



Testimony to Senate Finance February 2, 2021

Electric Utility Arrearages

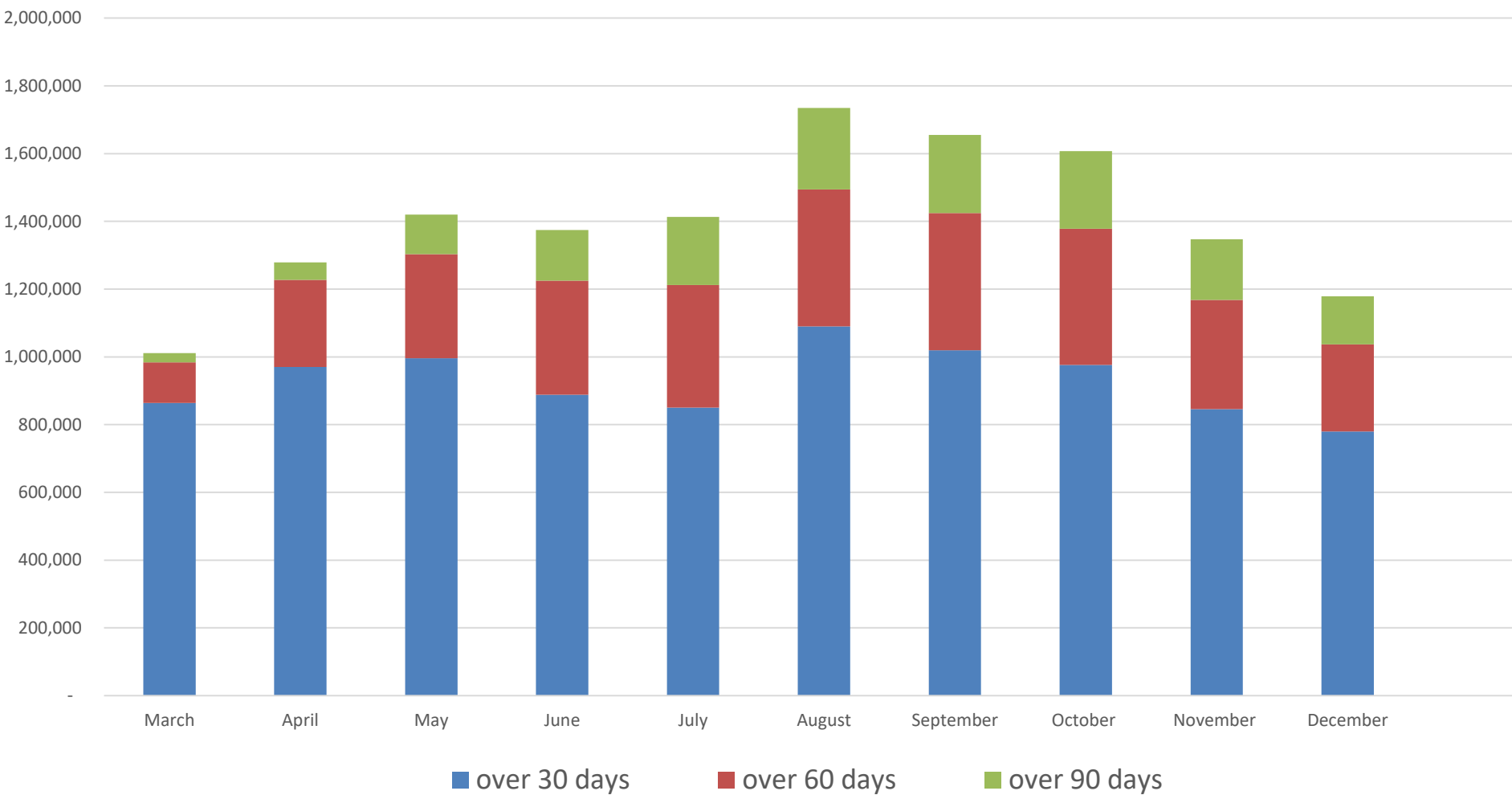
Andrea Cohen, Manager of Government Affairs and Member Relations

The COVID crisis has caused many VEC members to experience financial hardship, some for the first time. Arrearages have increased at an alarming rate and the financial implications are considerable. VEC has worked to support members during this challenging time. Despite our assistance, and the generous support of the Vermont Covid-19 Arrearage Assistance Program (VCAAP), over 1,500 VEC member accounts are currently more than 60 days behind on their utility bills.

