




**Date:** August 26, 2022

**To:** Idris Beauregard, Deputy Director of People, Culture & Community Branch  
Paula Laschober, Deputy Director of Financial & Risk Services Branch  
Debra Reed, Customer Care Division Director

**From:** Andrew Lee, General Manager/CEO   
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**Re:** Temporary suspension of rules and procedures on utility billing, payment and collections

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Seattle Public Utilities is committed to addressing the needs of our most disadvantaged customers as we move through the COVID-19 recovery period after over two years of widespread financial hardship, increased utility account delinquencies, and growing debt and arrears for customers.

**Background and overview**

In March 2020, former Mayor Jenny Durkan issued the COVID-19 Emergency Declaration placing a moratorium on utility shutoffs and waiving late fees on delinquent utility account balances. Mayor Bruce Harrell extended the utility shutoff moratorium until April 15, 2022, when it was allowed to expire. During this time, Seattle Public Utilities continued to issue bills and collect payments but did not engage in the disconnection process for nonpayment. As of June 30, 2022, approximately 8 percent of SPU customers had past due balances totaling roughly \$18 million in arrears.

Under the direction of Mayor Bruce Harrell and in coordination with Seattle City Light, SPU has developed flexible repayment options to address customer needs during our transition back to normal collection activities, understanding that many customers may have overlapping arrearages with accrued back rent or other expenses caused by the economic disruption of the pandemic. SPU and SCL have engaged in a multi-channel outreach campaign that will continue through 2022 to help ensure that customers are aware of their repayment options, emergency assistance for past due bills and the Utility Discount Program to reduce the cost of future bills.

Mayor Bruce Harrell and the Seattle City Council have continued the suspension of late fees and interest charges for SPU and SCL customers five times through Ordinances 126058, 126182, 126254, 126355, and 126583; late fees have been waived through June 30, 2023 to help customers who have accrued arrearages during the pandemic to repay their obligations as we move through this recovery period.

Mayor Bruce Harrell and the Seattle City Council have also authorized continued expansion of SPU's Emergency Assistance Program through Ordinance 126585 to allow all income-eligible SPU customers with past due balances to access two emergency assistance credits (up to \$954) each year for 2022 and 2023. In addition, SPU expects to receive a grant from the Washington State Department of Commerce that will further help to address past due balances of low-income customers.

SPU will approach the resumption of collection activities in phases. The first half of 2022 has included broad general awareness outreach, plus targeted encouragement to customers with past due balances to repay through mailings and door hangers. Beginning in late August 2022, we will begin to issue

Urgent and Final disconnection notices to customers with past due balances of \$1,000 or more who have not engaged in a repayment option. Through June 2023, SPU will be deferring any service disconnections related to nonpayment for customers enrolled in the Utility Discount Program while we apply for and distribute the Washington State Grant to Utilities for Residential Customer Arrearages.

**Directive from the General Manager/CEO**

Resuming collection activities in a way that acknowledges the financial hardships caused by the pandemic requires SPU to adjust our normal business processes during the recovery period.

Therefore, effective immediately, I direct the Customer Care Division and Financial and Risk Services Branch to temporarily amend the following rules and procedures. Text with strikethroughs is to be suspended; underlined text is to be temporarily added. These changes are expected to be in effect through at least June 30, 2023 and will be reviewed at that time to determine possible extension.

