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Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Temporary Suspension of Tariff Requirements

<u>Case No. PUR-2020-00048</u>

Dear Mr. Peck:

Please find enclosed for electronic filing in the above-captioned proceeding Virginia Electric and Power Company's Comments in Response to the Commission's Order Seeking Comment on Suspension of Service Disconnections.

Please do not hesitate to contact me if you have any questions.

Highest Regards,

/s/ Joseph K. Reid, III

Joseph K. Reid, III

Enclosure

cc: William H. Chambliss, Esq. C. Meade Browder, Jr., Esq. Paul E. Pfeffer, Esq.

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA, ex rel.)	
)	
STATE CORPORATION COMMISSION)	
)	Case No. PUR-2020-00048
Ex Parte: Temporary Suspension of Tariff Requirements)	

VIRGINIA ELECTRIC AND POWER COMPANY'S COMMENTS IN RESPONSE TO COMMISSION ORDER

Virginia Electric and Power Company ("Dominion Energy Virginia" or the "Company"), by counsel, files its comments ("Comments") in response to the State Corporation Commission's ("Commission") Order Seeking Comment on Suspension of Service Disconnections, filed May 26, 2020 ("Order"). The Company understands the Commission's concerns expressed in the Order and continues to focus its efforts on the needs of its customers. First and foremost, the Company is committed to providing safe and reliable electric service to its customers 24 hours a day, seven days a week. In addition, the voluntary actions related to disconnections and late fees that Dominion Energy Virginia took at the beginning of the pandemic were intended to, and the Company believes did, help customers affected by these unprecedented events. As detailed below, Dominion Energy Virginia advocates for continuing to provide relief to customers in need. In response to the Commission's Order, the Company states as follows:

Comments in Response to Commission's Order

1. On March 16, 2020, the Company responded in support of the Office of the Attorney General, Division of Consumer Counsel's March 13 Petition for an Emergency Order to Suspend Utility Service Disconnections During State of Emergency ("Petition"). In its

¹ The Company's response was filed in Case No. PUR-2020-00049.

response, the Company explained that it had announced a plan to voluntarily suspend all service disconnections for nonpayment on March 12, 2020, and had previously informed the Commission Staff of such intended action prior to the Petition being filed.

- 2. Also on March 16, 2020, the Commission issued its Order Suspending
 Disconnection of Service and Suspending Tariff Provisions Regarding Utility Disconnections of
 Service for sixty days, to May 15, 2020. On April 9, 2020, the Commission issued an Order
 Extending Suspension of Service Disconnections for an additional thirty days, to June 15, 2020.
- 3. The Commission's May 26, 2020 Order now seeks comments on an additional extension of the disconnection and late payment fee moratorium. While recognizing the hardships faced by many Virginians as a result of jobs lost due to the COVID-19 pandemic, the Commission expressed concern that a moratorium on all service disconnections due to unpaid bills is not sustainable on an unlimited basis and risks encouraging further non-payment and unfairly shifting unpaid bills to other customers. Ultimately, the Commission reasoned that such an indefinite suspension could affect the ability of some utilities to provide vital services and requested comment on three questions before it took further action.
- 4. Though the Commission has the discretion to extend the mandatory moratorium for all utilities uniformly, the Company recognizes the concerns noted in the Order and believes that the proper course of action may not be a "one-size-fits-all" approach. Therefore, the Company advocates for the Commission to allow discretion for utilities to continue, on a *voluntary* basis, the prevailing service disconnection and late fee moratorium for an additional period of four months. This voluntary extension will allow utilities to implement their own individual programs to assist customers in need as well as encourage payment as customers are able, helping to protect against cost shifting to other customers. For Dominion Energy Virginia,

the Company would extend the disconnection and late payment fee moratorium for four months through October 14, 2020, if permitted by the Commission; enhance and expand its extended payment plan options; and commit additional resources to and expand the scope and flexibility of its EnergyShare program to provide further assistance to customers that have been impacted by the pandemic.