Of great concern is the number of Vermonters who still need support, including those that did not access any VCAAP assistance, and how they will manage as we transition out of this crisis.

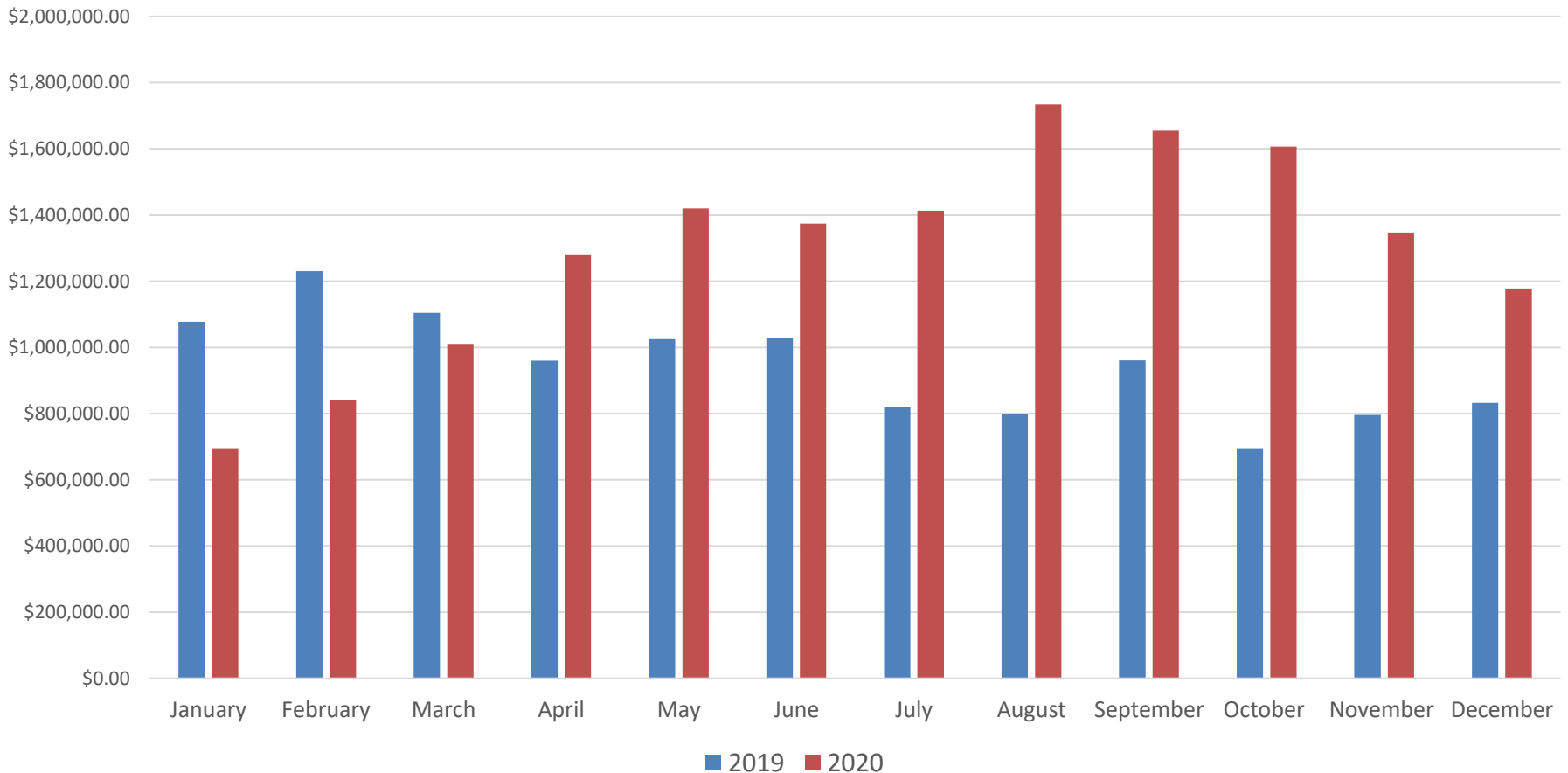
As the following charts illustrate, arrearages in 2020 increased concurrent with the start of the crisis, peaked in August, and then were reduced as VCAAP was implemented.

