



Appendix A

5-UI-120 UPDATE UTILITY DISCONNECTION PLANS AND UPDATED DATA

July 2020

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

Topics

- Residential Update
 - *Utility data*
 - *Health & unemployment data*
 - *Recent related PSC contact data*
 - *Energy assistance data*
- Commercial & Industrial Update
 - *Utility data*

Residential Update

Electric and Gas IOU Arrears Comparison Estimates

Spring	Average % of Customers in Arrears	Total Arrears
2018*	12.5%	\$187.9M
2019*	12.2%	\$184.3M
2020**	11.9%	\$201.2M

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

*April numbers

**As of May 30, 2020

Deferred Payment Agreements

Most common

- 50% down – 83 utilities
- Majority expressed flexibility due to public health emergency

Other

- Some utilities report DPA amount based on arrears and set case-by-case
- Small number reported other % amounts

Disconnection Thresholds

Most common

- 60 days past due with >\$25 balance – 26 utilities
- No plans to reduce thresholds leading up to winter moratorium

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
 - *102 utilities*
 - *Often utilities leave door hanger if phone contact was unsuccessful*

Other methods

- Phone call – 67 utilities
- In-person – 26 utilities
- Email - 5 utilities
- None – 4 utilities

Utility Disconnection Plans

- June 26, 2020 Commission Order requires utilities to submit a disconnection plan at least 5 days prior to disconnecting any service
- 187 utilities submitted a disconnection plan via commission issued survey thus far
- Survey snapshot as of July 15, 2020:
 - 71 water only utilities plan to disconnect, around 5,500 customers eligible for disconnection at time of snapshot
 - 50 water and electric combined utilities plan to disconnect, around 12,000 customers eligible for disconnection at time of snapshot
 - 2 natural gas only utilities plan to disconnect, around 2,200 customers eligible for disconnection at time of snapshot
 - 11 electric only utilities plan to disconnect, around 2,300 customers eligible for disconnection at time of snapshot
 - 4 electric and natural gas combined utilities plan to disconnect, around 49,000 customers eligible for disconnection at time of snapshot
 - 1 electric, natural gas and water utility reporting, around 100 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 in July, working on plan for August and beyond*

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*
- **Xcel:** 2,948 met 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*

COVID-19 Utility Financial Impacts

Reporting Period: 3/24/20 – 5/31/20

- 268 of 684 utility service types responded
- 208 (78%) reported COVID-19 related expenses, foregone revenue or reimbursements
 - *\$7.8M total foregone revenues across reporting utilities*
 - Across all utilities, amount comprised 0.08% of 2019 total operating expenditures
 - Forfeited discounts was biggest component
 - *\$8.7M total incremental expenses across reporting utilities*
 - Across all utilities, amount comprised 0.11% of 2019 total operating expenditures
 - *\$1.6M total loan and grant funds received*
 - *COVID related capital expenses were minimal, a few reported office furniture/equip or computer equip*

COVID-19 Stats: WI Most Populated Counties*

1.	15,057 individual positive cases
Milwaukee	134,541 negative
	403 deaths
	954,209 population
	1.6% of population positive
	17.5% poverty**
3.	1950 individual positive cases
Waukesha	34,499 negative
	40 deaths
	398,879 population
	.5% of population positive
	5.4% poverty**

2.	3301 individual positive cases
Dane	90,942 negative
	33 deaths
	529,843 population
	.6% of population positive
	10.8% poverty**
4.	3393 individual positive cases
Brown	36,101 negative
	44 deaths
	259,786 population
	1.3% of population positive
	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>

