



Appendix A

5-UI-120 Update Utility Disconnection Plans and Updated Data

August 2020

Prepared by Division of Digital Access, Consumer & Environmental
Affairs Staff

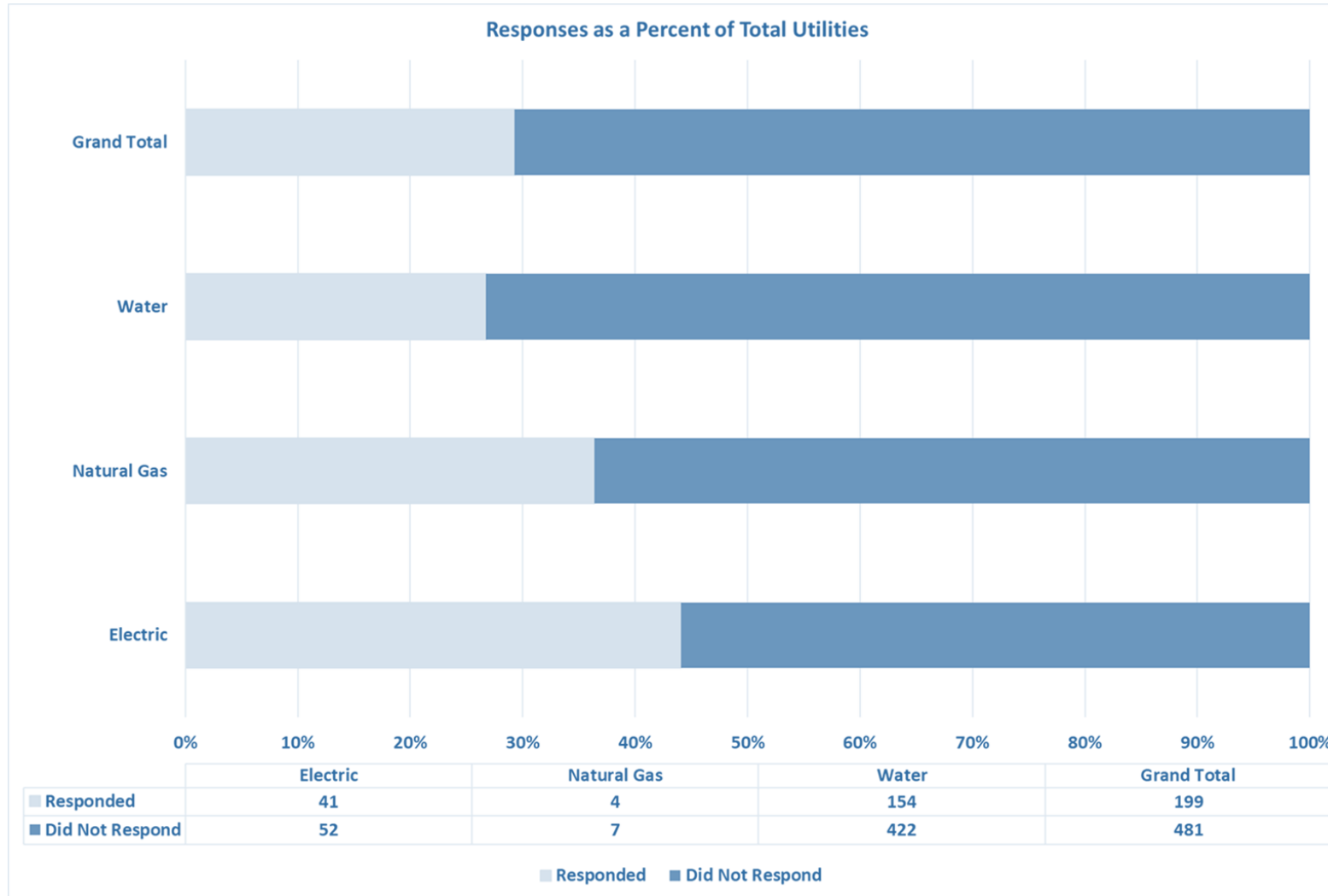
Topics

- Data Request and Reporting Summary
- Residential update
 - Utility data
 - Health & economic data
 - Recent related PSC contact data
 - Energy assistance data
- Commercial & Industrial update
 - Utility data