2020 VEC Arrearages During COVID Crisis



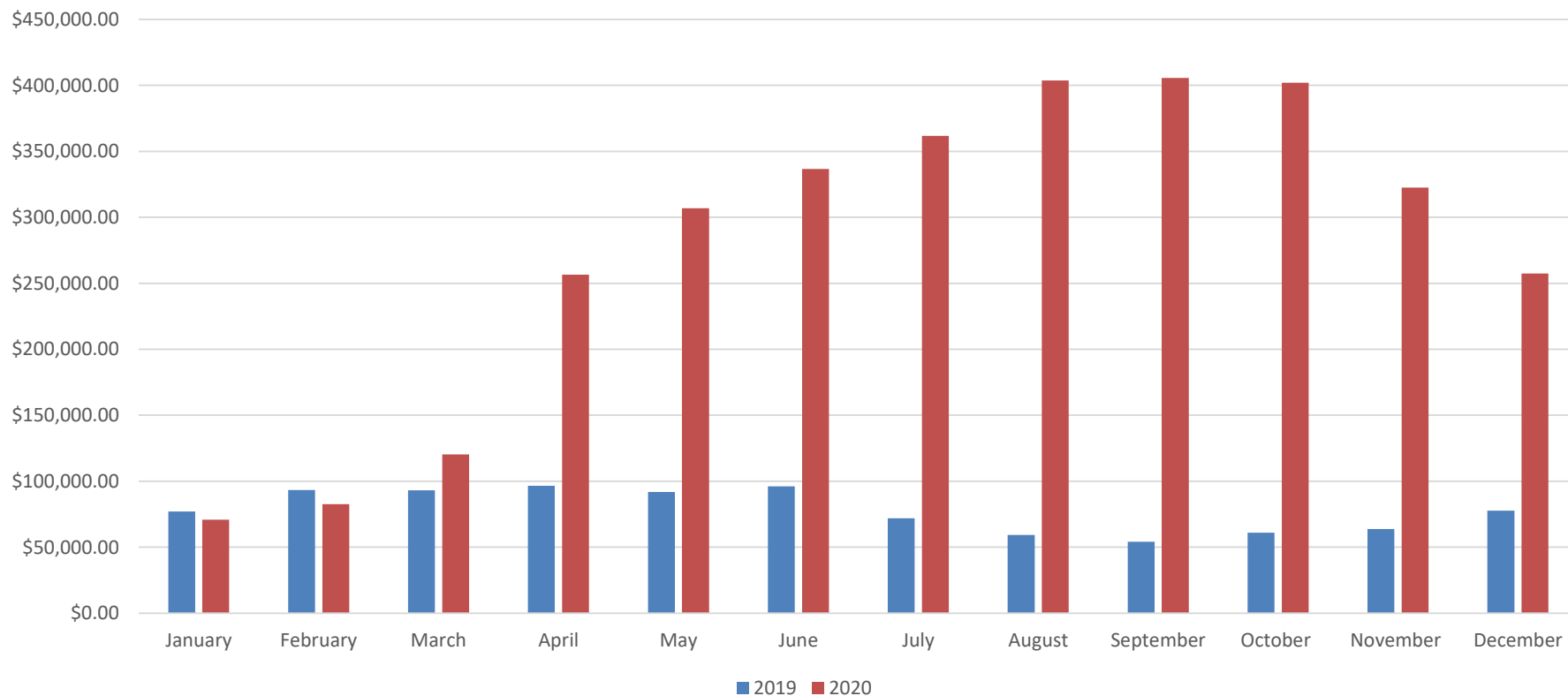
At the start of 2020, arrearages were lower than the year prior. After March 2020, monthly arrearages exceeded 2019 monthly arrearages.