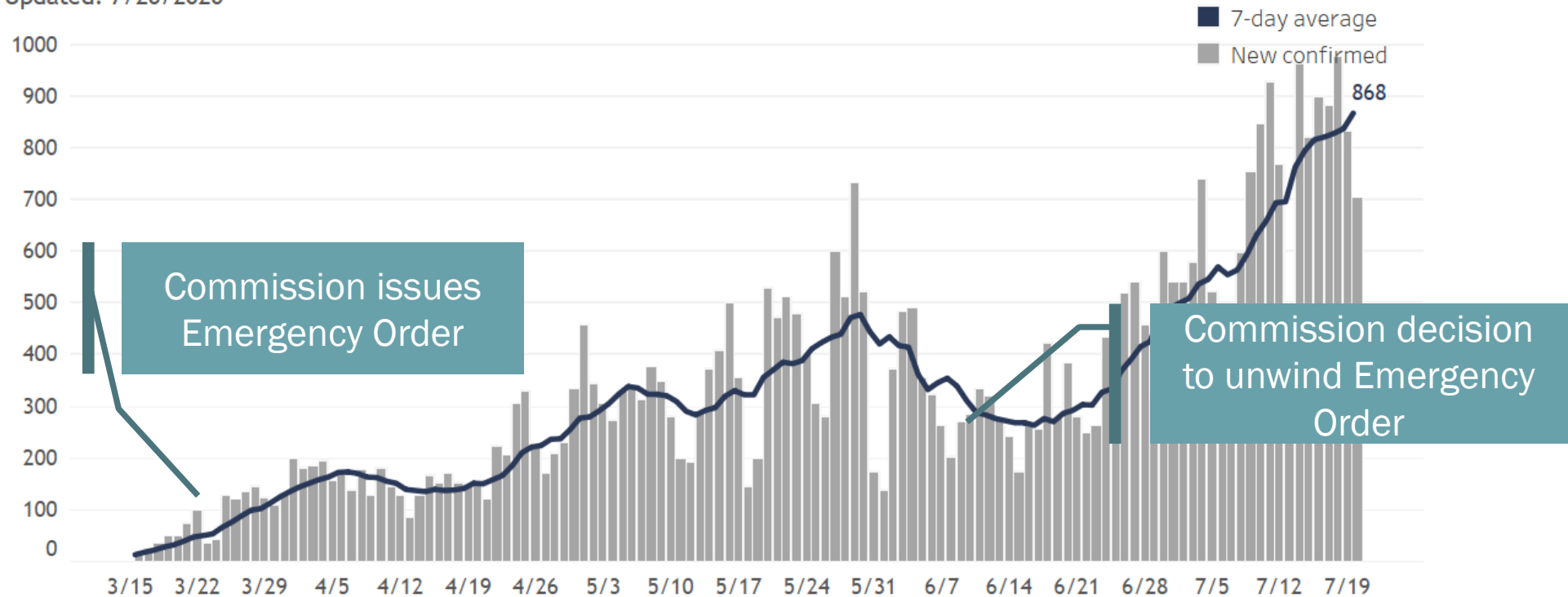
**Data from UW Institute on Poverty - <https://www.irp.wisc.edu/wp/wp-content/uploads/2018/06/WI-PovertyReport2018.pdf>

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

New confirmed COVID-19 cases by date confirmed, and 7-day average
Updated: 7/20/2020



