

20200587D

HOUSE BILL NO. 5117

Offered August 24, 2020

A BILL to require certain utilities to develop an Emergency Debt Repayment Plan.

Patron—Aird

Referred to Committee on Labor and Commerce

Be it enacted by the General Assembly of Virginia:

1. § 1. Notwithstanding any other provision of law, every utility providing electric, gas, or water or wastewater service ("utility") shall develop an Emergency Debt Repayment Plan (EDRP) for arrearages accrued during a state of emergency or service disconnection moratorium as defined herein by residential customers. Utilities may collaborate or partner with third-party organizations, institutions, or agencies for the purpose of successful compliance and implementation of its EDRP.

An EDRP shall be designed to ensure that debt repayments accrued during the state of emergency or the service disconnection moratorium, in addition to the residential customer's regular utility bill are sustainable and affordable for the residential customer and shall allow for (i) an up to 24-month repayment period, (ii) a residential customer to roll over remaining debt with any debt accrued under a subsequent state of emergency; and (iii) minimum monthly payments that do not exceed for accrued debt, per utility, \$ 45.50 or, at the option of the utility, four percent of the residential customer's household income provided the utility or a third-party verifies the residential customer's income in a manner consistent with any applicable state or federal privacy laws. A utility shall not require any new deposit or application fee or any other type of advance payment before enrolling a residential customer in an EDRP and shall not charge any interest, finance charges, or prepayment penalties on the unpaid debt while the residential customer is enrolled in an EDRP. A utility shall coordinate its EDRP with any other relevant financial assistance programs, energy assistance and weatherization programs, or percentage of income payment programs. Nothing shall preclude a utility from including additional arrearages accrued by the residential customer not related to the state of emergency in an EDRP upon mutual agreement between the utility and the residential customer. Prior to disconnecting for nonpayment any residential customer who has an overdue balance accrued during the state of emergency of service disconnection moratorium, a utility shall work in collaboration with the residential customer to seek and apply any available resources that either reduce or eliminate such accumulated balance or enroll the residential customer to repay the accumulated debt through other available repayment programs offered by the utility or in which the utility participates for its residential customers. If such repayment programs are not available to the residential customer or do not afford the residential customer sustainable repayment options for that residential customer, then the utility shall offer to enroll the residential customer into the EDRP.

Within 60 days after the effective date of this act, every utility shall provide its residential customers, in the same manner the residential customer receives billing information, which may be by bill insert or bill notice, with information detailing its EDRP including eligibility and enrollment information. The utility shall not disconnect service for nonpayment any residential customer enrolled in the plan provided the residential customer remains in compliance with the terms of the EDRP and remains current on the residential customer's current utility bill as that bill may be due and payable. If a residential customer fails to pay in full the amounts due under the EDRP, and the residential customer and the utility have not agreed to a modification of the terms of the EDRP, nothing under this section shall prevent a new payment plan or from disconnecting service. Payments under the EDRP shall not begin until after the earlier of (i) the expiration of the state of emergency or (ii) the end or the service disconnection moratorium, unless the utility and the residential customer mutually agree to an earlier date for payments to begin.

Following the implementation of an EDRP, utilities shall submit a report to the Commission that contains the following anonymized information: (a) the number of accounts remaining in the EDRP; (b) the total amount of and average of debt for accounts remaining in the EDRP; (c) the number of accounts removed from the EDRP, categorized by reason; (d) the amount of and average of debt still remaining for accounts removed from the EDRP; and (e) the utility's anticipated bad debt write-off from the EDRP compared with any non-EDRP bad debt write-off. The Commission shall provide the chairs of the House Committees on Labor and Commerce and Appropriations and the Senate Committees on Commerce and Labor and Finance and Appropriations an aggregated anonymized report by utility type containing such compiled information within three months of the expiration of the state of emergency and annually thereafter for the following two years.

INTRODUCED

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59 *Debt recovered by an EDRP shall not be recognized as an asset for regulatory purposes and any*
60 *associated costs shall not be recoverable through base rates or a rate adjustment clause.*

61 *Except for any express modifications state in this act, nothing in this act shall affect any orders of*
62 *the Commission, including the order of the Commission in Case Number PUR-2020-00074 issued on*
63 *April 29, 2020, regarding the establishment of regulatory assets of utility accounting matters to track or*
64 *potentially recover costs associated with aged accounts receivable under the service disconnection*
65 *moratorium or other Covid-19 related expenses, nor shall this act affect any non-EDRP rate recovery*
66 *issues, including late fees associated with aged accounts receivable due to the COVID-19 pandemic.*

67 *Any utility subject to regulation by the Commission may petition the Commission for relief and*
68 *exemption from the service disconnection moratorium and to resume normal disconnections at any time.*
69 *Nothing in this act shall be construed to grant any additional jurisdiction or authority to the*
70 *Commission over any utilities not otherwise conferred by law.*

71 *§ 2. As used in this act:*

72 *"Service disconnection moratorium" means that certain order of the State Corporation Commission*
73 *in Case Number PUR-2020-00048 issued on June 12, 2020, or any successor order,*

74 *"State of emergency" means the Executive Order 51, as amended, or any successor state of*
75 *emergency issued by the Governor pursuant to § 44-146.17 of the Code of Virginia in response to the*
76 *COVID-19 pandemic.*

77 *"Subsequent state of emergency order" means a future state of emergency issued by the Governor*
78 *pursuant to § 44-146.17 of the Code of Virginia in response to a communicable disease of public*
79 *health threat as defined in § 44-146.16 of the Code of Virginia that is unrelated to the COVID-19*
80 *pandemic.*