<b><u>CS-310.1: Customer Billing, Payments, Collections</u></b>	
Section 2 Definitions	<u>Payment arrangement. An agreement between SPU and the property owner, his or her agent, or designated account holder, used to pay higher than normal bills or for circumstances as determined by the General Manager/Chief Executive Officer. A down payment is not required and payment may extend up to three (3) years. See Procedure <a href="#">CS-360: Pay Plans and Payment Arrangements for Retail Customers</a>.</u>
Section 3. C. (2) Urgent Notice	Once an Urgent Notice is generated, customers can <del>((either))</del> <u>(1) pay their past due balance in full or ((pay a minimum of 50 percent of their past due balance in certified funds and))</u> <u>(2) establish a pay plan with a 25 percent down payment to pay the remaining past due balance within 60 calendar days from the date the ((50)) 25 percent down payment is made</u> <u>or (3) establish a payment arrangement to pay the past due balance within three years with no required down payment.</u>
Section 3. C. (3) Final Shutoff Notice	Once a Shutoff Notice is generated, customers can <del>((either))</del> <u>(1) pay their past due balance in full or ((pay a minimum of 50 percent of their past due balance in certified funds, and))</u> <u>(2) establish a pay plan with a 25 percent down payment to pay the remaining past due balance within 60 calendar days from the date the ((50)) 25 percent down payment is made</u> <u>or (3) establish a payment arrangement to pay the past due balance within three years with no required down payment.</u>
Section 3. D. Water Shut off (Severance)	<del>((If water services have been shut off for nonpayment, Pay Plans are no longer allowed.))</del> <u>To restore water services if water services have been shut off for nonpayment, the property owner, his or her agent, or designated account holder must pay ((100)) 25 percent of the Past Due Balance in certified funds and is strongly encouraged to establish a pay plan or payment arrangement to pay the remaining balance.</u>
Section 3. E (1) Pay Plans	<del>((If an Urgent Notice or Shut off Notice has not been generated, a))</del> <u>A pay plan can be granted if the customer pays a down payment of 25 percent of their</u>

	account balance in certified funds. The remaining balance must be paid in installments or in full within 60 calendar days from the date the down payment is made
Section 3. E. (2) Pay Plans	<del>((If an Urgent Notice has been generated, a pay plan can be granted if the customer pays a down payment of 50 percent of their past due balance in certified funds. The remaining balance must be paid in installments or in full within 60 calendar days from the date the down payment is made.))</del>
Section 3. E. (3) Pay Plans	<del>((If a Shutoff Notice has been generated, a pay plan can be granted if the customer pays a down payment of 50 percent of their past due balance in certified funds. The remaining balance must be paid in installments or in full within 60 calendar days from the date the down payment is made.))</del>

<b>CS-360: Pay Plans and Payment Arrangements for Retail Customers</b>	
Section 4: Payment Arrangements	<ul style="list-style-type: none"> <li>• Must be agreed upon between SPU and the property owner, his or her agent, or authorized designee.</li> <li>• May extend up to three (3) years. Extension may be granted based on circumstances as approved by Utility Account Services (UAS) management.</li> <li>• Customers are eligible to enter a payment arrangement in the following circumstances:             <ul style="list-style-type: none"> <li>○ Receipt of an unexpected, higher than normal bill (e.g., back billing)</li> <li>○ Exceptional circumstances as approved by the GM/CEO or authorized designee</li> <li>○ <u>Customer has a delinquent account balance.</u></li> </ul> </li> </ul>

<b>FIN-160 Customer Account and Billing Management</b>	
Section 4. D.	<del>((Late fees and interest will be assessed as a flat fee or percentage to a customer's account when the amount of the account becomes delinquent.))</del> [Note: Late fees and interest are being waived through June 30, 2023 per Ordinance 126583.]

<b>FIN-220.1: Customer Charges</b>	
Section 3. B. (1)	Property visit..... <del>((<u>\$30</u>))</del> <u>no charge</u>
Section 3. B. (2)	Meter shutoff for nonpayment of utility bill ..... <del>((<u>\$60</u>))</del> <u>no charge</u>
Section 3. B. (3)	Meter turn-on once debt owed to utility is satisfied <ul style="list-style-type: none"> <li>• During normal business hours (8 am – 3:30 pm, Monday-Friday, excluding City holidays) ..... no charge</li> <li>• After hours (other than normal hours) ..... <del>((<u>\$80</u>))</del> <u>no charge</u></li> </ul>

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cc: Office of the City Clerk  
SPU Corporate Policy and Planning Division  
SPU Corporate Performance Division  
SPU Risk and Quality Assurance Division (rule file CS-120)