Data Request

- August survey sent to Wisconsin utilities requested the following data:
 - Number of customers (meters)
 - Number of customers in arrears as of date of survey
 - Total dollar amount of arrears as of date of survey
 - Broken down by residential, low-income and non-residential
 - Number of customers eligible for disconnection
 - 199 total utilities provided data
 - Includes data from utilities planning to disconnect and those not planning to disconnect
 - Data summarized in slides below

Data Request Responses by Utility Type



Data from Commission utility survey August 2020 as required by Commission Order PSC REF#: 394202

Residential Update

Electric and Gas IOU Arrears Comparison

Spring	Average % of Customers in Arrears	Total Arrears
2018*	12.5%	\$187.9M
2019*	12.2%	\$184.3M
2020**	32.9%	\$228.9M

* April data from utility reports to PSC staff in 2019 & 2020 by 5 utilities: MGE, NSPW, WPL, WEPCO, WPS

**July data from utility reports to PSC staff by 4 utilities: NSPW, WPL, WEPCO, WPS

All Responding Utilities Aggregate Snapshot as of July 15, 2020

	Total	Water	Gas	Electric
Residential Customers	4,242,054	504,497	1,519,284	2,218,273
Low Income Customers	22,898	1,359	392	21,147
Billed Residential	\$ 511,687,568.00	\$ 206,986,484.00	\$ 28,406,807.00	\$ 276,294,277.00
Billed Low-Income	\$87,645.00	\$33,802.00	\$9,360.00	\$44,483.00
Residential Arrears	1,395,328	92,072	618,246	685,010
Low-Income Arrears	15,963	261	182	15,520
Total Residential Arrears	\$228,855,459.68	\$9,834,238.29	\$60,908,831.00	\$158,112,390.39

Deferred Payment Agreements

Electric & Gas: Most common

- More than 80% of electric utilities are requesting 50% down payment for a DPA
- 17 utilities reported low-income customer data:
 - More than 70% of electric utilities reported requesting a 50% down payment for a DPA

Water: Most common

- More than 50% of water utilities are requesting 50% down payment for a DPA
- Most water utilities did not submit data specific to low-income customers
- For low income residential customers, more than 50% of responding water utilities are requesting 50% down payment for a DPA

Disconnection Thresholds

Most common

- 60 days past due with >\$25 balance
- Threshold dollar amounts vary by utility.
- Thresholds are not determined by customer type but days past due or past due balance.

Trends

- **IOUs/Larger utilities:** more flexible disconnection thresholds, down payment and monthly installment amounts
- **Municipal utilities/Smaller utilities:** disconnecting with lower balances and shorter past due periods

Disconnection Plans: Personal Contacts

All receive mailed 10 day notice

Most Common

- Door hanger/in-person
 - 67 electric and water utilities
 - Gas utilities did not provide this data
 - Often utilities leave door hangers or have personal contact with customers if phone contact was unsuccessful

Other Methods of Communication

- Phone Call
 - 21 electric utilities
 - 21 water utilities
- Letters
 - 17 electric utilities
 - 38 water utilities

Utility Disconnection Plans

- July 23, 2020 Commission Order requires utilities to submit a disconnection plan at least 5 days prior to disconnecting any service
- Survey snapshot as of August 10, 2020 (separate responses for each service type – no combined services reported):
 - 66 water utilities plan to disconnect, around 7,502 residential customers eligible for disconnection at time of snapshot
 - 3 natural gas utilities plan to disconnect, around 39,083 residential customers eligible for disconnection at time of snapshot
 - 36 electric utilities plan to disconnect, around 47,088 residential customers eligible for disconnection at time of snapshot

Disconnection Plans: IOUs

- **We Energies:** 32,000 customers met disconnection criteria at snapshot
 - Residential high-risk customer with:
 - Combined service: \$1300 in arrears for >30 days
 - Gas only: \$800 in arrears for >30 days
 - Residential moderate-risk customer with:
 - Combined service: \$850 in arrears for >120 days
 - Gas only: \$150 in arrears for >90 days
 - Threshold adjusts down to smooth, anticipate no more than 40,000 notices/month
- **WPS:** 1,413 would be subject to disconnection (in 1st bill cycle)
 - Residential poor or very poor risk levels:
 - \$2000 in arrears for >30 days (compared to \$1200 in 2019)
 - Threshold adjusted down to maintain consistent number of disconnect notices
- **MG&E:**
 - No plans to disconnect at this time

