



June 10, 2020

The Honorable Mitch McConnell
Majority Leader, United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader, United States Senate
322 Hart Senate Office Building
Washington, DC 20510

Dear Leader McConnell and Minority Leader Schumer,

We, the undersigned, represent municipal gas, drinking water, and clean water utilities that provide millions of Americans with critical services. Municipal utilities are unique in that they are owned by, and accountable to, the customers they serve.

Municipal utilities have put consumer interests at the forefront of their response to community needs during the coronavirus crisis. Our members have accommodated the needs of the families, communities, local businesses, and major industries harmed by COVID-19 by waiving late payment fees and penalties, suspending service shut-off for non-or late payment, and even restoring service to those without essential utilities.

Yet like other companies and utilities during this crisis, municipal utilities are facing declining revenues due to the decreased economic activity across the country and the inability of customers to meet their obligations. For example, some larger customers of municipal gas utilities have requested deferral of payments as factories, plants, and businesses shutter and they are unable to generate income to pay utility bills. Municipal gas utilities have lost roughly \$140 million since March, and are projecting additional revenue losses in the coming months. The drinking water and clean water sectors together estimate that they will lose more than \$30 billion in annualized revenues as a result of water shutoff moratoriums, increased late payments, reductions in non-residential water demands, and fewer new customers related to the COVID-19 pandemic.

Congress has acted swiftly to extend aid to many distressed sectors of the economy, including the utility sectors. However, our members are ineligible for many aid programs put forth due to their size, status as a municipal utility, or other eligibility factors. This includes not only direct aid, but many tax incentives and employer and employee assistance. It is imperative Congress provide federal assistance to municipal utilities to help offset their revenue losses as a result of the COVID-19 crisis. Funds should be made available for municipal utilities to recoup projected revenue losses directly resulting from decreased demand, and not limit local aid solely to COVID-19 expenses. Congress should also strongly support financial assistance programs to allow homeowners, renters, and businesses to maintain essential utility services during this public health emergency.

Municipal utilities remain focused on preventing the spread of COVID-19, assuring the safety of our customers and our employees, and continuing to provide safe, reliable and affordable utility services to the community. We encourage Congress to take actions that will assure the health and safety of our

communities, lower costs of providing critical utility services, and enhance our ability to exit this economic downturn swiftly.

Sincerely,

American Public Gas Association

Association of Metropolitan Water Agencies

National Association of Clean Water Agencies