

PRIORITY/ACTION TITLE: Customer Assistance

Branch/Division: Cross-division
Executive Sponsor: Keri Burchard-Juarez
Project Manage/Lead: Kahreen Tebeau

Priority/Action Type:

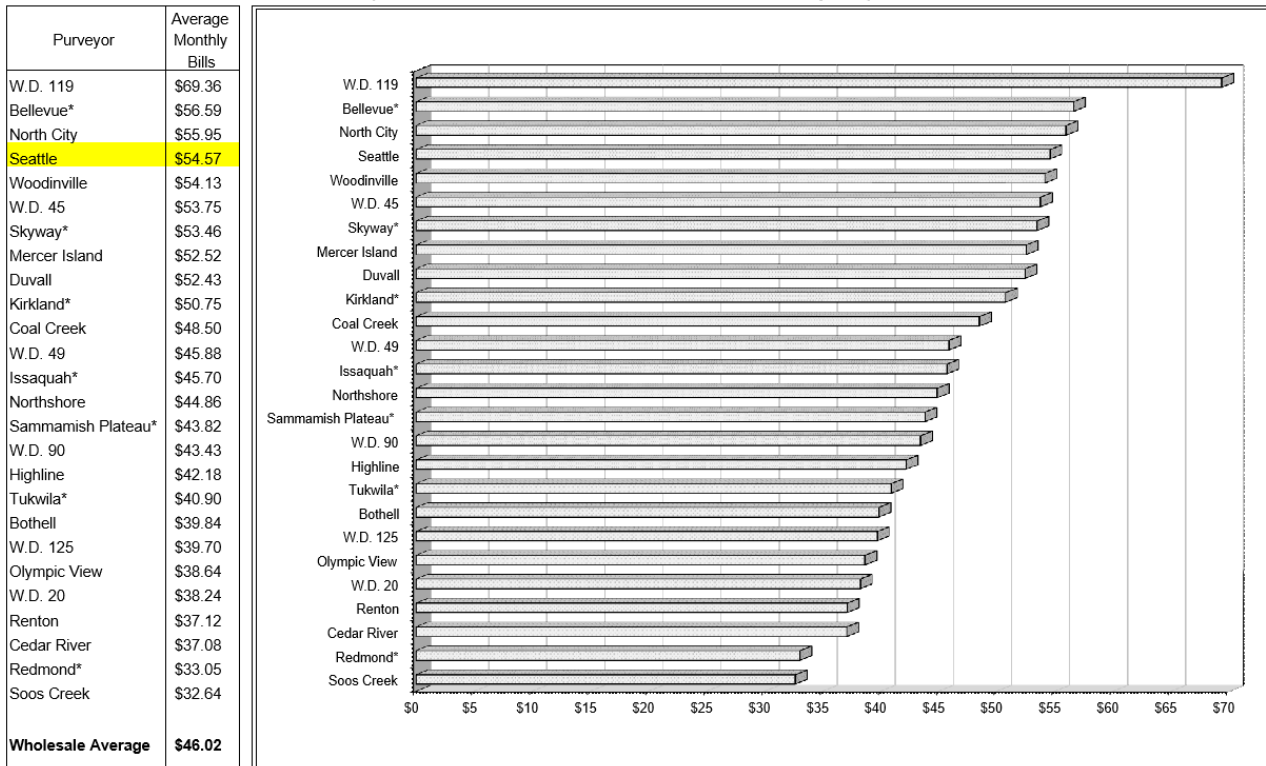
- 2018-2023 Existing Action Plan with **continued** funding for 2021-2026
- 2018-2023 Existing Action Plan with **increased** funding for 2021-2026
- New Priority requiring new funding
- Priority with existing funding

Summary of the priority or issue.

- What is the issue or problem and why is it important? What data do we have that indicates this an important problem or issue to address? Use charts, graphs, and tables.

