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SUPPORT – Senate Bill 392
SB 392 – Electric and Gas – Limited Income Mechanisms

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) support **Senate Bill 392 Electric and Gas – Limited Income Mechanisms**. Senate Bill 392 authorizes Electric and Gas companies to adopt a limited-income mechanism to benefit eligible limited-income customers, subject to the approval of the Public Service Commission. The bill also authorizes a variety of mechanisms to support limited-income programs and requires a utility company to apply for approval of a limited-income mechanism by the Commission and the allocation of costs across all rate classes.

The COVID-19 pandemic has significantly affected customers and communities across our service areas. Because of this, Pepco and Delmarva Power have taken extensive steps since March of 2020 to assist customers, including temporarily suspending service disconnections, waiving new late fees, reconnecting customers who lost service prior to the pandemic where safe to do so, offering extended payment plans, and enhancing outreach and engagement to customers regarding energy assistance options available from the companies as well as state, local and non-profit organizations. These steps were taken to assist those customers, both residential and business, most impacted by the pandemic.

To help customers manage financial challenges they may be experiencing as a result of the pandemic, Pepco and Delmarva Power conducted proactive outreach to limited income customers via phone calls, emails and social media campaigns to offer assistance and encourage improved payment behavior. The proactive outreach began in March and has continued through the present time. In addition, Pepco and Delmarva Power enhanced payment arrangement options and enrollment on their websites to make it easier for customers to establish a payment plan and also empowered customer care center representatives to provide more flexible and lenient payment arrangements to customers without needing to escalate to a supervisor.

Beyond a strict cost-benefit calculation, limited income mechanisms or arrearage management programs can provide the invaluable service of helping vulnerable customers keep the power on while moving past an arrearage that otherwise could have burdened them for years or forced them to make painful choices between utility service and other pressing financial needs. In fact, many customers today are facing even greater consequences as a result of changes in life and work as a result of the pandemic, including those customers who continue to work from their home and those with students who are attending school virtually from their home. When a utility is able to help customers address these challenges and prevent the potential for power disconnections for non-payment, the outcome inarguably is a far healthier community for

everyone, not only those directly impacted by the program. The goal of Pepco and Delmarva is to keep our customers connected and enacting legislation authorizing a utility to offer (and the Public Service Commission to approve) a limited income mechanism that supports the most vulnerable populations in the state can help the companies do that. Senate Bill 392 is in the best interest of all Marylanders and, for the above reasons, Pepco and Delmarva Power respectfully request a favorable vote on Senate Bill 392.

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