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June 15, 2021

Charlotte Mitchell, Chair
NC Utilities Commission
430 N Salisbury St.
Raleigh, NC 27603

Re: Duke Energy Progress and Duke Energy Carolinas Joint Response, and Extension of the Limited Residential Disconnection Moratorium, Docket M-100, Sub 158

To Chair Mitchell:

On behalf of Appalachian Voices, I am writing to respond to the "Joint Response" of Duke Energy Progress and Duke Energy Carolinas (the "Companies"), dated April 27th and filed in Docket M-100, Sub 158, as well as to the progress of the public health and economic recovery and the need to extend the Limited Residential Disconnection Moratorium.

We commend the Commission, Public Staff and the Companies on the steps taken to address allegations pertaining to misinformation regarding customer rights, repayment options and available bill payment assistance being provided by the Companies' customer service representatives. We further commend actions taken by the Commission to extend the Limited Residential Disconnection Moratorium through June 30th, extend the required repayment agreement term to 18 months, and require more detailed monthly reporting on customer complaints and disconnection notices. Finally, we commend the Companies for having voluntarily suspended all disconnections for the months of March and April and for suspending account delinquency for 30/45 days for DEP/DEC customers (respectively) who have received a pledge for assistance through the NC HOPE program or other sources of assistance.

However, we remain concerned about the high number of residential accounts served by the Companies that remain behind on their bills, the amount of remaining arrearages for those accounts, the relatively low proportion of customers in arrears that have been placed on an extended repayment plan, the high number of 24-hour disconnection notices being sent, the number of accounts that were disconnected between November and March, and the pace by which assistance funds are actually being applied to the accounts of customers that have been approved for such funding.

These factors underlie our continued concern about the ability of hundreds of thousands of residential Duke Energy customers to afford their electric bills over the next several months, and the impacts on those customers should their service be disconnected for non-payment. Further, they belie the Companies' claim that they have "diligently followed the Commission's orders with respect to disconnections, payment arrangements, and providing information on assistance from government and third-party agencies in paying bills" and "offered customers innovative and flexible ways to avoid disconnection for nonpayment and establish deferred payment arrangements."

In the Companies' own words, "recogniz[ing] the economic impacts from the COVID-19 pandemic are both widespread and deep and that *full recovery will take time*," the evidence clearly shows that there is a need to continue protecting customers until we have, at a minimum, reached pre-pandemic numbers for delinquent accounts and arrearages. To that end, we respectfully request that the Commission:

1. Extend the Limited Residential Disconnection Moratorium at least through the end of October 2021
2. Extend and make permanent required monthly reporting on customer arrearages, disconnection notices, and detailed data on disconnections and reconnections
3. Investigate and require the Companies to respond to the following:
    a. What explains the significant discrepancy between the number of residential accounts that are delinquent on their bills and the number of those customers that have been placed on extended repayment plans?
    b. How are the Companies dealing with situations where a customer is not able to afford a monthly arrearage payment on top of their normal monthly bill, even if that payment is spread over 18 months?
    c. Why have the Companies not considered/implemented an automatic "opt out" approach to placing delinquent customer accounts on extended repayment plans?

The actions outlined above are necessary and justified given the following:

1. **Hundreds of thousands of residential DEP/DEC accounts remain in arrears, owing more than $100 million, and the numbers are not improving**

    The Companies reported 446,188 remaining past-due residential accounts at the end of February, representing 15.4% of the reported 2.9 million total residential accounts. In total, delinquent accounts owed a total of $114 million.

    These values represent an increase over January, when 429,672 residential customers (14% of all residential accounts) were reported in arrears (a 3.8% increase over January) owing $105.7 million (a 7.8% increase).

While data for February shows an overall reduction in delinquent accounts and arrearages compared to the Companies' total residential peak of 564,289 and $186.6 million in September 2020, the number of delinquent accounts has decreased by only 21% over the past five months of reporting (October through February) while total arrearages have decreased by only 39%. If the next five months were to follow the same trend there would still be approximately 350,000 accounts in arears owing nearly $70 million in unpaid bills by the end of August, unless the economy and employment situation vastly improve and/or the Companies do a better job of getting customers onto extended repayment plans.

2. **Only one-third of customers in arrears have been placed on extended repayment plans, and this has also not improved since November**

As of February 28, the Companies report having placed 153,598 delinquent residential accounts onto extended repayment plans. This represents only 34.4% of the accounts in arrears. This is less than January (35.8%) and only slightly better than November (31.9%). In other words, despite the Companies' claims of doing everything they possibly can, "diligently following the Commission's orders" and offering customers "innovative and flexible ways to avoid disconnection for nonpayment and establish deferred payment arrangements," those purported efforts are not resulting in getting more customers onto extended payment plans.

3. **Until March, the Companies were sending out disconnection notices, and disconnecting customers, at a high rate despite the "widespread" and "deep" economic impacts of COVID**

Combined, the Companies report serving an average of more than 186,000 24-hour disconnection notices to residential customers from November through February, representing one out of every sixteen households served, and 42% of all customers in arrears, on average, during that time. In other words, a little less than half of the customers in arrears come within 24 hours of having their service disconnected for non-payment.

Additionally, until the Companies voluntarily suspended all disconnections in March and April, they disconnected more than 60,000 residential accounts between November 2020 and February 2021, averaging more than 15,000 per month. Those values are only 18% lower than for the same period 12 months prior. This indicates that the Companies failed to take seriously the impacts COVID was having on families and individuals, or the risk to public health and well-being of disconnecting electric service during the crisis.

It is clear that the economic crisis continues to impose substantial hardship on hundreds of thousands of Duke Energy customers alone, and that a significant portion of those customers face the ongoing risk of losing their utility service due to an inability to afford their bills. It is also clear that despite their claims to the contrary, the Companies have failed to meet their obligations to the Commission and to their customers, have failed to successfully enroll delinquent customers into extended repayment plans, and have continued penalizing customers who can't afford their bill at a similar rate as before the pandemic, despite the clear and well-document consequences, which we have documented in prior comments submitted to the Commission.

In that regard, we again request that the Limited Residential Disconnection Moratorium be extended at least through the end of October 2021, that the Commission extend and make permanent required monthly reporting on customer arrearages, disconnection notices, and detailed data on disconnections and reconnections, and that the Commission require the Companies to respond to the questions we pose earlier in the letter.

Thank you for the opportunity to provide comment, and thank you for your consideration.

Sincerely,

Rory McIlmoil, Senior Energy Analyst
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