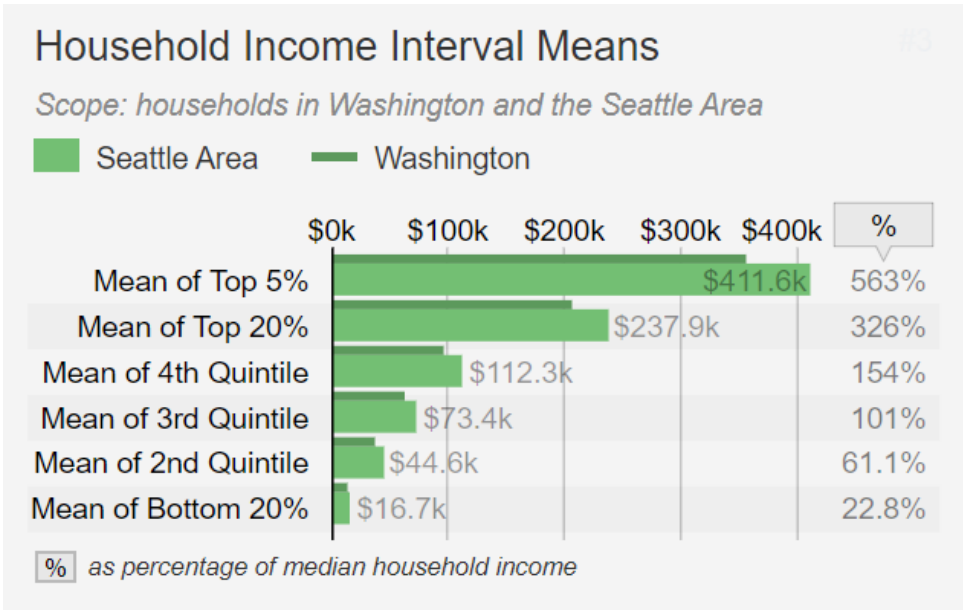
SPU’s bills are high compared with other utilities in our region, as can be seen in this table showing average residential bills at medium levels of water consumption.

**Average Monthly Residential Bills at 2018 Rates and MEDIUM Consumption
(6 ccf/mo Winter and 9 ccf/mo Summer Consumption)**



* Member of Cascade Water Alliance

There is also a high degree of inequality in the distribution of wealth and income across Seattle’s residents. This means that for those earning the least and with the least wealth, SPU bills are disproportionately difficult to pay. This graph shows the difference between the highest and lowest income earners in the Seattle area, with the households in the bottom quintile (the bottom 20% of earners) earning, on average, less than \$17,000 per year, while those in the top 5% earn over \$400,000.



Source: US Census Bureau, 2010 Census, and American Community Survey, 2012-2016

Given these factors and the critical importance of SPU’s services to human health and well-being, SPU has launched a more holistic and cohesive effort to optimize financial assistance for customers in need. Collectively, these efforts – called Customer Assistance – are a priority focus area for SPU and constitute an official practice area under the Accountability & Affordability initiative.

Part 2. Targeted Commitments and Performance Measures (next 3-6 years).

- What are we doing, or will we do to address the priority problem or issue?

As part of this practice area, SPU has created a Customer Assistance Work Group, comprising staff spanning lines of business and divisions within SPU. The Work Group meets quarterly to share information and data, coordinate, and collaborate with the goal of proactively optimizing customer experience and affordability. This has included (but is not limited to) improvements to the Utility Discount Program, the Emergency Assistance Program, leak adjustment policies, side sewer repair assistance, the Low-Income Water Conservation Program, and shut-off prevention. Note: side sewer repair assistance is discussed in detail in a companion strategic priority write-up

- What are the short and long-term metrics for measuring progress? How will you measure whether the action has been successful?

Because this practice area spans multiple programs and policy areas, there is no single metric but rather many different metrics for measuring progress and metrics and goals will vary across programs. For example, a recently launched pilot to prevent water shut-offs among UDP-enrolled households aims to reduce the rate of shut-off from 1% (where it is today), to as close to zero as possible.

Alternatively, for the Utility Discount Program (which is a cross-department partnership between SPU, Seattle City Light, and the Human Services Department), the standard metric for gauging success is net enrollment. For 2019, the target for this metric was 34,000, and it was met and surpassed. Enrollment targets for 2020 and 2021 are currently being set by the UDP Steering Committee. The UDP Steering Committee is also considering additional metrics we can more directly control, such as the number of households contacted directly with marketing and outreach, to tell a more complete picture of the program's efforts and successes.

