges from 38 to 64 days. During this time frame, utilities will reach out to customers through an initial notice of disconnection, final notice of disconnection, and in many cases Robocalls and personal calls to customers. Paragraph 3 of the Stipulated Agreement requires utilities to engage in proactive customer outreach throughout the COVID-19 pandemic. In addition to this outreach, utilities must notify its customers with past due balances at least 30 days before issuing a 15-day notice of disconnection of all flexible payment options that are available to avoid disconnection.

The below table highlights historical reconnect information.

Table 6 – Historical Percentage of Customers Reconnected by Number of Days

	2018				2019				2020			
days	**0-5**	**15**	**30**	**>30**	**0-5**	**15**	**30**	**>30**	**0-5**	**15**	**30**	**>30**
Cascade	33.3%	0.8%	0.4%	0.4%	29.7%	1.7%	0.1%	0.7%	23.7%	5.3%	0%	0%
Avista	49%	4%	0%	-	48%	5%	0%	-	64%	4%	0%	-
Northwest Natural	56.3%	8.5%	2.4%	11.9%	56.4%	8.1%	2.6%	11.4%	64.7%	8.5%	2%	4.1%
PacifiCorp**	71.8%	2.9%	0.1%	-	75.9%	2.1%	0.1%	-	72%	1.8%	0%	-

	2018		2019		2020	
days	**0-1**	**2-7**	**0-1**	**2-7**	**0-1**	**2-7**
Idaho Power	75%	10%	77.2%	9%	76%	10.3%
Portland General***	58.2%	15.2%	62.6%	9.7%	64.1%	2.1%

*2020 disconnections were moratoriumed in March
**PAC customers disconnected >20 days are considered new customers if reconnected
***PGE 2018 data is from August-December

[36] Order Instituting Rulemaking to Address Energy Utility Customer Bill Debt Accumulated During the COVID-19 Pandemic.
[37] Authorization and Order Directing Utilities to Extend Emergency Customer Protections to Support California Customers through June 30, 2021, and to File Transition Plans for the Expiration of the Emergency Customer Protections.

As the above table indicates, the majority of reconnections occur within five to seven days. In general, natural gas reconnections often do not happen as quickly as electric reconnections. Natural gas customers have other options for heat, like using electric heaters.

Additionally, all of the 2020 accounts should have eventually been reconnected even without payment because the utilities reconnected service for nearly everyone due to the UM 2114 Stipulated Agreement. Additionally, Paragraph 11 of the UM 2114 Stipulated Agreement states that, "*Utilities will not apply service disconnection and reconnection fees to residential customers until October 1, 2022."*

Appendix A of the UM 2114 Stipulated Agreement requires utilities to provide the following on a quarterly or monthly basis:

> k. Total number of disconnection communications delivered by vintage (15-day, 5-day, personal contact) (Quarterly);
>
> l. Total number of service disconnections for non-payment (Monthly); and
>
> m. Total number of service reconnections, segmented by 24-hour reconnect, 48-hour reconnect, less than seven-day reconnect, and more than seven-day reconnect (Monthly).

Staff will monitor these reports closely and will report back to the Commission of disconnects and reconnects at the November 16, 2021, Public Meeting. Again, Staff is confident that utilities will work closely with customers to keep customers connected after the moratorium is lifted.

2021-2022 Heating Season

The current moratorium has been in place for almost a year and when ended in June will have been in place for approximately 15 months. This moratorium covered the 2020-2021 Heating Season (December, January, and February). As mentioned above, Staff believes that proactive outreach to customers by utilities, community action agencies, and other low-income, social justice, and environmental justice groups will let customers in arrears take advantage of arrearage management plans, extended time payment arrangements, and other available assistance, which may allow these customers to be current or near current on their energy bills prior to the 2021-2022 Heating Season.

2021 Legislative Bills
Two 2021 Legislative Bills concerning low-income rates have been introduced:

- HB 2475 - Authorizes Public Utility Commission to consider differential energy burden and other inequities of affordability in rates.
- HB 2490 - Authorizes Public Utility Commission to consider differential energy burden and other inequities of affordability in rates.

PUC's legislative team are tracking these two bills, and if passed, PUC's Utility Program will work with utilities and stakeholders in developing low-income rates. Low-income rates may reduce future energy burdens on low-income customers. Additionally, Staff understands that there is legislation being proposed in the 2021 session to increase the amount of electric utility bill pay assistance from $20 million to $30 million for a three year timeframe.

