

June 12, 2020

Governor Jay Inslee
Office of the Governor
P.O. Box 40002
Olympia, WA 98504-0002

Re: Proclamation 20-23.4 mandates and referenced guidance document

Dear Governor Inslee:

We appreciate the good working relationship we have with your office. Our goals are the same; helping the citizens of Washington recover from the effects of the pandemic. As our counties begin to open up, we request proclamation 20-23.4 be rescinded or appropriately amended to allow locally elected PUD boards to continue to respond in a manner appropriate to the economic needs of their customers while protecting the financial health of their utilities.

On May 29, 2020 you issued an amended proclamation adding requirements for utilities that extend beyond the emergency. While we supported your earlier proclamation *encouraging* utilities to enact or continue measures to assist customers, we strongly believe that the utility mandates in the latest proclamation extend beyond the emergency and restrict locally-owned public utilities from working with individual customers in a manner that best meets their needs.

The requirements in the referenced guidance document refer PUD customers to the Utilities and Transportation Commission for assistance information through a hotline although the UTC has no knowledge of PUD assistance programs and no expertise or authority to address PUD customer needs. In addition, the proclamation requires PUDs to adopt customer assistance plans with prescriptive requirements which fail to account for the wide diversity of the needs and circumstances of PUD customers.

We are dismayed that the proclamation was issued without financial analysis on impacts to utilities or their customers. A blanket moratorium may result in larger arrearages that accumulate over time, putting customers in an increasingly difficult financial position. A better approach is to allow Washington's community-owned PUDs to draw upon their experience, willingness and community knowledge to develop assistance programs and approaches that meet the specific needs of their customers while also encouraging those who can pay their bills to continue to do so in order to support the continued financial health of their utility. As our state's counties go through the phases of recovery at a differing pace, it is important for the PUDs to be able to respond to the changing needs in their communities and make decisions that work for all the people they serve.

As you are aware, Washington's not-for-profit, public utility districts (PUD) responded quickly to the needs of their customers experiencing economic hardship due to COVID-19. As major providers of energy, water, wastewater and wholesale telecommunications services in Washington State, we recognize the importance of keeping customer connected. We were pleased to hear from your office

that there have been no customer complaints of utilities attempting to disconnect customers both before your moratorium on disconnections and waiving of late fees, and after. This demonstrates the customer focus of the state's not-for-profit, community owned utilities to fulfill their mission of service for which they were created.

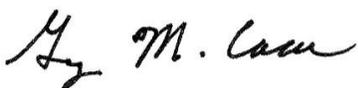
As indicated in our letter to you dated April 6, 2020, which you received prior to issuing your directive, PUDs had already put in place a variety of measures to ensure their customers had the services necessary to keep them safe and healthy; measures that often went beyond suspension of disconnections and waiving late fees. WPUDA communicated to your office on an ongoing basis the evolution and expansion of these measures and also shared these reports with the State Department of Commerce Emergency Management Director. The measures included delaying rate increases, working with customers on payment plans, putting in place new or augmented customer assistance programs, refunding deposits or applying them to balances, and connecting customers with other assistance programs to help with their bills. The PUD actions were carefully measured to balance meeting the needs of their customers facing hardships with the PUDs' financial responsibilities to continue providing essential utility services.

Public Utility Districts were formed by communities that wanted to own and operate their essential utility services in the best interest of their friends, neighbors, businesses, service organizations and industries. Central to PUD principles is local control and accountability. The proclamation as amended undermines both of these principles. It removes from locally elected PUD Commissioners the ability to develop programs and actions that best fit the unique circumstances and interests of their communities and inserts a "one-size-fits-all" state mandate. Moreover, it requires compliance under the explicit threat of criminal prosecution.

Considering the work done by the PUDs, and as an acknowledgement that there have been no complaints, we ask you to rescind or appropriately amend the proclamation. We look forward to working with your office to develop policies and principles to help our citizens while preserving the role of our PUDs in making local decisions suited to their communities. We provided in our earlier correspondence some recommended policies to support customers in need of assistance and have additional ideas to share as well. We would like to continue to discuss these proposals with you and suggest that the process put in place to work on this issue be as inclusive and transparent as possible given its importance.

As mentioned earlier, we appreciate the good working relationship we have with your office. We look forward to continuing to work cooperatively with you to support the citizens we all serve during this challenging time.

Sincerely,

A handwritten signature in black ink that reads "G. M. Caan". The signature is written in a cursive, flowing style.

George Caan, Executive Director
Washington Public Utility Districts Association