- 5. Specifically, the Company responds as follows to the Commission's questions:

 Question 1: Should the mandatory moratorium on utility service disconnections currently in place be extended beyond June 15, 2020? If so, for how long?
- 6. The Company advocates for an extension of the disconnection and late payment fee moratorium, on a voluntary basis, for an additional four months, or through October 14, 2020. This would leave the moratorium in place for a total of seven (7) months since the beginning of the pandemic. The Company also supports an extension of the moratorium on a mandatory basis, but recognizes, as the Commission notes, that a suspension of disconnections can have a disparate impact on utilities based on a number of relevant factors. As such, the Company believes that flexibility among different utilities with respect to decisions concerning disconnection protocols and programs during this crisis is reasonable and appropriate.

Question 2: If the commenter advocates extending the mandatory moratorium on service disconnections indefinitely or for a significant period beyond June 15, please identify the programs and mechanism, public or private, that will provide sufficient funding to ensure that the costs of unpaid utility bills are defrayed and will not result in even higher costs on other utility customers.

- 7. The Company advocates for Commission approval of a voluntary extension of the moratorium on service disconnections and identifies mitigation proposals below.
- Question 3: Should the mandatory moratorium on service disconnections be replaced on June 15 (or some specific later date) with voluntary measures by utilities to reduce or avoid service disconnections, including as examples and without limitation, offering extended payment plans with no late fees and/or waivers or reconnection charges?

- 8. As noted above, the Company advocates for a voluntary extension of the moratorium on service disconnections and late payment fees to provide continuing near-term relief from economic hardship for customers. In response to the Commission's specific questions above regarding unpaid bills and cost shifting, Dominion Energy Virginia will take the following additional actions to further help customers in need.
- 9. First, the Company has long offered both short term extensions and long-term payment plans, typically 3 to 6 months with 50% down, to help customers manage balances. Beginning June 15th, the Company will expand payment flexibility as a means to assist customers in arrears transition back over an extended period to current balances. This expanded payment flexibility would allow for extended payment arrangements with as little as a 0% down payment and up to 12 months to pay the balance on the arrearages. Current charges would continue to accrue and be payable in the ordinary course, but this process would help spread out repayment of the accrued unpaid balances and alleviate the immediate financial impact on customers.
- 10. Second, the Company commits to augmenting bill assistance to help pay all or part of past balances for qualifying customers who are otherwise unable to pay. This expanded assistance would be channeled through the Company's existing EnergyShare program, which is supported with \$13 million in annual corporate contributions, and is implemented in partnership with relief and community support agencies. Public contributions to the program are also accepted from anyone who wants to help Virginians in need. Dominion Energy Virginia would pledge additional dollars in EnergyShare funding for 2020 at shareholder expense and not included in the utility's cost of service. The Company has also raised the EnergyShare residential customer combined heating and cooling assistance cap to \$1,200 from \$900 for 2020 to provide

for greater assistance flexibility. Finally, the Company intends to implement a temporary COVID-related EnergyShare program for small business customers.

- 11. Third, and key to the Company's proactive customer assistance initiatives, is ensuring customers know about their payment options and the benefits of stopping and reducing arrear balances. Throughout the pandemic, the Company has provided numerous updates to customers in multiple ways email, social media, web/mobile, bill messaging and through press releases, for example about the options for assistance that are available to them, efficient ways to do business with the Company and awareness about scams. In addition, the Company is encouraging customers to be mindful of saving energy and ways to do so while sheltered at home. The Company plans to engage in significant new customer communications that will inform customers on these new options and make it as easy as possible for customers to take advantage of them. These messages will be delivered to customers by a variety of means including bill inserts, bill messages, web, emails, media interviews, news releases and social media in order to reach as many customers as possible.
- 12. The pandemic has been difficult for everyone. Dominion Energy Virginia remains focused on its customers' needs and is committed to continuing to provide safe, reliable and uninterrupted service to all of its customers during this period of uncertainty.

WHEREFORE, Dominion Energy Virginia requests that the Commission accept these Comments in response to the Commission's Order and order an extension of the moratorium on service disconnections of up to four months, on a voluntary basis, as set forth herein.

Respectfully submitted,

By: <u>/s/ Joseph K. Reid, III</u> Counsel

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June 1, 2020