As a summary, there are many factors that will allow notices to be sent to customers on April 1, 2021, and not allowing disconnects until July 1, 2021, without harming customers. In fact, the many programs in place (AMPs, extended TPAs, low-income assistance) should help customers clear their utility bill arrearages, while they stay connected to utility services.

Alternate Recommendation to Recommendation #1

1. Pursuant to the terms of the November 3, 2020, UM 2114 Stipulated Agreement, take no action to extend the April 1, 2021, date on which the energy utilities may resume providing a 15-day disconnection notice for residential customers before disconnection.

The UM 2114 Stipulated Agreement was negotiated in good faith and includes numerous customer protections. With that said, many factors about the pandemic could not be predicted during the negotiations. Stakeholders, utilities, and Staff realized that and included the provision in Paragraph 4 that states:

> The Commission will have ongoing oversight to determine whether to extend the April 1, 2021 date to a later date based on ongoing economic and pandemic conditions. Commission Staff will schedule a workshop early in 2021 to review the COVID-19 situation to determine if additional actions should be taken.

If the Commission accepts the alternate recommendation, disconnections would start occurring in late April, early May.

Deferred Payment Plans
Paragraph 29 of the UM 2114 Stipulated Agreement states:

> Commission Staff will host a series of workshops to identify arrearage management best practices for energy and water utilities:
>
> a. Working with customers to avoid disconnections.
> b. Working with customers to provide timely reconnections.
> c. Working with community-based organizations, including but not limited to Community Action Agencies, to coordinate bill management, and bill payment assistance.
> d. By December 15, 2020, Parties will discuss the possibility of implementing Deferred Payment Plans (DPPs) to assist customers. Utilities will commence examination of the costs, barriers, and benefits of this program to enable discussions of possibly going forward with DPPs on April 1, 2021.

Two arrearage management best practices workshops were conducted on December 17, 2020 and February 1, 2021. Although there were robust discussions at these meetings, only PacifiCorp and Avista would be ready to implement Deferred Payment Plans (DPPs) on April 1, 2021.

Although Avista could implement a process, the company, as well as Cascade Natural Gas, NW Natural, Idaho Power, and PGE, does not see much of a benefit of a DPP. Most utilities were able to identify an estimated cost and timeline to implement a DPP. The following are highlights of responses to Staff Data Requests on DPPs.

<u>*Avista*</u>

- Avista can implement Deferred Payment Plans by April 1, 2021. Avista's existing IT workforce could address the development of a DPP.
- Avista would need to start immediately. Costs to implement DPPs will be approximately $11,000 (100 percent Oregon-allocated).
- The Customer Care and Billing (CC&B) system has existing functionality that can be used to support offering DPPs, although the functionality was not designed for this purpose (Dispute Resolution). This dispute service process will be duplicated through configuration and repurposed to offer DPPs.
- Any customer who has an arrearage balance would qualify for a DPP, similar to all other forms of required time payment arrangements.
- Avista does not see much of a benefit of offering DPPs. If a customer has been unable to pay their current charges, which lead to the arrearage debt they are facing, it is unlikely they will be able to pay their current charges while on a DPP.

- Because of seasonality with natural gas use, DPPs would have differing benefits.

Cascade Natural Gas

- Cascade cannot implement a DPP by April 1, 2021. Cascade estimates a 6-month implementation period from the date any order is issued requiring the company to establish a DPP. This estimate is based on the complexity of the systems changes and testing.
- The company settled on the total upfront, one-time cost estimate of $163,609 (100 percent Oregon-allocated) based on experience with making previous payment/billing related systems changes in CC&B.
- System Development and Testing activities require the most extensive work and hours.
- Cascade estimates that DPPs may help 286 residential customers and 419 commercial customers.
- Cascade does not see a benefit of offering a DPP given the extended proposed TPA after consideration of an upfront debt forgiveness program.

