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

<table>
<thead>
<tr>
<th>Spring</th>
<th>Average % of Customers in Arrears</th>
<th>Total Arrears</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018*</td>
<td>12.5%</td>
<td>$187.9M</td>
</tr>
<tr>
<td>2019*</td>
<td>12.2%</td>
<td>$184.3M</td>
</tr>
<tr>
<td>2020**</td>
<td>32.9%</td>
<td>$228.9M</td>
</tr>
</tbody>
</table>

* 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

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Water</th>
<th>Gas</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Residential Disconnection Notices</td>
<td>9,131</td>
<td>4,236</td>
<td>0</td>
<td>4,895</td>
</tr>
<tr>
<td>LI Residential Disconnection Notices</td>
<td>59</td>
<td>12</td>
<td>0</td>
<td>47</td>
</tr>
</tbody>
</table>

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

Data from Docket 5-AF-105 7/15/20 published survey responses, staff analyzing most recent surveys
# COVID-19 Stats: WI Most Populated Counties as of 8/10/2020*

<table>
<thead>
<tr>
<th>County</th>
<th>Positive</th>
<th>Negative</th>
<th>Deaths</th>
<th>Population</th>
<th>% Positive</th>
<th>Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milwaukee</td>
<td>21,178</td>
<td>195,396</td>
<td>456</td>
<td>954,209</td>
<td>2.2%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Waukesha</td>
<td>4,299</td>
<td>55,017</td>
<td>59</td>
<td>398,879</td>
<td>1%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Dane</td>
<td>4,554</td>
<td>138,622</td>
<td>38</td>
<td>529,843</td>
<td>.9%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Brown</td>
<td>4,264</td>
<td>50,425</td>
<td>54</td>
<td>259,786</td>
<td>1.6%</td>
<td>10%</td>
</tr>
</tbody>
</table>

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

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

Commission issues Emergency Order

Commission decision to unwind Emergency Order

Commission decision to stay Emergency Order, disconnections prohibited until 9/1

Data from WI DHS [https://www.dhs.wisconsin.gov/covid-19/data.htm](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

Data from US Bureau of Labor Statistics
https://www.bls.gov/regions/midwest/wisconsin.htm#eag
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 customers heating bill on average

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

*Data from WI DOA http://www.homeenergyplus.wi.gov/*
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

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**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

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

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