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PSC Takes Action to Ensure Stability for Utilities and their Customers

The Move Comes Amid Wisconsin's "Safer at Home" Response to the COVID-19 Outbreak

MADISON, WI - On Thursday, the Public Service Commission of Wisconsin (PSC) discussed and provided direction on utilities' accounting treatment to be used for costs incurred during Wisconsin's ongoing response to and fight against the spread of COVID-19. The direction will ensure operational and financial stability for Wisconsin's regulated utilities and provide for future decisions on what costs can ultimately be recovered. These actions will maintain reliable and affordable utility services, and protect consumers from future unreasonable rate increases. A written order will be served at a later date.

Commissioners decided:

- That it is appropriate to include in the deferral authorization, the incremental increase in bad debt or uncollectible expenses related to the health crisis above what is currently included in authorized rates;
- That it is premature to include declining sales revenue as a component of foregone revenue in the deferral authorization;
- That, until further notice, total deferral amounts should be reported by large investor-owned utilities on a monthly basis, and be reported by smaller and municipal utilities on a quarterly basis, and;
- To authorize specific carrying cost rates for investor-owned utilities to accrue at the authorized cost of short-term debt and at the municipal benchmark rate of 4.9% for municipal utilities.

"Our actions are to provide clarity and ensure stability to utilities and consumers alike," said Rebecca Cameron Valcq, Chairperson of the PSC. "Lights and heat will stay on, water will continue to flow, and consumers will be protected from unexpected high bills when they can least afford them."

On March 23, 2020, Governor Tony Evers and Andrea Palm, Secretary-designee of the Wisconsin Department of Health Services, ordered residents in the state to stay at home except when performing essential activities or accessing essential services. See the order

[here](#).

In response to Governor Evers' initial "Safer at Home" order, the PSC met on March 24 and ordered that:

- No public utility may disconnect or refuse service to any customer in any class for any reason other than certain reasons specified in Wis. Admin. Code;
- Every public utility may request that an applicant for new service provide documentation to prove identity and residency, but no public utility may refuse service to any customer in any class for failure to provide such documentation;
- Every public utility shall offer to any customer, regardless of customer class, a deferred payment agreement;
- No public utility may assess upon any customer, regardless of customer class, any fee or charge for late payment for an arrearage, and;
- No public utility may require a cash deposit or other guarantee as a condition of new service.

The PSC's March 24 order can be found [here](#). In its open meeting discussion today, the Commissioners requested additional comments on these and other items, which will be further discussed at the April 30, 2020 PSC open meeting.

The PSC dockets related to COVID-19 are 1-AF-105 and 5-UI-120. Written decisions and comments filed in the dockets can be found through the PSC's Electronic Records Filing system: <http://apps.psc.wi.gov>.

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