NW Natural

- NW Natural teams developed a timeline and sequencing that indicate a total of a minimum of 61 business days to develop a DPP. NW Natural prioritized the AMP to fulfill the requirement before the April 1 disconnect resumption date as agreed to in UM 2114. As such, the AMP will undergo development during the January-March timeframe.
- NW Natural's conservative estimate of the cost for developing the DPP is about $290,000 (100 percent Oregon-allocated). This estimate was based upon the expected hours of programming, testing, and project management by internal and external resources.
- NW Natural's understanding that the DPP could be made available to all commercial and residential customers with a past due balance. Per NW Natural's updated RG 94 COVID-19 data report for November 2020, there are approximately 53,440 residential and 3,826 commercial customers with past due balances that could participate in the DPP.
- NW Natural finds the benefits of the DPP to be limited on its own and particularly in comparison with the AMP and existing flexible payment plan options, NW Natural does not recommend or anticipate offering the DPP.

Idaho Power

- Idaho Power estimates the work necessary to implement the DPP would require 12-16 weeks to implement from the time requirements are finalized. As such, a DPP would not be ready by April 1, 2021.

- Maximum estimate of $141,158 (100 percent Oregon-allocated) includes all customers who might qualify for the DPP, plus an additional manual process cost of $16.79 per customer due to manual intervention once a customer is enrolled.
- As of November 2020, Idaho Power's estimate of the number of customers who could qualify for a DPP based on active accounts 31+ days in arrears in each of the referenced classes are as follows:
    - Residential: approximately 1,462 customers
    - Small Commercial: approximately 132 customers
- Because implementing a DPP will result in an increase of overall costs, Idaho Power believes that working with customers to determine payment arrangement terms that offer additional time to pay down balances may provide more flexibility and benefit to customers than deferring past due balances to a future point in time.

PacifiCorp

- PacifiCorp will offer customers a deferred payment plan by April 1, 2021.
- PacifiCorp has a short term and temporary process (manual workaround) ready to deploy the first quarter of 2021. In order to fully automate the process, including updating the billing system, the interactive voice response, and the website, the costs are unknown at this time.
- Residential customers who have an arrears balance will be eligible for a DPP. Small Commercial customers who have an arrears balance will be eligible for a DPP.
- The number of customers, residential and small commercial, who are eligible will be determined by the number of customers who have arrearages in April, 2021 but as of November 2020, over 81,000 residential customer accounts and 7,200 non-residential accounts had an arrears balance.
- PacifiCorp intends to conduct further analysis of the success and benefits of DPPs once the Company has had an opportunity to provide DPPs to customers and review the results.

PGE

- PGE will not be able to have a successful DPP program in place by April 1, 2021. If there were agreement to stand up a DPP program, PGE would need six months to successfully implement the program.
- PGE estimates that the cost of implementing a DPP program is approximately $500,000; 100 percent of the cost would be allocated to Oregon. Most of work to implement a DPP would have to be done by third party contractors.
- PGE believes the best approach to the DPP would be an automated approach for the two-year duration of the program. Manually managing a DPP will not allow for any bill (paper/electronic) changes, which could negatively impact customers and require additional staffing resources to administer.
- Any residential and small commercial customer (defined as Schedule 32 & 83) 31 or more days in arrears with the ability to make regular monthly payments would qualify for a DPP.
- PGE does not recommend a DPP program and believes customers are better served by other options, like PGE's Bill Assistance options (PGE's AMP) or time payment options.

Staff agrees with the utilities that customers are better served by focusing on AMPs and extended TPAs at this time, as the benefits of DPPs may not justify the costs of implementing DPPs. Additionally, Staff believes that allowing utilities the flexibility to work closely with customers and Community Action Agencies (CAAs) / Counties on AMPs, TPAs, and low-income assistance, DPPs may not be needed during the COVID-19 recovery period. With that said, there was a great deal of interest in DPPs by certain stakeholders.

Because PacifiCorp will be ready and is willing to test the effectiveness of a DPP, Staff recommends that the Commission allow PacifiCorp to propose a DPP to be in effect on April 1, 2021, and report on the results of its DPP on July 20, 2021, and October 20, 2021, including the number of both residential and commercial customers enrolled, the length of DPPs, and the number/percentage of DPPs for which the terms are broken.

Based on the information received, Staff will convene an arrearage management best practices workshop in the late October 2021 to discuss the costs and benefits of implementing DPPs statewide. Subsequent to the workshop, Staff will bring a recommendation back to the Commission at the November 16, 2021, Public Meeting.

Customer Eligibility in Low Income Programs
Paragraph 33 of the UM 2114 Stipulation states:

> All interested stakeholders will work together to determine effective ways to streamline enrollment in low-income programs. The Commission's Low Income Roundtable Staff shall convene and schedule these meetings.

