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Public Utility Commission of Texas

Commissioner Memorandum

MAY 14 2020
P.O. BOX 110000
DALLAS, TEXAS 75211-0000

TO: Commissioner Arthur C. D'Andrea
Commissioner Shelly Botkin

FROM: Chairman DeAnn T. Walker *DTW*

DATE: May 14, 2020

RE: Open Meeting of May 14, 2020 – Agenda Item No. 26
Project No. 50664 – *Issues Related to the State of Disaster for Coronavirus Disease 2019*

As discussed at the open meeting, the attached letter is being sent to the Congressional leadership and all members of the Texas Delegation.

DeAnn T. Walker
Chairman

Arthur C. D'Andrea
Commissioner

Shelly Botkin
Commissioner



Greg Abbott
Governor

Public Utility Commission of Texas

May 14, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles E. Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

RE: Service Disconnection Moratoriums and Federally Mandated Debt Collection Requirements for Utilities

Dear Leader McConnell, Speaker Pelosi, Leader Schumer, and Leader McCarthy:

I am writing to you on behalf of the Public Utility Commission of Texas (PUCT) to thank you and the members of both Chambers for your diligence in swiftly addressing the medical, economic, and social needs of the American people, and Texans in particular, during the novel Coronavirus disease (COVID-19) pandemic. I also want to brief you on the PUCT's actions in response to the COVID-19 impacts on Texans to ensure the continued provision of utility service to those customers who need it most. As Texas copes with the threat of COVID-19, the PUCT understands that continuity of utility service is paramount to the citizens. The PUCT has taken several actions to ensure the continued provision of electric, water, and sewer services to the citizens of Texas.

The PUCT regulates the state's electric, telecommunication, and water and sewer utilities, implements respective legislation, and offers customer assistance in resolving consumer complaints. The PUCT is unique among state commissions with respect to electric markets. The Electric Reliability Council of Texas (ERCOT) region is fully within the borders of Texas, and thus is not in interstate commerce. It serves more than 26 million Texas customers and 90% of the state's electric load. The PUCT has full regulatory authority over the transmission and distribution utilities within the ERCOT region. Both the retail and generation functions of electric service in the ERCOT region are competitive markets. Historically, customers in ERCOT have enjoyed electric rates among the lowest in the country. In addition to the PUCT's oversight of the ERCOT region, it also holds responsibility for integrated electric utilities that are not located in



the ERCOT region as well as the economic regulation of water and sewer utilities and the oversight of telecommunications utilities.

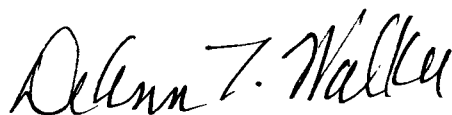
On March 26, 2020, the PUCT issued various orders to address the unprecedented situation caused by COVID-19. The PUCT also ordered retail electric providers in ERCOT to grant deferred payment plans to any customer upon request. In addition, it granted exceptions to certain electric, water, and sewer rules relating to charges for late fees, interest for past due bills, and disconnections for non-payment. Lastly, the PUCT established the COVID-19 Electricity Relief Program. This program protects eligible residential customers who are unemployed as a result of the COVID-19 pandemic or are recognized by other State programs as low-income from disconnection for non-payment.

With the numerous complexities and intricate dynamics related to the electric industry within the State of Texas, I am concerned about recent proposals made to include requirements for debt collection and service disconnection moratoriums in future COVID-19 pandemic relief bills. The three Texas Commissioners have a breadth of experience and expertise in law, public service, and utility regulation. The PUCT is uniquely positioned to thoughtfully address the security of utility service to Texans in a way that balances the financial security of the industries, while ensuring that financial relief is targeted at those customers who most need it.

Broad debt collection requirements or disconnection moratoriums may have unintended consequences that could impede the electric market in Texas. We strongly encourage Congress to work with state regulatory utility commissions and other organizations such as the National Association of Regulatory Utility Commissioners (NARUC) in address issues related to utility service. This will ensure a productive dialogue and avoid roadblocks to ensuring utility security for the people of Texas.

I thank you again for your thoughtful leadership and your service to the people of this country and to Texas in this difficult time.

Yours very truly,



DeAnn T. Walker
Chairman
Public Utility Commission of Texas