

20200398D

SENATE BILL NO. 5118

Offered August 19, 2020

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

Patrons—McClellan, Favola and Hashmi; Delegate: Carr

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. § 1. Notwithstanding any other provision of law, every utility providing electric, gas, or water service ("utility") shall develop an Emergency Debt Repayment Plan (EDRP) for 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 customer's regular utility bill are sustainable and affordable for the customer and shall allow for (i) an up to 24-month repayment period, (ii) a 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 customer's household income provided the utility or a third-party verifies the customer's income in a manner consistent with any applicable state or federal privacy laws. A utility shall not require any deposit or application fee or any other type of advance payment before enrolling a customer in an EDRP and shall not charge any interest, finance charges, or prepayment penalties on the unpaid debt while the 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 and shall not enroll a customer in an EDRP until after all other reasonably known available methods of debt mitigation or other deferred payment plans are exhausted or do not result in providing a sustainable and affordable payment plan for the customer.

Within 60 days after the effective date of this act, every utility shall provide its residential customers, in the same manner the customer receives billing information, which may be by bill insert or bill notice, with information detailing its EDRP including eligibility and enrollment information. Prior to disconnecting for nonpayment any customer who has an overdue balance accumulated during the state of emergency or service disconnection moratorium, a utility shall offer to enroll the customer into the EDRP. The utility shall not disconnect service for any customer enrolled in the plan provided the customer remains in compliance with the terms of the EDRP and remains current on the customer's current utility bill as that bill may be due and payable. If a customer fails to pay in full the amounts due under the EDRP, and the 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 customer mutually agree to an earlier date for payments to begin.

Following the implementation of an EDRP, each utility 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.

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

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

INTRODUCED

SB5118

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

63 § 2. As used in this act:

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

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

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