Two Customer Eligibility Workshops were conducted on December 3, 2020, and January 28, 2021. The following process improvements were explored and generally agreed upon by participating parties realizing that certain processes will require modifications.

Table 8 – Customer Eligibility Recommendations

#	Recommendation	Explanation	Suggesting Entity
1	Expand Express Enrollment for rate-payer funded programs (OEAP, OLGA, LIRAP, and OLIBEE).	Allow CAAs to continue to use certain federal program (SNAP, TANF, SSI, WIC, and OHP) recipients to enroll on basis of program participation. Express Enrollment has been an important tool for the CAAs during the pandemic and would continue to add value post-pandemic.	Community Action Agencies (CAAs)
2	Maintain verbal signatures.	Allow CAAs to continue to accept and document verbal signatures.	CAAs
3	All utilities maintain a direct link on their websites to CAAs in their service areas (and when necessary, agency phone numbers) or to OHCS that has links to CAAs.	Allows an additional resource for customers to have when contacting utilities on bill payment issues.	• CAAs • PGE

#	Recommendation	Explanation	Suggesting Entity
4	Discontinue the use of a SSN to apply for and receive assistance. *Exception*: LIHEAP, as a federal program, requires SSN.	Will allow low-income household without a SSN to receive assistance using alternate identification, better protect others from risk of identity theft. Use OPUS (CAA database) unique identifier as an alternate to SSN. Use OEAP formula (and not LIHEAP formula) when determining benefits.	Multnomah County
5	Pilot Self-verification for certain programs. Clackamas County to research requirements with OHCS concerning Cooling Program to pilot self-verifications for this program. CNG Avista	Self-verifications are currently used successfully in the Community Solar Program. Need to monitor waste, fraud and abuse. Clackamas County would follow up with Winter program information to assess fraud, waste, and abuse levels in a Summer Cooling Program Self-Verification pilot. CNG is willing to use its Big Heart Hardship grant as a trial as CNG is planning self-verification for the grant. Avista is willing to pilot a Self-Verification and the criteria for utilization of Self-Verification to qualify customers for the program	CEP

		as a last resort (e.g., agency has attempted to obtain documentation, customer has tried and is unable to provide). Additionally, Avista needs to confirm with OHCS that there are no data implications as our agency partners use OPUS, the state data system for collection and reporting.	
6	Maintain single application to apply multiple funding sources at one time.	Allows for easier processing of applications. OHCS will continue to use a single application into the future.	CAAs

Note 1: OHCS describes Express Enrollment re EASCR; OHCS does not define Categorical Eligibility.

The above items do not need Commission action (with the exception of some possible tariff changes), but is provided as an update to the Commission. Staff believes that the implementation of the recommendations will help pull down some barriers that low-income customers confront when applying for low-income assistance.

Staff appreciates the participation and dedication of the Community Action Agencies, Community Energy Project, Multnomah County, NWEC, CUB, utilities, and Oregon Housing and Community Services staff. The cooperation and passion to help low-income customers by these entities resulted in this process being an effective and worthwhile process.

Future Actions and Updates
As previously mentioned, the UM 2114 Stipulated Agreement included Low Income, Social Justice, and Environmental paragraphs (27 through 34). The Agreement directed Staff to convene an advisory committee to focus on low-income customers' energy burden and related social inequities. This committee will be chaired by Ezell Watson III, the Commission’s Diversity, Equity, and Inclusion (DEI) Director.

Additional Low Income, Social Justice, and Environmental Justice initiatives include:

1. Staff will convene workshops on arrearage management, including examining the potential of including Deferred Payment Plans as an additional tool to assist customers. ***Two workshops have been conducted to date.***
2. Staff will work with stakeholders to prioritize the investigation and implementation of policies to mitigate differential energy burdens, and other inequities of affordability, including rate design as the Commission moves forward with EO 20-04 implementation.
3. Staff will work with stakeholders to propose exceptions to cost-effectiveness tests and leverage other funding sources to increase availability of no-cost low-income weatherization, smart thermostats, manufactured home replacements, and other energy efficiency savings solutions such as ductless heat pumps.
4. Staff will work with interested stakeholders to examine ways to leverage federal and other funds to bring down the cost of Community Solar Program subscription fees for low-income customers; and reduce the contributing cost of rooftop solar for low-income customers.
5. Staff will work with interested stakeholders to determine effective ways to streamline enrollment in low-income programs. ***Two workshops have been conducted to date*****.**
6. Staff, in partnership with the Utilities and OHCS, will examine opportunities to perform geospatial analysis of Utility data. The analysis should include risk factors associated with race, income, and other social factors, as available. ***To date, Staff has been working with OHCS on mapping and has developed mapping on disconnections by zip codes****.*

Internal discussions have begun with the DEI Director and Utility Program Administrators on initiating future workshops.

