

VCAAP Utility and Reviewer Q&A from 10-20-20

When will this function be live?

Thursday 10-22-20 was the planned start. But it was later learned that the software platform and associated changes will be implemented by Wednesday 10-21-20. Guidance materials will be shared on the 21st. New caps will take hold with the delivery of the software platform changes on the 21st.

Are you considering increasing the caps again?

Caps have been removed (\$10,000 customer cap max). Budgets have been lifted.

Will rejected applications also allow for adjustment amounts?

Reopened applications that were rejected for having no eligible arrear, will be treated as applications eligible for a second review.

The total funds that were initially granted to each utility is no longer a set amount. If money is now on a first come, first served basis that means a utility can possibly get less than they were originally granted; is that correct?

Yes, it is possible.

Can you clarify what goes in "updated total amount" and "supplemental total amount"? For example, walk us through someone eligible to receive an additional \$200 on top of what was already verified. Examples will be provided to accompany this FAQ.

Customers will not be required to resubmit for additional funds; that responsibility will be on the utility to wait the 30 days and then go over customer accounts a second time?

Yes

Is the updated total what the customer has due for arrears at the time of second processing?

Yes. Eligible arrears at time of second processing minus any awards not received yet.

Can you change the word Amount to Arrears to be consistent for updated total and supplemental?

Yes, but maybe not for Thursday (Oct 22).

If we are allowing the applications to mature will you let us know when funds are low?

Yes, Riley will send updates on Fridays until the program closes.

Is it better to wait for the last billing prior to the end of the program for review for the most benefit to our customers or are we taking a chance of the funds running out?

There is a risk in waiting. We hope to see all the funds expended before the last day.

Why not approve the total arrears entered on the first application instead of sending a customer back to the review process if we are lifting the caps?

The intent of the program is to help address customers in distress and in danger of disconnection. If the goal were simply to expend the funds, we might take a different path. We chose to apply the funds toward a direction that was most likely to reduce the risk of financial distress and disconnection as facts and circumstances unfold as the pandemic persists.

Can we help customer apply or do they still have to apply themselves?

Yes. In limited circumstances. In general we are relying on customers, family and associates, and community action agencies for filling out the applications.

What about the apps we are reviewing now? will they get "re-reviewed" in November?

Yes. Initial applications that are received in late October are eligible for a second pass in November.

If customers cannot be disconnected during the VCAAP application process does that mean a customer is not eligible for disconnection until they have been reviewed a second time?

The rules that govern disconnection are independent of the VCAAP program, although the reference point of 60+ days in arrears was adopted because it is close to the point at which customers are most vulnerable to disconnection. Any customer that received utility service after March 1 is are 60+ days in arrears is eligible on either the first or the second pass.

Do these funds count as income and are taxable?

Our understanding is that these funds will be subject to federal income tax applied as income to recipients.

If a customer has an arrearage that is prior to March 1 and they apply for VCAAP, are they still removed from the disconnect lists?

The VCAAP program is only indirectly linked to disconnections. The PUC establishes the framework for disconnections through its rules that are implemented, with discretion, by utilities. The VCAAP program is administered by the Department of Public Service and applies the program to be consistent with the materials and FAQ sheets that are available online. Customers with longstanding arrearages that existed prior to March 1, and so were ineligible for VCAAP assistance, may be vulnerable to disconnection.

If the next lever you are going to pull is to shorten the eligible arrears days to less than 60 days (example 45), I would respectfully ask you to consider doing it now so we don't need to process applications a 3rd time.

Point taken. 45 days is not a realistic option given what we know and have heard from many of the utilities that do not keep their accounts in a manner that would allow this to work. We believe that dropping the level to 30 days would unleash an almost immediate flow of funds, potentially beyond available resources. Also, 30 days is relatively common and does not typically link closely to

disconnections. To do it well would potentially require the development of a related allocation framework. If we take that step we will explore ways of implementing that do not require a 3rd round of reviews.

Regarding arrears from the month of February which would have been due in March. Customers were unable to pay those bills because of income losses in March.

The requirements of state and federal law limit eligibility to services provided after March 1.