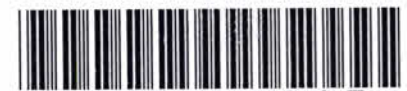


ORIGINAL

OPEN MEETING AGENDA ITEM



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Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

Arizona Corporation Commission

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JUN 20 2019

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June 19, 2019

Dear Chairman Burns and Commissioners,

RE: Docket No. E-00000A-19-0128 and Docket No. **RU-00000A-19-0132**

On behalf of Wildfire, Arizona PIRG Education Fund, St. Vincent de Paul, and the Residential Utility Consumer Office (RUCO), we write to offer our joint recommendations on electric utility disconnections.

The death of Ms. Pullman is a tragedy – one that must *never* happen again. While this devastating and deeply troubling incident occurred in APS's service territory, we are also very concerned that similar situations may have occurred or could occur in the service territories of other electric, water, and gas utilities that you regulate.

We appreciate the questions that Commissioners have raised to learn how and why this incident occurred and to explore and implement safeguards to ensure that utility disconnections don't result in additional deaths, illness, or harm. We also appreciate the work of Commission Staff to propose revisions to the Termination of Service rule for electric utilities, in an expedited fashion.

However, **we have concerns about the unintended consequences that may arise should the Commission hastily adopt the proposed changes.** During any moratorium period, it's likely some customers would accrue a significant amount of unpaid bills and fees — a financial burden that would become unmanageable by the time the moratorium ends. Additionally, when customers accrue high amounts of unpaid bills, the support available from community and charitable organizations to assist with bills is often insufficient to prevent disconnection. Both consequences would cause additional customer disconnections, harm, and hardship, and be counterproductive to the overall intention of the Commission's rulemaking.

Given the very real potential consequences, **we respectfully request that the signatories of this letter, working with Commission Staff, be given an opportunity to discuss and amend the proposed rules to ensure that potential negative ramifications are not in any way exacerbated.** Each of our entities recently were invited to participate in utility led discussions about disconnections. Based on insight gained in these meetings and our experience working with consumers, we believe we have unique perspectives to offer.

**We also urge the Commission to engage in a comprehensive review of utility disconnection practices in addition to and separate from any revisions made to the Termination of Service rule** – an approach informed by data; oriented first toward solutions that mitigate the health and human impacts of disconnection; and that directs the development and implementation of a suite of concrete/proactive actions, policies, programs, procedures, and solutions focused on the goal of eliminating all utility disconnections.

**Below please find a suggested timeframe, framework and stakeholder working group process developed and proposed this week to Arizona Public Service Company and shared with Tucson Electric Power and Salt River Project. This document outlines the urgent steps and actions we believe must be taken within 90 days of the Rule's adoption to inform, develop, and implement a comprehensive approach and response to utility disconnection.** We have slightly modified this framework for a potential Commission-led process and respectfully request that you review and consider this proposal and direct a stakeholder working group process for immediate implementation.

In order to ensure that no customer harm is unintentionally done, we respectfully recommend that the Commission:

1. Put a moratorium on regulated electric utility disconnection in place until Friday, July 19<sup>th</sup>, 2019 or until comprehensive emergency rules are adopted by the Commission.
2. Allow the entities mentioned above the ability to meet with Commission Staff and propose comprehensive Termination of Service Rules for consideration by the Commission.
3. Immediately employ the framework and stakeholder working group process outlined below in order to compile and consider all of the necessary information it needs to develop and adopt a comprehensive approach on utility disconnection, including on the processes and procedures surrounding the current and any future proposed moratoriums.
4. Adopt a comprehensive approach on utility disconnection as soon as possible.

Regardless of the Commission's actions and decisions at its Staff Meeting on Thursday, June 20<sup>th</sup>, 2019, we recommend that the Commission direct the immediate implementation of the proposed stakeholder working group process outlined above.

Please feel free to contact any or all of us with questions or suggestions.