Disconnection Plans: IOUs

- **Alliant:** 13,000 met disconnection criteria at snapshot
 - Residential customer:
 - Reviewed at 4 days past due
 - Debt threshold is \$500 this year (\$700 in 2019)
 - Threshold adjusts based on utility resources
 - Alliant reported suspending disconnections in August survey
- **Xcel:** 5,438 subject to disconnection criteria at snapshot
 - Disconnect notice may be issued when balance is >\$179 & account 60 days past due (no number reported in 2019, only “high risk”)
 - Variety of outreach attempts to work with customers

Disconnection Notice Snapshot

	Total	Water	Gas	Electric
Total Residential Disconnection Notices	9,131	4,236	0	4,895
LI Residential Disconnection Notices	59	12	0	47

COVID-19 Utility Financial Impacts

Reporting Period: 3/24/20 – 5/31/20

- Response rate:
 - Reporting period 3/24/20 – 5/31/20: Just under 40%
 - Reporting period 6/1/20 – 6/30/20: 44%
 - Reporting period 7/1/20 – 7/30/20: Results not yet compiled
- 208 (78%) reported COVID-19 related expenses, foregone revenue or reimbursements for 3/24/20 – 5/31/20
 - \$7.8M total foregone revenues across reporting utilities
 - Across all utilities reporting, amount comprised 0.08% of 2019 total operating revenues
 - Forfeited discounts was biggest component
 - \$8.7M total incremental expenses across reporting utilities
 - Across all utilities reporting, amount comprised 0.11% of 2019 total operating expenses
 - \$1.6M total federal/state reimbursements and loan programs
 - COVID related capital expenses were minimal, a few reported office furniture/equip or computer equip

COVID-19 Stats: WI Most Populated Counties as of 8/10/2020*

1.	21,178 positive	2.	4,554 positive
Milwaukee	195,396 negative	Dane	138,622 negative
	456 deaths		38 deaths
	954,209 population		529,843 population
	2.2% of population positive		.9% of population positive
	17.5% poverty**		10.8% poverty**
3.	4,299 positive	4.	4,264 positive
Waukesha	55,017 negative	Brown	50,425 negative
	59 deaths		54 deaths
	398,879 population		259,786 population
	1% of population positive		1.6% of population positive
	5.4% poverty**		10% poverty**

*Data from WI DHS - <https://data.dhsgis.wi.gov/datasets/covid-19-historical-data-table/data?where=GEO%20%3D%20%27County%27>

