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

<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>11.9%</td>
<td>$201.2M</td>
</tr>
</tbody>
</table>

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

Data from Commission utility survey July 2020 as required by Commission Order PSC REF#: 392763
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

Data from Commission utility survey July 2020 as required by Commission Order PSC REF#: 392763
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

Data from Commission utility survey July 2020 as required by Commission Order PSC REF#: 392763
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

Data from Commission utility survey July 2020 as required by Commission Order PSC REF#: 392763
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

Data from Commission utility survey July 2020 as required by Commission Order PSC REF#: 392763
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*

Data from Commission utility survey July 2020 as required by Commission Order PSC REF#: 392763
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

Data from Docket 5-AF-105 7/15/20 published survey responses
## COVID-19 Stats: WI Most Populated Counties*

<table>
<thead>
<tr>
<th>Rank</th>
<th>County</th>
<th>Individual Positive Cases</th>
<th>Negative Cases</th>
<th>Positive Cases Rate</th>
<th>Population</th>
<th>Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Milwaukee</td>
<td>15,057</td>
<td>134,541</td>
<td>1.6%</td>
<td>954,209</td>
<td>17.5%</td>
</tr>
<tr>
<td>2.</td>
<td>Dane</td>
<td>3301</td>
<td>90,942</td>
<td>1.3%</td>
<td>529,843</td>
<td>10.8%</td>
</tr>
<tr>
<td>3.</td>
<td>Waukesha</td>
<td>1950</td>
<td>34,499</td>
<td>.5%</td>
<td>398,879</td>
<td>5.4%</td>
</tr>
<tr>
<td>4.</td>
<td>Brown</td>
<td>3393</td>
<td>36,101</td>
<td>1.3%</td>
<td>259,786</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

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

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

Data from WI DWD:
https://www.jobcenterofwisconsin.com/wisconomy/pub/laus.htm#Viz
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

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<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Difference</th>
</tr>
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<tr>
<td>Households Paid Energy Assistance</td>
<td>214,435</td>
<td>221,120</td>
<td>-6,685</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-3%</td>
</tr>
<tr>
<td>Households Applied for Energy Assistance</td>
<td>192,831</td>
<td>198,754</td>
<td>-5,923</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-3%</td>
</tr>
<tr>
<td>Households paid crisis assistance</td>
<td>25,336</td>
<td>25,370</td>
<td>-34</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-0%</td>
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*Data from WI DOA [http://www.homeenergyplus.wi.gov/](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

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<td>2020**</td>
<td>4.4%</td>
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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

Data from Commission utility survey July 2020 as required by Commission Order PSC REF#: 392763
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”