Sincerely,

**Cynthia Zwick**, Executive Director, Wildfire, (602) 604-0640, [czwick@wildfireaz.org](mailto:czwick@wildfireaz.org)

**Diane E. Brown**, Executive Director, Arizona PIRG Education Fund, (602) 252-9227, [dbrown@arizonapirg.org](mailto:dbrown@arizonapirg.org)

**Cherylyn Strong**, Director, Resource Center, St. Vincent de Paul – [Cstrong@svdpaz.org](mailto:Cstrong@svdpaz.org)

**Jordy Fuentes**, Director, RUCO – [jfuentes@azruco.gov](mailto:jfuentes@azruco.gov)

# Proposed Commission-Led Stakeholder Process on Utility Disconnections

## Work Group Goals

To conduct an urgent, comprehensive review of the disconnection policies and procedures of the electric utilities regulated by the Arizona Corporation Commission; their impacts; and affected populations to identify concrete actions, policies, programs, and procedures that each regulated utility should implement to protect the well-being of Arizona ratepayers. The Disconnection Work Group will be guided by the overarching goal to eventually eliminate all utility disconnections.<sup>1</sup>

## Work Group Principles

The work group will be:

1. **Oriented First Toward Solutions that Mitigate the Health & Human Impacts of Disconnection**
2. **Structured & Process-oriented**
  - Work will be guided by ground rules, goals, a work plan, and an associated timeline.
  - The overall work will be completed within 90 days.
  - Materials and an agenda will be provided at least 48-hours before each meeting.
  - Within 48 hours after each meeting, Commission Staff will synthesize the discussions and decisions from each meeting for Work Group participants.
3. **Transparent & Communicative**
  - Commission Staff will provide regular (bi-weekly) status updates to the Commission on the Work Group's activities.
  - Commission Staff will provide regular (bi-weekly) status updates that are available publicly via eDocket.
  - All final recommendations and implementation actions will be synthesized and filed with the Commission including for Commission review and approval if/where necessary.
  - All final recommendations and implementation actions will be synthesized and made publicly available. Status updates on the implementation of these recommendations and implementation actions will be made available publicly on a regular basis (monthly).
4. **Inclusive & Collaborative**
  - At a minimum the Work Group shall include representatives of organizations that advocate on behalf of: low-income consumers; consumers; senior citizens/elderly; the medically vulnerable; energy efficiency; Latino/Hispanic communities; other non-English speaking communities; and other vulnerable communities; and shall also include representatives from the faith community; the Residential Utility Consumer Office (RUCO); and representatives from each of the regulated electric utilities.
  - Commission Staff and Work Group members will proactively identify and invite additional potential participants with a lens toward participants that can provide perspectives on equity and public health and that serve, work with, or understand the communities and customers most vulnerable to disconnection.

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<sup>1</sup> The scope of this work includes disconnections at all times of the year including during the summer and winter.

- Participating stakeholders must abide by the Work Group's ground rules.
5. **Data-driven and -Supported**
  6. **Fast Acting & Timely**
  7. **Comprehensive & Proactive in its Approach**
    - In addition to looking at the regulated electric utility disconnection policies and procedures, the Work Group will conduct a comprehensive deep dive to understand disconnection risk factors and to identify other concrete/proactive actions, policies, programs, and procedures that each utility should implement in order to achieve the overarching goal to eventually eliminate all utility disconnections.

## Work Plan

At a *minimum* the Work Group will:

- Conduct a deep-dive analysis of disconnection data for the last five years; a demographic analysis; a housing and locational analysis; a market segmentation analysis<sup>2</sup>; focus groups; and surveys to at a minimum elucidate disconnection trends and understand who is being disconnected, influences on disconnection, and the impacts of disconnection
- Establish risk factors and an associated framework to proactively identify customers vulnerable to disconnection and to recommend and implement a suite of concrete/proactive actions, policies, programs, and procedures to help ensure that at-risk customers never disconnect including recommendations for bill assistance, energy efficiency programs, energy education, etc. and for the selection of and enrollment in rate options
- Benchmark the disconnection policies of regulated electric utilities in Arizona against other utility policies nationally
- Review and recommend protections against disconnection
- Review and recommend limitations on disconnection
- Review and recommend disconnection communications and communication procedures, including resources provided to consumers upon disconnection
- Review and recommend communications, communication procedures, and protections for customers who lose power/are disconnected for reasons other than unpaid electricity bills
- Review and recommend improvements to payment assistance options
- Review and recommend improvements to rate options including for the selection of and enrollment in those rate options
- Review and recommend improvements to energy efficiency programs and services targeted toward vulnerable and at-risk populations
- Review and recommend improvements to education efforts, including energy education efforts
- Review and provide recommendations on reconnection processes including reconnection fees and deposits
- Review and provide recommendations on programs, services, and communications for customers before and after they have been reconnected
- Establish goals, metrics and reporting around disconnection/termination of service processes

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<sup>2</sup> A market segmentation analysis would partition APS customers into groups of customers with similar needs and/or characteristics.

- Review communications and procedures related to the current and any proposed disconnection suspension/moratorium period