VEC Total Arrearages More than 30 days

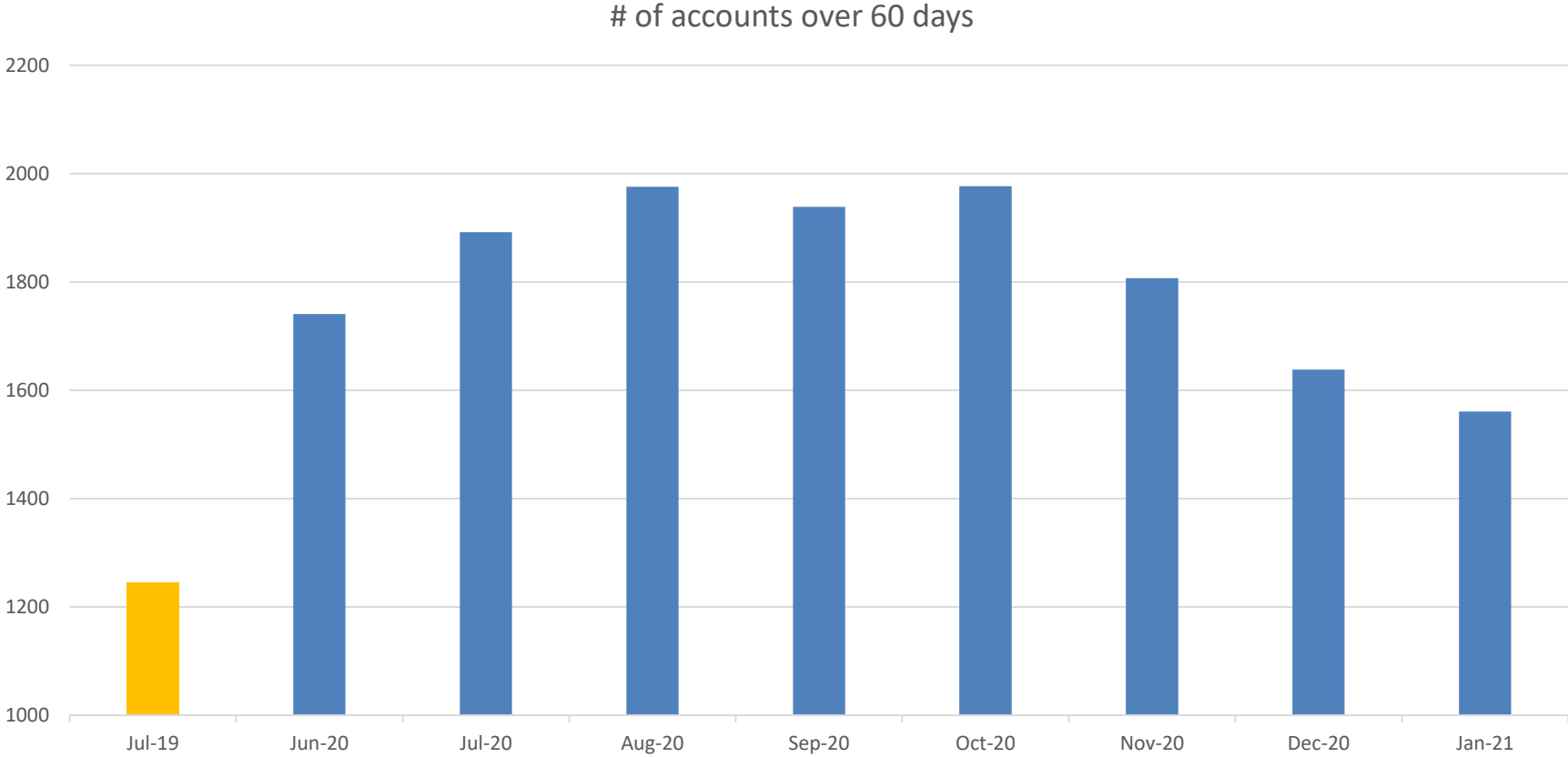


Over 60 day arrearages are considerable compared to 2019, even after the arrearage assistance program. Over 60 day arrearages are more than triple than what they were last year, and are increasing in the new year.