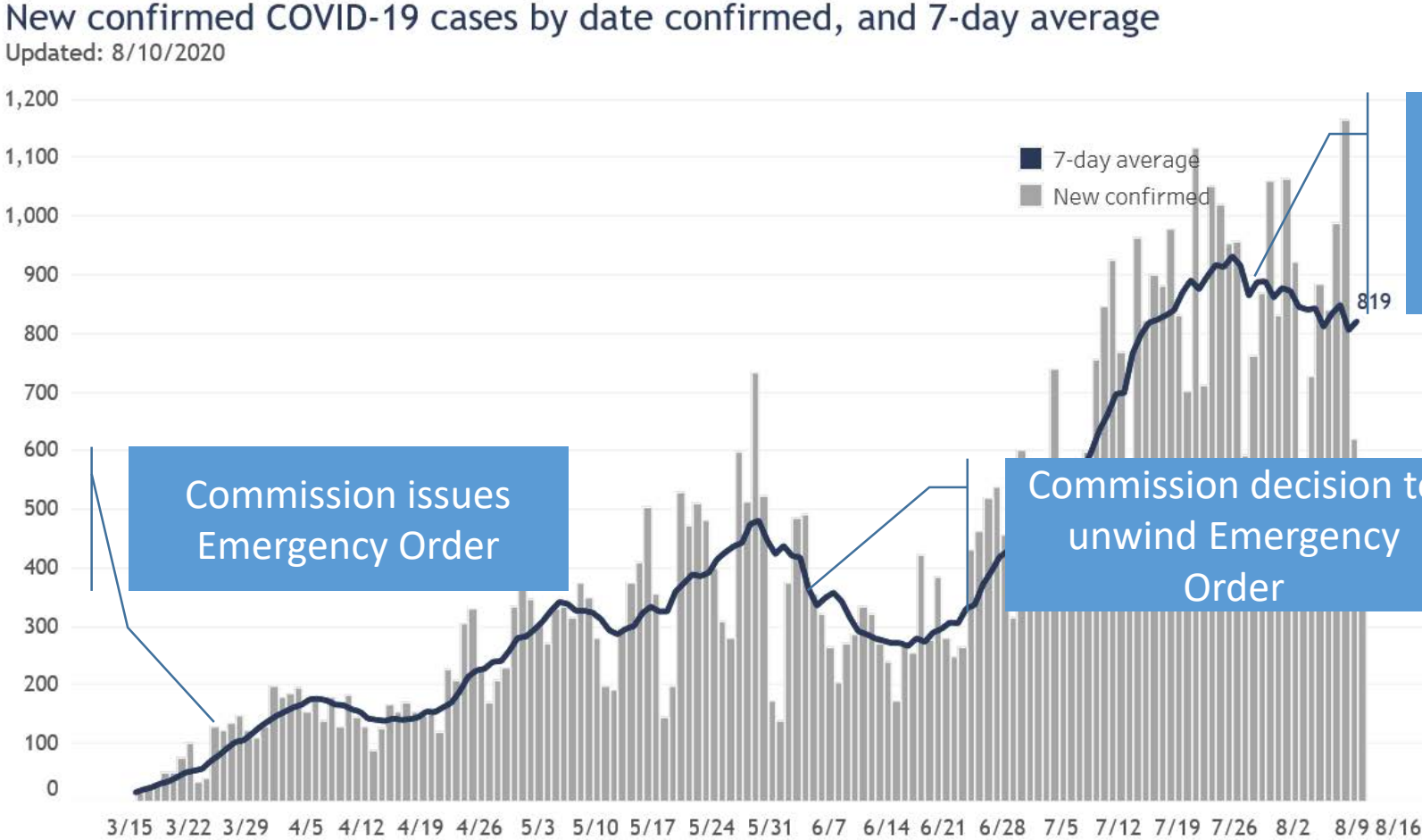
**Data from UW Institute on Poverty - <https://www.irp.wisc.edu/wp/wp-content/uploads/2018/06/WI-PovertyReport2018.pdf>

New COVID-19 Cases

7-day average
5/31-6/6:
334 positive
cases per day

7-day average
7/12-7/19:
868 positive
cases per day

7-day average
8/9-8/16:
741 positive
cases per day



Data from WI DHS <https://www.dhs.wisconsin.gov/covid-19/data.htm>

WI Unemployment Rate Last 12 Years

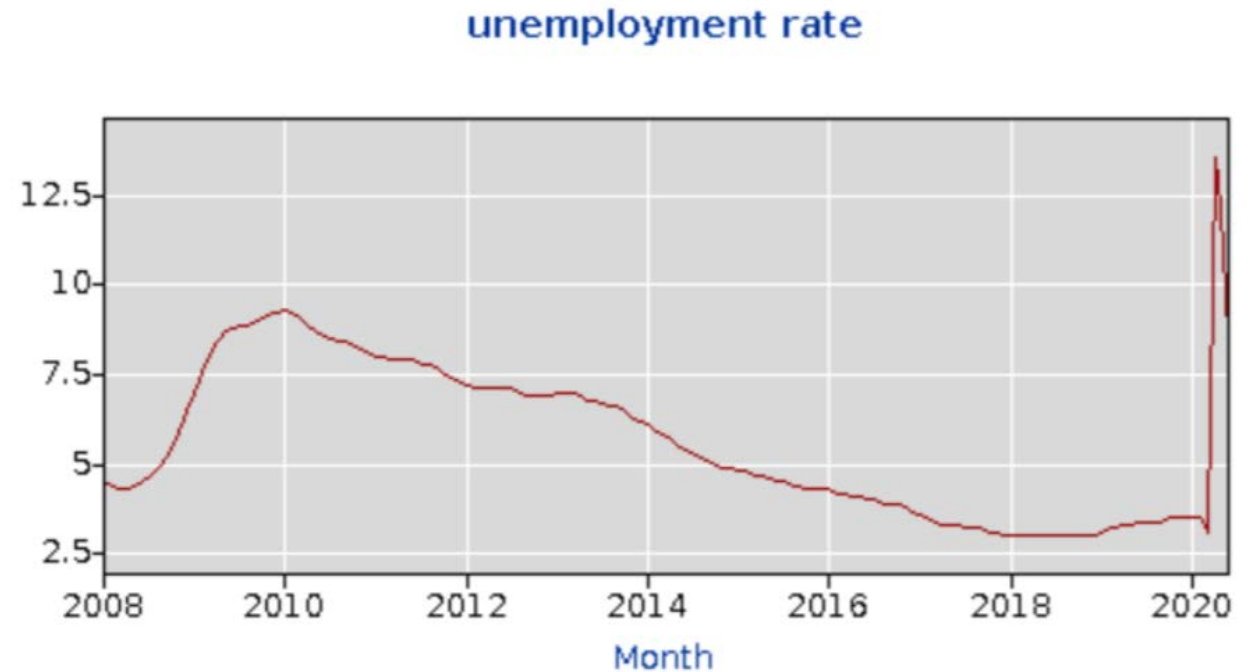
Dramatic increase in the unemployment rate due to COVID