Additionally, many of the paragraphs (disconnection/reconnection fees, late payment fees, disconnection times, other) in the UM 2114 Stipulated Agreement require parties to confer in good faith on or about October 1, 2021, to determine whether to request that the Commission modify the October 1, 2022, end dates of these specific paragraphs.

Staff will convene this effort in October and report to the Commission at the November 16, 2021, Public Meeting, the status of Arrearage Management Programs, status of Deferred Payment Plans, status of all terms in the Stipulated Agreement, status of customer eligibility agreements, and status of all workshops.

Stakeholder Feedback/Participation
Many different entities attended workshops and provided feedback to Staff and the utilities. Staff appreciates that stakeholders have been deeply involved throughout the COVID-19 investigation and Stipulation implementation process, participating in numerous workshops and providing meaningful feedback and recommendations.

Conclusion

Based on the information provided, Staff recommends that:

1. The Commission extend the April 1, 2021, date on which the energy utilities may resume providing a 15-day disconnection notice for residential customers before disconnection to June 15, 2021. And direct Staff to report back to the Commission at the June 15, 2021, public meeting regarding the moratorium and whether changes should be considered. Staff makes this recommendation based on review of:

    a. Stakeholder input
    b. Arrearages (through November 2020)
    c. Arrearage Management Plans
    d. Increased Low-Income Energy Assistance
    e. Voluntary Programs
    f. Extended Time Payment Arrangements
    g. Economic measures
        i. Unemployment numbers / trends
        ii. Federal stimulus (enhanced Unemployment Insurance benefits / Stimulus payments)
    h. Pandemic/Vaccine update
    i. Other actions on moratoriums and disconnections
    j. Historical data on disconnections and reconnections
    k. 2021-2022 Heating Season
    l. 2021 Legislation Introduced

2. Utilities file quarterly Arrearage Management Programs status reports starting March 20, 2021 through October 20, 2021; and quarterly status reports starting January 20, 2022 through January 20, 2023.

3. PacifiCorp report on its Deferred Payment Plan on July 20, 2021, and October 20, 2021.

4. Staff report to the Commission at the November 16, 2021, Public Meeting, the status of Arrearage Management Programs, status of Deferred Payment Plans, status of all terms in the Stipulated Agreement, status of customer eligibility agreements, and status of all workshops.

Alternate Recommendation to #1 above:

1. Pursuant to the terms of the November 3, 2020, UM 2114 Stipulated Agreement, take no action to extend the April 1, 2021, date on which the energy utilities may resume providing a 15-day disconnection notice for residential customers before disconnection.

PROPOSED COMMISSION MOTION:

1. Pursuant to the terms of the November 3, 2020, UM 2114 Stipulated Agreement, extend the April 1, 2021, date on which the energy utilities may resume providing a 15-day disconnection notice for residential customers before disconnection to June 15, 2021. Direct Staff to report back to the Commission at the June 15, 2021, public meeting regarding the moratorium and whether changes should be considered.

2. Require each energy utility that is a party to the UM 2114 Stipulated Agreement and has an arrearage management program approved by the Commission to file monthly Arrearage Management Program status reports, with the first report due starting March 20, 2021, for the previous month, and the last report due October 20, 2021; and to file quarterly Arrearage Management Program status reports starting January 20, 2022, for the previous quarter, through January 20, 2023. Monthly and Quarterly Status Reports shall include, at minimum: number of recipients per option, total funds expended, total funds available, funds expended per option, and average customer payments per option.

3. Require PacifiCorp to file a status report on its Deferred Payment Plan on July 20, 2021, and October 20, 2021, including, at minimum, the number of both residential and small commercial customers enrolled, the average length of DPPs, and the number/percentage of DPPs broken.

4. Staff shall report to the Commission at the November 16, 2021, Public Meeting, the status of Arrearage Management Programs, status of Deferred Payment Plans, status of all terms in the Stipulated Agreement, status of customer

eligibility agreements, and status of all workshops outlined in paragraphs 27 through 34 of the UM 2114 Stipulated Agreement

Attachment A

When do COVID-19 and winter utility disconnect moratoriums start and end in each state?