Part 3. Baseline Activities and Anticipated Rate Impact

- Short description of activities already in the baseline, incremental work.

The Utility Discount Program, SPU's Emergency Assistance Program (EAP), and the Low-Income Water Conservation Program are all existing programs that will continue operating.

Both the EAP and the Low-Income Water Conservation Program both recently expanded their program eligibility thresholds to 80% of the State Median Income (SMI), up from 70% of SMI. The level of assistance offered by the EAP was also expanded from up to 50% of the bill, to up to 100% of the bill (within a maximum dollar limit of \$448). This kind of change to the EAP has already had an immediate beneficial impacts, with customers calling to ask for assistance, and expressing their gratitude (sometimes through tears) that assistance to cover all or almost all of their bill was tremendously helpful to their families, particularly during the winter holidays. The projected financial impact from these EAP expansions is anticipated to be about \$265,000 for 2020, above 2019 EAP costs.

In addition, the leak adjustment policy has recently been modified substantially, and as soon as the operational logistics can be put into place, the new policy will be implemented. The financial impact of this policy change is estimated to be approximately \$2 million per year.

These types of targeted modifications and expansions of existing programs, based on data and analysis, is the key to SPU's approach to optimizing assistance within the Customer Assistance Practice Area.

Part 4. Alternatives Considered & Race and Social Justice Considerations

Several alternatives are currently being considered within the Customer Assistance practice area.

At the Customer Review Panel meeting on March 20, 2020, program and policy alternatives related to supporting homeowners in the often onerous costs of repairing their side-sewers will be explored and considered.

Also under consideration are alternatives for enrollment processes and requirements for the Utility Discount Program. A pilot program – the UDP Self-Certification Pilot – is currently underway to allow a small number of randomly selected households in lower-income areas of the city to enroll in the UDP by only attesting to their

household income, rather than having to gather and submit burdensome income documentation for all of their household members. The pilot will also be testing new predictive modelling to help identify households who are most and least likely to qualify for the UDP. This will increase the efficiency of both auditing and marketing. Depending on the results of this pilot, new ways of marketing, enrollment, and auditing may be implemented.

Under another program, the UDP Shut-off Prevention Pilot, alternative ways of preventing shut-offs among lower-income households enrolled in the UDP are being considered. For example, prior to shutting off the water in a UDP-enrolled household, SPU field staff are placing a door hanger on the customer’s front door providing information about the Emergency Assistance Program (EAP), and providing the customer an extra week to contact SPU about accessing Emergency Assistance. Staff are also calling the customer to offer information about the EAP. In this pilot, new modes of communication will be tested to see which are most effective in preventing shut-offs.

SPU will also be tracking how many UDP-enrolled households continue to be shut-off, despite the 50% discount they are receiving from the UDP program, despite the Emergency Assistance which provides up to \$448 dollars off one bill a year (or two if the household has children), and despite proactive outreach from SPU. We hope to better understand the characteristics or circumstances facing households who continue to struggle to pay their bill and will consider policy or program alternatives to fill that gap if needed.

Additionally, depending on what is learned through this pilot about the most effective communication techniques for preventing shut-offs with UDP-enrolled households, we may consider utilizing these techniques with other customers facing a water shut-off.

Finally, SPU has worked with Seattle City Light and the Mayor’s Office to explore and rapidly implement temporary policy alternatives to respond to the COVID-19 coronavirus emergency. COVID-19 has already had a severe negative impact on businesses and workers in particularly hard-hit sectors of the economy, and as such, SPU and City Light have temporarily implemented the following customer assistance measures to provide relief during this crisis:

Utility Customer Assistance Policies in Response to COVID-19	Residential customers	Commercial customers
Suspending utility shut offs for non-payment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Allowing more flexible payment plans	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Permitting fast-track enrollment into the Utility Discount Program for income-eligible households through March 31	<input checked="" type="checkbox"/>	
Reaching out proactively to small businesses with delinquent accounts to set up flexible payment plans		<input checked="" type="checkbox"/>
Waiving late fees on delinquent balances	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>