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**UNITED STATES SENATE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES**

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TESTIMONY

Chairman Murkowski, Ranking Member Manchin and distinguished members of the Committee, my name is Jackie Roberts, and I appreciate the opportunity to address the Committee not only as the West Virginia Consumer Advocate, but also as President of the National Association of State Utility Consumer Advocates (NASUCA). Today I will share what NASUCA is doing to support its state consumer advocates during the COVID-19 public health and economic crisis, while reiterating suggested policy priorities identified in a letter to Congress dated May 22, 2020 (attached). I will also tell you about the types of challenges that utility consumers currently face and how a considered balance between utility industry regulation and consumer protection is and will be necessary, to mitigate further upheaval within our country. It is my hope that this testimony paints an accurate picture of the urgency and magnitude of the current crisis for many utility consumers.

If I could give you two key take aways today, they are that: one, affordable access to electricity, natural gas, clean water and wastewater and communication services are essential for modern life; and two, that economic recovery of utility customers lags significantly behind the opening of the economy. For many, the economic and unemployment crisis will continue far beyond the near term. Congress has an important role to play in providing the support that families, children, the elderly and other at-risk consumers will need to afford and maintain these essential utility services. Ultimately, choosing to help keep people in their homes will help avoid the potential for a much greater health and economic crisis.

NASUCA is a voluntary association consisting of 58 state utility consumer advocate offices. Its members represent the interests of utility consumers in 44 states, the District of Columbia, Puerto Rico, Barbados and Jamaica. NASUCA's members are either designated by the laws of their respective jurisdictions to represent the interests of utility consumers before state and federal utility regulators and in the court, or are recognized utility consumer advocates in these jurisdictions. We protect customers, especially residential customers, in all utility matters.

During this unprecedented time, NASUCA has focused its attention on providing a platform for members to share timely information regarding the impact of COVID-19 on utility consumers. We created a COVID-19 Response Subcommittee as a platform for members to identify current challenges, discuss potential solutions and create policy recommendations. Through this subcommittee, NASUCA passed Resolution 2020-01 "*NASUCA Recommendations Concerning the Effects of the Public Health and Economic Crises Resulting from COVID-19*"

upon Utility Rates and Services Provided to Consumers by Public Utilities,” which is attached to this testimony, for your convenience.

Who Are We Helping?

We are helping utility customers, predominately residential utility customers who have been devastated by the loss in April, alone, of 20.5 million jobs. The country’s jobless rate rose to 14.7 %.¹ It is evident that this economic uncertainty has the potential to remain with us in the long-term, and we must plan accordingly.

In 2018, approximately 38.1 million people lived in poverty.² But we must recognize that this number has and will increase as the country grapples with the economic aftermath of COVID-19. These circumstances are debilitating for many customers.

West Virginia is a good example of how vulnerable utility customers are: of 1.8 million residents, we had the fourth highest poverty rate nationally; our median age is well above the national average; we have the second highest percentage of residents over 65; twenty-five percent of our children live at the poverty level and over 50% are below the self sufficiency standard, meaning they receive some form of assistance. Residents of West Virginia – and in all of this country – must now emerge from a pandemic and try to keep their homes and utility service.

What We Would Like to See Happen?

Utility customers must be given real opportunities to retain utility services while recovering economically. Based on Resolution 2020-01, NASUCA sent Congress a letter on May 22, 2020 which identified several areas where we believe Congress can take an active role, providing relief for utility consumers. At this time, NASUCA encourages Congress to allow regulators, industry, and consumer advocates to work collaboratively and assemble evidence-based solutions, providing relief for utility consumers, while balancing the needs of the utility industry. I’d like to highlight a few key themes of that letter, and our resolutions.

First, each state and each utility face different circumstances and challenges. Congress should look for ways to provide support for customers (LIHEAP or other direct support) and support for utilities (infrastructure programs to create jobs or other direct support). These types of support set the stage to allow each state to work constructively with its utilities to find the best approach to keep utility consumers connected to service.

Second, Congress can enhance funding levels for the Low-Income Home Energy Assistance Program (LIHEAP). Additional LIHEAP support helps customers reduce arrearages and get current on utility bills, while also providing much needed revenue to support utility operations. A similar type of LIHEAP assistance program should be created for water and wastewater customers. If you are struggling to pay your electricity bill, you are likely struggling to pay your water bill. And yet there is no assistance program for water and wastewater customers.

Third, beyond indirect support like LIHEAP, some utilities may need direct support. The utilities’ needs will depend on their corporate structure and capitalization. Smaller public systems and coops will be harder hit than large publicly owned utilities. Ultimately, we help all consumers if we close the gap between prudently incurred and recoverable utility costs and the reduced revenue levels that many utilities may be experiencing. That gap is what will force

¹ <https://www.bls.gov/news.release/laus.nr0.htm>

² <https://www.census.gov/library/publications/2019/demo/p60-266.html>

utilities to request rate increases at the state level. Utility rate increases at this time only serve to deepen the challenges for consumers and the economy in the future.

Fourth, the COVID-19 crisis has made it clear the importance of our broadband communication networks to support commerce, telemedicine, government, education and public safety services. Congress must work with states and support programs that expand broadband capacity and availability in all areas. We must reduce the digital divide which has been exacerbated during this pandemic. Congress should also work with the Federal Communication Commission to expand access to the Lifeline program, which helps low income customers have access to these essential services.

Finally, Congress should eliminate the tax normalization rules for excess accumulated deferred income tax balances on the utility books due to the corporate tax reductions in the 2017 Tax Cut and Jobs Act. I won't venture into the details, but utilities have billions of dollars of consumer supplied money on their books that, absent the normalization rules, could be returned to consumers to address this crisis.

Personal Example?

As we look at our neighbors, friends and families struggle amidst the pandemic, I would like to tell you about someone in Charleston who was recently allowed to return to work in a salon. She was out of work for about 2 ½ months. Upon the strategic opening of the state, she returned to work, but was limited in her earning potential due to limited hours at the salon, required by social distancing mandates. These circumstances stifled her normal earning potential, and thus her ability to pay for basic necessities such as rent, food, and utilities. Although she is working part-time, she must recover from being out of work entirely and currently at reduced wages. She is an example of why reopening the economy is does not mean customers are suddenly able to resume normal utility payments.

Interestingly, to give a broader understanding, she is one of more than 160 million people in the United States, who have already been living paycheck to paycheck.³ Coupling this, with an economic recession, and a global health crisis, requires all of us to come together and make sound evidence-based solutions to help utility customers come up with ways to prevent them from not only losing the ability to prevent disconnections of electricity, water, and other necessary utilities, but ultimately, their homes.

I fear some utilities equate strategic opening of business as one indicia that they should resume the usual customer disconnections. This belief is misguided, and customers must be allowed to economically recover while their essential services remain intact. This will certainly take more than a few months.

At this time, I thank you for your consideration and welcome the opportunity to answer any questions you may have.

³ <https://content.schwab.com/web/retail/public/about-schwab/Charles-Schwab-2019-Modern-Wealth-Survey-findings-0519-9JBP.pdf>