

From: Jeff Tyau <TyauJ@hawaiireserves.com>

Sent: Sunday, December 6, 2020 9:45 PM

To: PUC <puc@hawaii.gov>

Cc: DCCA Consumer Advocate <Consumeradvocate@dcca.hawaii.gov>

Subject: [EXTERNAL] Laie Water Company PUC Water Suspension Response Letter.pdf

Re: Commission Request for Feedback from Utilities and the Consumer Advocate on the Suspension of Termination or Disconnection of Regulated Utility Services Due to Non-Payment

Please find our attached comments to the above PUC request.

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LAIE WATER COMPANY, INC.
55-510 KAMEHAMEHA HWY.
LAIE, HI 96762
(808) 293-7017

December 4, 2020

Public Utilities Commission
Of the State of Hawaii
Kekuanaoa Building, Room 103
465 South King Street
Honolulu, HI 96813

Re: Commission Request for Feedback from Laie Water Company on the
Suspension of Termination or Disconnection of Regulated Utility Services Due to
Non-Payment

Honorable Commissioners and Staff:

Please find the following responses to your questions regarding the current suspension of water service.

Questions for Utilities

- 1) Lifting the Suspension of Disconnection for Non-Payment
 - a) Do you think the Commission should extend the disconnection suspension for all of your customers beyond December 31, 2020?
 - i) **Answer: No. We support allowing the suspension order to expire at the end of Dec 2020.**
 - b) If the suspension is not extended beyond December 31, 2020, would your Utility request authority to voluntarily suspend disconnections?
 - i) **Answer: No. We would not request a voluntary suspension of disconnections.**

- 2) Financial Impacts on Utilities
 - a) How many of your Utility customers (of each customer class) have past due balances for utility service, and what is the total cumulative past due balance for all customers? Please break out past due balances by timeframe (e.g., past due by less than 30 days, by greater than 30 days, by greater than 60 days, by greater than 90 days, etc.), if available.
 - i) **Answer: Please see attached confidential Aged Receivables report. In our normal process, following shut off notifications and posting of tags, customers with outstanding balances past 91 days would have been shut off due to nonpayment. This report is sorted by total balances past 91 days.**

- b) How would an extension of the disconnection suspension for 1 month, 3 months, or 6 months, respectively, affect the financial condition of your Utility?
 - i) Answer: Past due accounts of customers with balances over 91 days will continue to increase. The further disconnection suspension is extended, the more difficult it will be for customers to address the growing past due amounts. We are in favor of getting information from each customer and identifying those that need additional time due to Covid-19 financial hardship, as well as those who are not paying for other reasons. Our experience is that some customers will not clear their past due balances unless and until disconnection is a real consequence.
- c) What data and/or financial information does your Utility think would be helpful to provide to the Commission on a going-forward basis to help the Commission continue to make decisions around disconnection suspension and related issues?
 - i) Answer: Lift the disconnection suspension so utilities can work out fair payment plans with customers for past due balances. This process will bring to light how many customers have been directly impacted by Covid-19 as well as help other customers to become current.

3) Protections for Customers (Including Those Experiencing Financial Hardship)

- a) What mechanisms exist, or are you considering implementing, for customers to alert your Utility that they are experiencing financial hardship or otherwise need special customer protections related to their utility bill or service?
 - i) Answer: Our notice of past due balance will ask the customer to notify us of specific situations that have affected their ability to make payments. Based upon the specific situations, we would work out a payment plan with the customer.
- b) What types of payment plans is your Utility currently offering, or contemplating offering, to customers? Please include information regarding the proposed minimum and maximum lengths of these payment plans, including those that may be established specifically for vulnerable customers (e.g., customers experiencing financial hardship, low-income customers, customers with special medical needs, etc.).
 - i) Answer: Payment plans for valid financial hardships will range over a reasonable amount of time, depending on the specific financial situation and amounts owed.
- c) What, if any, specific customer protections is your Utility offering or contemplating offering to vulnerable customers (e.g., customers experiencing financial hardship, low-income customers, customers with special medical needs, etc.)?
 - i) Answer: It is in our best interest to work out a payment plan for each customer. That is why we feel it is important to begin this process as soon as possible. Typically, we will consider a deferred payment plan and other such similar workout solutions. In some exceptional cases it may be necessary to consider writing off past due balances.
- d) Are there other specific customer protections that you think should be extended or newly implemented?
 - i) Answer: Perhaps State funds could be made available to help water customers,

who have been impacted by Covid-19, pay for their service.

4) Customer Engagement

a) What communications regarding the disconnection suspension and other customer protections (including those provided by outside sources, such as COVID-19 relief funds) have you provided to your customers during the Pandemic?

i) Answer: We have posted copies of the PUC order on our website.

b) When and how is your Utility planning to notify customers, if you have not already, that they are at risk for disconnection or termination of regulated utility services upon the lifting of the suspension?

i) Answer: We would send out notices to past due customers that they should contact us if their ability to pay has been impacted by the Covid-19 situation and we will work with them on payment plans based on their situations. Only after efforts have been made to reach a fair payment plan, or other solutions, would a disconnection notice be sent.

c) How is your Utility communicating payment plans (or, planning to communicate payment plans) and other options to customers who are at risk for disconnection? Are you currently conducting, or planning to conduct, this outreach prior to any lifting of the suspension?

i) Answer: We would communicate with each affected customer to understand each specific situation and if, and to what extent, they have been impacted by Covid-19 impacts. We are preparing forms for customers to provide written proof of such financial hardship.

If you have any additional questions, please call me at 293-6432.

Sincerely,



Jeffrey Tyau
Vice President, Operations

cc: Division of Consumer Advocacy (email)

FILED

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PUBLIC UTILITIES
COMMISSION

The foregoing document was electronically filed with the State of Hawaii Public Utilities Commission's Document Management System (DMS).