Wisconsin Unemployment Rate Last 12 Years

Dramatic increase in the unemployment rate due to COVID

Rates shown here are seasonally adjusted

May rate: 12.1%

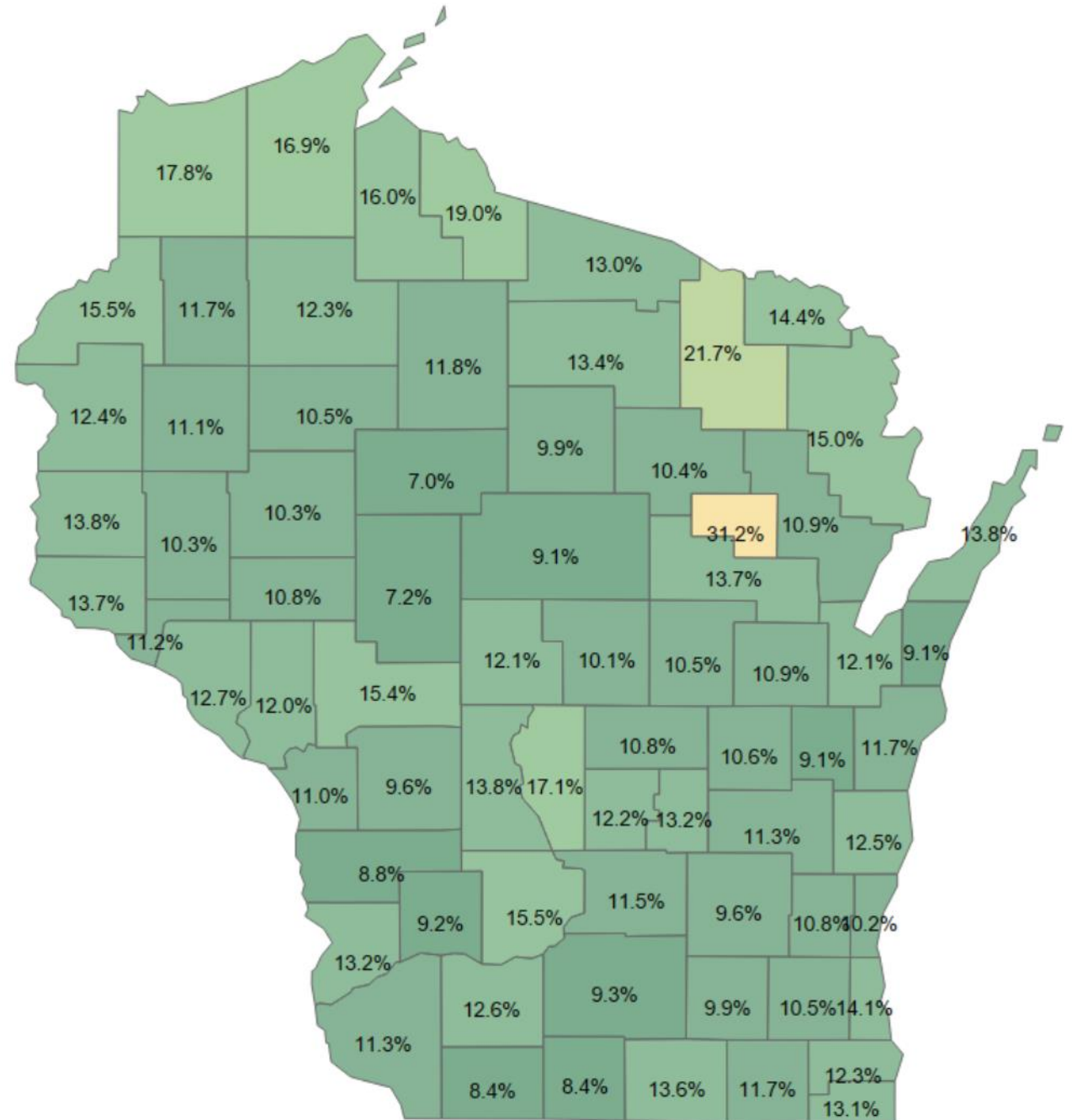
Projected June rate: 8.5%



May 2020 Unemployment by County

1. Milwaukee: 14.1%
2. Dane: 9.3%
3. Waukesha: 10.5%
4. Brown: 12.1%

Note: additional federal UC benefit of \$600/week set to expire 7/31/20



Contact Data of Monday, July 20th

- Commissioners received letters from:
 - *City of Madison Mayor, Satya Rhodes-Conway* ([PSC REF#:393673](#))
 - *Sierra Club* ([PSC REF#:393966](#))
 - *Wisconsin Conservation Voters* ([PSC REF#:393967](#))
- CUB issued a statement asking utilities to be flexible during this time
- PSC staff have received 750 contacts on this matter

Energy Assistance Update

- Eligibility: 60% of State median income
 - *Income lookback changed to 1 month prior due to pandemic*
- 2020 caseload was down significantly, but has recently picked up
 - *Factors include disconnection notices & new outreach contract in Milwaukee County*
 - *# of paid cases -3%*
 - *\$ payments -8%, \$-9.6M*
 - *While crisis caseload is ~even, payments were up \$750k*

	2020	2019	Difference
Households Paid Energy Assistance	214,435	221,120	-6,685 -3%
Households Applied for Energy Assistance	192,831	198,754	-5,923 -3%
Households paid crisis assistance	25,336	25,370	-34 -0%

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

Energy Assistance Additional Funding

- Full federal FFY20 appropriation received (10/1/19 – 9/30/20)
- \$8M via the CARES LIHEAP allocation received
 - *\$8M out in crisis funding likely to go out FFY21 (10/1/20 – 9/30/21)*

Other Programs and Offerings

- Energy Assistance includes 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 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
- Some customers seek additional assistance from Salvation Army, Keep Wisconsin Warm/Cool, local churches

Commercial & Industrial Update

Electric and Gas IOU Arrears Comparison Estimates

Spring	Average % of Customers in Arrears
2018*	2.7%
2019*	2.6%
2020**	4.4%

Data from utility reports to PSC staff in 2019 & 2020

*April numbers

**As of May 30, 2020

Deferred Payment Arrangements

Most common

- 109 utilities reported to offer DPAs after 8/15/20
- Majority requesting 50% down – 69 utilities
- 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

- Just under 8,000 C&I customers eligible for disconnection process on or after July 15 based on current balances
- Some utilities not able to separate C&I disconnections, and reported them under “residential”