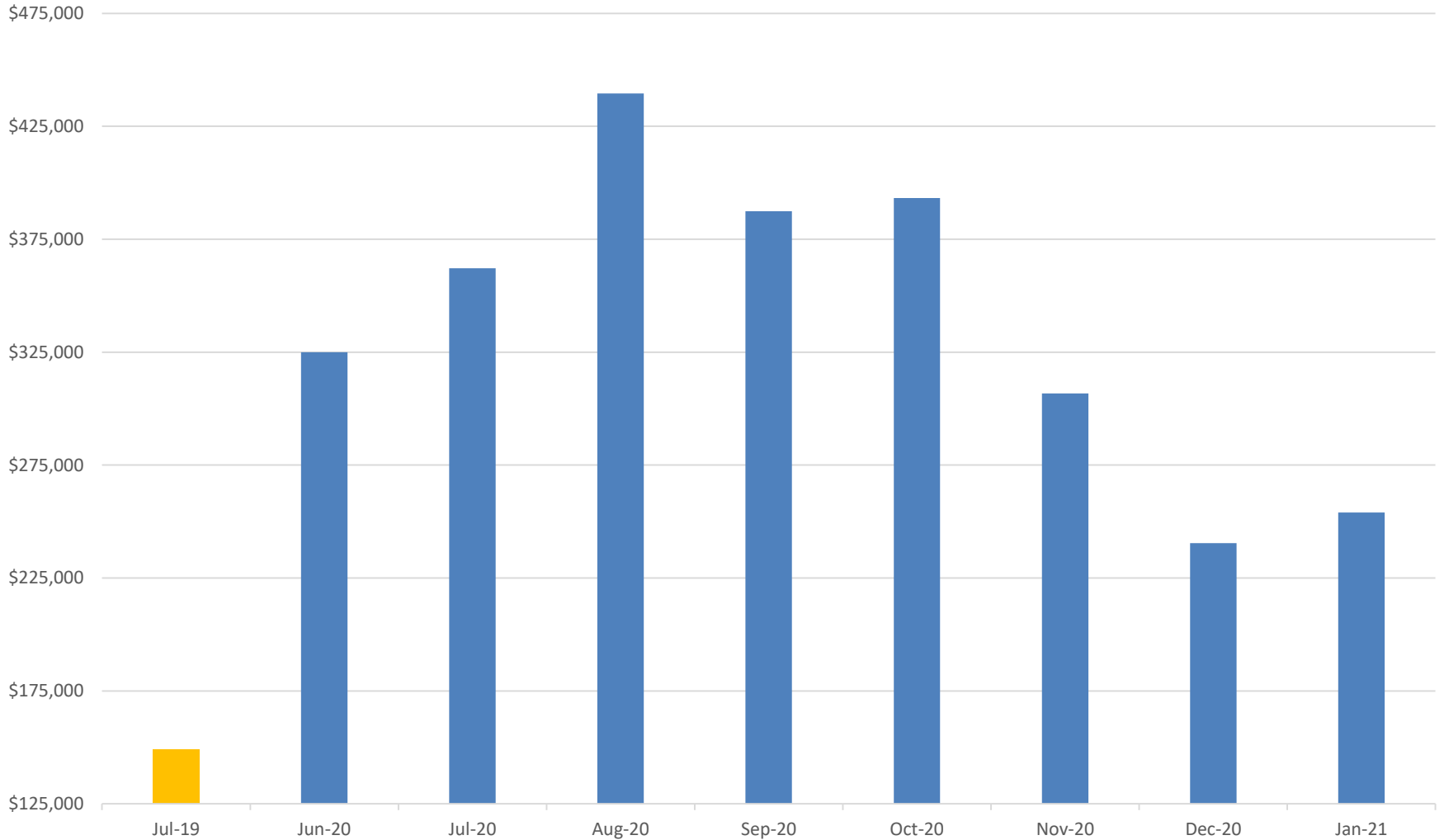
VEC Total Arrearages More than 60 days



The **# of accounts** with over 60 days arrearages are also considerably greater than last year.



Total \$ over 60 days





Arrearages Through August 2020	60-90 Days		90 + Days	
	Count	Amount	Count	Amount
Residential	1209	\$160,978	622	\$236,065.00
Non Residential	95	\$17,621	50	\$24,880
Total	1304	\$178,599	672	\$260,945

1976 accounts, **\$439,544**

Arrearages Through Jan 2020	60-90 Days		90 + Days	
	Count	Amount	Count	Amount
Residential	1047	\$114,252	421	\$115,249
Non Residential	65	\$17,353	28	\$7,152
Total	1112	\$131,605	449	\$122,401

1561 accounts, **\$254,006**

Some steps VEC has taken to assist members.

- Prior to the PUC Orders, implemented a voluntarily moratorium on disconnects and began working with members on long-term payment arrangements.
- Released patronage capital earlier in the year (\$1.4 million) and shifted allocation towards current members (over past members).
- Actively promoted the VCAAP program through social media, direct e-mail, door knockers, earned media, phone calls, and more.
- Proactively directed members to other payment assistance available to them.
- Allowed members to apply security deposits to outstanding bills.
- Continuously communicated with members about the status of their account.

VEC is very concerned that as arrearages build, VEC and our members will face challenges in finding repayment arrangements that will be successful. When members cannot pay bills, VEC immediately loses revenue but still incurs costs as electricity is billed after consumption has already taken place. As a nonprofit cooperative if members are not able to pay their bills it will result in cost shifts to other members.