	COVID-19 Start Date	COVID-19 End Date	Winter Start Date	Winter End Date	Temperature-based?
Alabama					≤32° F
Alaska	4/9/20	11/15/20			
Arizona					≤32° F
Arkansas	4/10/20	12/31/20	11/1/20	3/31/21	≤32° F
California	3/16/20	4/17/21			
Colorado	3/20/20	1/2/21			
Connecticut	3/12/20	10/31/20	11/1/20	5/1/21	
Delaware	3/24/20	11/1/20	11/15/20	4/15/21	≤20° F
DC	3/17/20	15 days after emergency			≤32° F
Florida					
Georgia			11/15/20	3/15/21	≤32° F
Hawaii	3/27/20	12/31/20			
Idaho			12/1/20	2/28/21	
Illinois	3/18/20	8/1/20	12/1/20	3/31/21	≤32° F

	COVID-19 Start Date	COVID-19 End Date	Winter Start Date	Winter End Date	Temperature-based?
Indiana	3/19/20	8/14/20 (protections till 10/14/20)	12/1/20	3/15/21	
Iowa	3/13/20	7/1/20	11/1/20	4/1/21	≤20° F
Kansas	3/16/20	5/31/20	11/1/20	3/31/21	≤35° F
Kentucky	3/16/20	10/29/20			
Louisiana	3/13/20	7/16/20			
Maine	3/16/20	11/1/20	11/15/20	4/15/21	
Maryland	3/16/20	11/15/20	11/1/20	3/31/21	If 72 hr. forecast is ≤32° F
Massachusetts	3/13/20	11/16/20	11/15/20	3/15/21	
Michigan			11/1/20	3/31/21	
Minnesota			10/15/20	4/15/21	
Mississippi	3/15/20	6/14/20	12/1/20	3/31/21	
Missouri			11/1/20	3/31/21	≤32° F
Montana	3/30/20	6/30/20	11/1/20	4/1/21	≤32° F at 8am or in forecast
Nebraska			11/1/20	3/31/21	
Nevada					≤20° F

	COVID-19 Start Date	COVID-19 End Date	Winter Start Date	Winter End Date	Temperature-based?
New Hampshire	3/17/20	7/15/20	11/15/20	3/31/21	
New Jersey	10/15/20	3/15/21	11/15/20	3/15/21	
New Mexico	3/19/20	1/6/21	11/15/20	3/15/21	
New York	3/13/20	180 days after emergency/ 3/31/21	11/1/20	4/15/21	<32° F
North Carolina	3/31/20	8/31/20	11/1/20	3/31/21	
North Dakota					
Ohio	3/13/20	4/1/20	10/20/20	4/15/21	
Oklahoma			11/15/20	4/15/21	≤32° F day, ≤20° F night
Oregon					
Pennsylvania	3/13/20	11/9/20 if above 300% FPL	12/1/20	3/31/21	
Rhode Island	3/17/20	7/17/20 (11/1/20*)	11/1/20	4/30/21	
South Carolina	3/16/20	5/15/20	12/1/20	3/31/21	Forecast ≤32° F for 45 hrs.
South Dakota			11/1/20	3/31/21	
Tennessee	3/31/30	8/29/20			<32° F

	COVID-19 Start Date	COVID-19 End Date	Winter Start Date	Winter End Date	Temperature-based?
Texas	3/26/20	8/31/20, (9/30/20*)			≤32° F
Utah			11/15/20	3/15/21	
Vermont	3/18/20	Ended 10/15/20, then on 12/22/20, was extended through 3/31/21	11/1/20	3/31/21	≤10° F, ≤32° F for elderly
Virginia	3/16/20	Ended 10/5/20, then on 11/18, was extended until 60 days after emergency			
Washington	3/19/20	4/30/21	11/1/20	3/31/21	
West Virginia					
Wisconsin	3/13/20	11/1/20	11/1/20	4/15/21	
Wyoming			11/1/20	4/30/21	≤32° F
*Extended moratorium for qualified low-income customers					

Note: the above table is only meant to provide a generalized summary of temperature-based moratoriums, which in some states, have a number of caveats and further age/income restrictions. For a comprehensive list of temperature-based moratoriums, visit https://liheapch.acf.hhs.gov/Disconnect/SeasonalDisconnect.htm.