Rates shown here are seasonally adjusted

May rate: 12.1%

Projected June rate: 8.5%

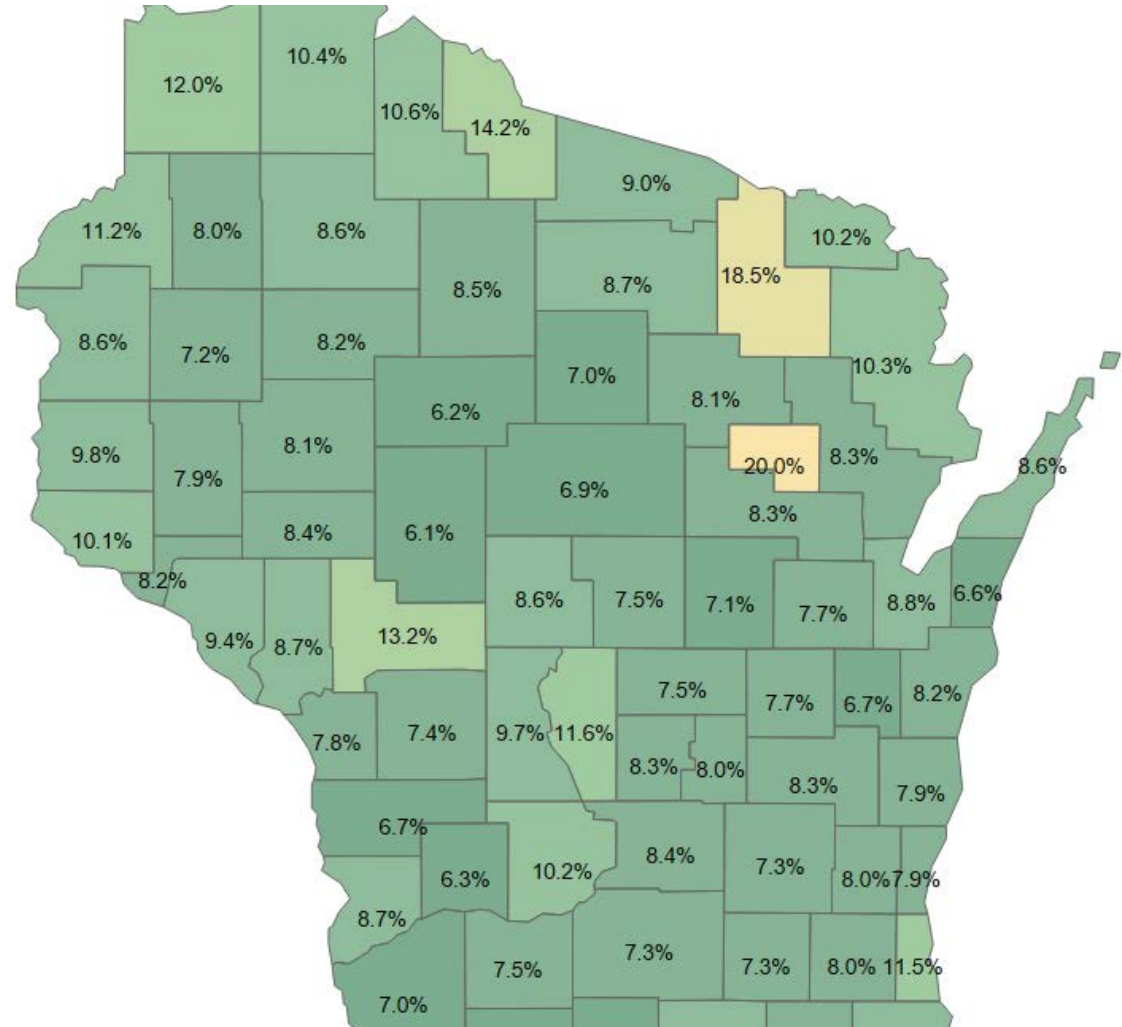
Projected July rate available August 21



June 2020 Unemployment by County

1. Milwaukee: 11.5%
2. Dane: 7.3%
3. Waukesha: 8.0%
4. Brown: 12.1%

Note: additional federal UC benefit of \$600/week expired 7/31/20



Data from WI DWD:

<https://www.jobcenterofwisconsin.com/wisconomy/pub/laus.htm#Viz>

Customer Contact Data as of Monday, August 10th

- The Commission received letters and comments from:
 - City of Madison Mayor, Satya Rhodes-Conway ([PSC REF#:395109](#))
 - City of Monona Mayor, Mary K. O'Conner ([PSC REF#:395259](#))
 - City of Verona Mayor, Luke Diaz ([PSC REF#:395139](#))
 - City of Milwaukee ([PSC REF#:395131](#))
 - Midwest Environmental Advocates ([PSC REF#:395133](#))
 - Municipal Environmental Group ([PSC REF#:395128](#))
 - Municipal Utilities ([PSC REF#:395116](#))
 - Sierra Club ([PSC REF#:395138](#))
 - Wisconsin Utilities Association ([PSC REF#:395270](#))
- 49 groups and individuals have filed public comments
- PSC staff have received over 1800 contacts on this matter

Energy Assistance Update

- Eligibility: 60% of state median income
 - For example: limit is \$55,141 for household of 4
 - Look-back eligibility determination changed to 1 month; those experiencing new job loss may qualify
- Energy Assistance covers 40% of a customer's heating bill on average

As of Aug 12	2020	2019	Difference
Households Paid Energy Assistance	202,353	198,734	+3,619 +1.8%
Households Applied for Energy Assistance	224,619	219,093	+5,526 +2.5%
Households Paid Crisis Assistance	30,898	23,961	+6,937 +29%

Other Assistance Information

- Energy Assistance provides benefits for the primary heating sources and electricity
