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PUBLIC SERVICE COMMISSION

September 4, 2020

Impacts of COVID-19 Pandemic on Maryland's * Administrative Docket
Gas and Electric Utility Operations and * PC53
Customer Experiences *
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Notice and Request for Arrearage Program Proposals

On July 8, 2020 the Commission initiated Public Conference 53 - Impacts of COVID-19 Pandemic on Maryland's Gas and Electric Utility Operations and Customer Experiences. The Commission asked eight questions and required responsive filings from electric utilities (other than municipal and small electric cooperatives) and all Maryland gas utilities.¹ The Commission received responses from Maryland utilities as well as comments from state agencies,² advocates for low-income and other customer groups,³ and business interests.⁴ The Commission held three days of hearings, from August 27-31, 2020 primarily focused on the impacts of COVID-19 and its associated economic repercussions on customer payments and experiences.

On March 16, 2020, Governor Hogan issued an executive order prohibiting termination of residential utility services and the collection of late fees (the "Moratorium").⁵ The record in this proceeding has shown that during the Moratorium both the number of gas and electric customer accounts and the number of dollars in arrears have increased.⁶ By its order on August 31, 2020, the Commission has begun the process of unwinding the Moratorium and is encouraging those customers who are in arrears to enter into payment plans for accumulated debt and providing time for those who are unable to do so to seek payment assistance. However, there remains the possibility that affected customers are at risk of service termination and that some portion of the customer debt accumulated during the Moratorium will ultimately be uncollectible.

¹ July 8, 2020 Notice of Public Conference on the Impacts of the COVID-19 Pandemic.
² Technical Staff of the Commission, the Office of People's Counsel, the Maryland Energy Administration, the Office of the Attorney General.
³ The Maryland Energy Efficiency Advocates, R.O.A.R, FIRN, and the Institute for Energy and Environmental Research.
⁴ Apartment and Office Building Association, NRG Energy, Inc. and Sunrun, Inc..
⁵ Order No. 20-07-31-01.
⁶ Staff Comments at 30.

In both written filings and during the August 27-28 hearings, some parties advocated for arrearage forgiveness programs, potentially paired with participation in energy assistance programs or partial repayment plans (an “Arrearage Management Program”).⁷ The possible scope, benefits and risks of potential forgiveness programs were not fully developed, however.

Therefore, the Commission hereby requests that:

1. In consultation with Staff, OPC and the Office of Home Energy Programs, each Maryland gas, electric, and gas and electric investor-owned utility⁸ develop cost-neutral⁹ arrearage forgiveness programs and/or Arrearage Management Programs suitable to address potential uncollectible COVID-19 related arrearages and reduce or eliminate COVID-19 arrearage-related terminations within that utility’s customer base;
2. Proposals should be filed by October 7, 2020 and should include current arrearage data and any information necessary to evaluate the costs and benefits of the program; and
3. Comments on the proposals should be filed by October 28, 2020.

The Commission will hold a legislative-style virtual hearing on the proposals on November 9 and 10, 2020 at 10:00 AM. If you would like to actively participate in the hearings, please contact Molly Knoll at mollyg.knoll@maryland.gov by 12:00 noon on Thursday, November 5, 2020. Otherwise, you may watch the live stream of the hearings on the Commission’s YouTube channel.¹⁰ Please also direct any questions about the plan hearings to Molly Knoll.¹¹

By Direction of the Commission,

/s/ Andrew S. Johnston

Andrew S. Johnston
Executive Secretary

⁷ Comments of the Maryland Energy Efficiency Advocates at 17. William Fields, for the Office of People’s Counsel, also expressed support at the August 28, 2020 hearing (41:20-43:00).

⁸ Other Maryland utilities are eligible to participate voluntarily.

⁹ To the extent possible, the cost of proposed plans should be offset by decreases in uncollectibles and related expenses.

¹⁰ You may access the Commission’s YouTube channel via the “Watch PSC Proceedings” button on the lower left side of the Commission’s home page, or via the following link to the YouTube channel: <https://www.youtube.com/c/MarylandPSC>.

¹¹ The Commission will conduct the hearing via virtual meeting on Webex. Participants will receive an email confirming participation and information on a mandatory test run to occur on Friday, November 6, 2020.