 - Through two funding components: LIHEAP and Public Benefits. Some municipal utilities do not contribute to, or accept Public Benefits dollars and instead use a Commitment to Community program, which can vary
- Most investor-owned electric/gas utilities operate low-income customer assistance programs which include arrearage forgiveness if specific criteria are met. Some but not all of these utilities expanded program offerings due to COVID
- No federal or state assistance for water bill
- Some customers seek additional assistance from Salvation Army, Keep Wisconsin Warm/Cool, local churches
 - There is very little assistance available to those who make slightly more than the eligibility thresholds

Commercial & Industrial update

Average % of C&I Customers in Arrears

Spring	Average % of Customers in Arrears
2018*	2.7%
2019*	2.6%
2020**	12.7%

* April data from utility reports to PSC staff in 2019 & 2020 by 5 utilities: MGE, NSPW, WPL, WEPCO, WPS

**July data from utility reports to PSC staff by 4 utilities: NSPW, WPL, WEPCO, WPS

Deferred Payment Arrangements

Most common

- 109 utilities reported to offer DPAs after 8/15/20
- 80% of electric utility respondents are requesting 50% down payment for a DPA
- >50% of water utility respondents are requesting 50% down payment for a DPA
- Majority expressed flexibility due to public health emergency

Other

- Some utilities report DPA amount based on arrears and set case-by-case
- Range from 0-75% required down payment

C&I Disconnection Estimates

- 1,358 C&I customers eligible for disconnection process on or after September 1st based on current balances
- Some utilities not able to separate C&I disconnections, and reported them under “residential”