

Decision No. C23-0240

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 23M-0042EG

IN THE MATTER OF A REPOSITORY PROCEEDING FOR THE FILING OF THE 2022 DISCONNECTION ANNUAL REPORTS FOR GAS AND ELECTRIC UTILITIES PURSUANT TO RULES 4 CCR 723-3-3407(G)(I) AND 723-4-4407(G)(I).

**COMMISSION DECISION
ADDRESSING DISCONNECTION REPORTING**

Mailed Date: April 7, 2023

Adopted Date: April 5, 2023

I. BY THE COMMISSION

A. Statement

1. The Commission opened this Proceeding on January 3, 2023, to serve as a repository for the annual reports pursuant to Rules 3407(g) and 4407(g), which are to be filed by electric and gas utilities by no later than March 1 of each year and cover the prior calendar year.

2. By Decision No. C23-0096, issued February 9, 2023, the Commission recognized that Staff were in the process of updating the template for annual reports and affirmatively provided a temporary variance to extend the deadline for such reports from March 1 to April 1, 2023. Reports were expected on April 1, 2023, from Atmos Energy (Atmos), Black Hills Energy including Black Hills Colorado Gas and Black Hills Electric (Black Hills), Colorado Natural Gas (CNG), and Public Service Company of Colorado (Public Service).

3. By this Decision, the Commission extends the temporary variance to provide regulated utilities with additional time to file annual disconnection reports, directs clarifications to

monthly disconnection reporting, and directs Commission Staff (Staff) to engage with utilities to resolve technical issues related to disconnection reporting and to bring forward a Staff proposal for resolution of important issues around trends analysis, forecasting, and reporting.

B. Background, Findings, and Conclusions

1. Annual Disconnection Reports

4. On March 31, 2023, CNG filed a Notice of Delayed Filing of Annual Disconnection Report stating that due to unforeseen circumstances, the Company is not able to file its annual report by April 1, 2023, and plans to file it by April 7, 2023.

5. On March 31, 2023, Public Service filed a Motion for a One-Time Variance from Decision No. C23-0096 to Extend Filing Date of the 2022 Disconnection Annual Reports for Electric and Gas Utilities Pursuant to Rules 4 CCR 723-3-3407(g)(I) and 723-4-4407(g)(I), and Request for Waiver of Response Time (Motion for Variance). Public Service states that the process of responding to the amended annual report template is difficult and time-consuming given it provides service in over 300 zip codes, and cannot be completed by the current filing deadline. It requests a one-time variance for good cause shown from the deadline of April 1, 2023, that was set by Decision No. C23-0096, to extend the deadline to May 1, 2023.

6. Recognizing the issues raised by CNG and Public Service, and that no reports were filed by Black Hills or Atmos, we find good cause to extend the temporary variance from the original deadline of March 1 set forth in Electric Rule 3407(g) and Gas Rule 4407(g). We will set a deadline for all utilities' annual reports, and address Public Service's Motion for Variance, by a future decision, subject to the process we set forth below.

2. Monthly Disconnection Reports

7. Hearing an unprecedented number of messages from members of the public who are concerned about high energy bills, particularly related to gas service, the Commission directed enhanced monthly reporting on arrearages and disconnections for regulated gas and electric utilities beginning March 10, 2023. In Decision No. C23-0096, issued February 9, 2023, we stated that we wished “to better understand whether there is a growing risk to residential customers from higher arrearages that could lead to disconnections for nonpayment” (para. 8). We directed utilities to submit monthly reports that included actual and forecasted data on day 10 of each month, using a template provided by the Commission.

8. On March 10, 2023, the Commission timely received monthly reports from Atmos, Black Hills, and Public Service. CNG filed its report on March 13, 2023. A review of filings suggests that further efforts are necessary to understand potential trends and to clarify how data is being gathered and presented, subject to the process we set forth below.

9. We anticipate utilities’ next monthly reports will be filed on April 10, 2023. We remind utilities that responses in the form of the template provided by Staff should be filed in spreadsheet format, consistent with direction in Decision No. C23-0096. We further direct Black Hills to include January 2023 data which it omitted from its March 2023 filing when it submits its April 2023 filing. Utilities should avoid or minimize modifications to the Staff spreadsheet template.

10. We are still concerned that this monthly data is challenging to review for a key purpose for which we requested it, which is to understand whether higher than expected winter energy bills are leading to higher arrearages and therefore the possibility for increased residential disconnections. While we direct relevant information-gathering by Staff in the next section, time

is of the essence, and we believe it is necessary to understand the current state of residential arrearages directly from regulated utilities. Accordingly, we direct regulated utilities, within ten days of this Decision and in addition to other previously directed reports, to file monthly data beginning January 2019 through March 2023 reflecting the total amount of residential arrearages, the total number of residential customers in arrears, and the average arrears per residential customer, to the extent this information is reasonably available.

3. Staff Engagement ProcessF

11. The Commission has engaged in multiple processes to better understand utilities' disconnection practices and the way data is or is not used and presented. For example, Proceeding No. 20R-0349EG gathered information about disconnection practices, modified electric and gas rules regarding disconnections and other issues, and established granular annual reporting requirements. Proceeding No. 20M-0267EG also established granular monthly reporting requirements which the Commission monitored throughout the COVID-19 pandemic. However, after those requirements sunset, we did not expect to be so quickly seeking to understand monthly disconnection trends again. We are concerned that current reporting may not be clear, sufficient, or efficient in helping the Commission. Accordingly, we direct Staff to engage individually with utilities and to convene technical workshops with utility staff where necessary to help the Commission address two areas of interest in a more efficient and effective manner.

12. The first area of interest is how disconnection data can be used to explore trends, such as where disconnections occur, whether irregular numbers of disconnections are occurring, etc. This topic will become increasingly significant as the Commission moves forward with the implementation of Senate Bill 21-272, which requires consideration of impacts and benefits potentially at a Census block group level. A better understanding of how utilities track and account

for disconnections, which metrics are most significant, and how various reporting tools (including those under Rules 3407 and 4407 but also quarterly reports in Proceeding No. 08M-305EG) can be reconciled and streamlined is also necessary. Furthermore, consideration of the best ways of balancing the need for reporting that can be viewed by stakeholders with the need to transfer large geospatial datasets in efficient ways may also be required.

13. The second area of interest regards how to use disconnection data to identify risks, such as whether disconnections are increasing and therefore if there are actions that should be taken, like increasing communications or access to assistance. The Commission monitored monthly disconnection reports during COVID-19 to understand this and has resumed monthly reporting to understand the impacts of high winter bills based on lessons learned from that effort. Nevertheless, it remains necessary to understand how utilities track and forecast data on arrearages and disconnections, and in what ways they act to support customers to receive assistance to prevent them from becoming permanently disconnected where that is possible.

14. We recognize these issues are complex and may involve technical questions related to accounting practices and database management. We specifically direct Staff to gather any relevant information that assists with understanding utilities' current practices for tracking and presenting arrearage and disconnection data, how forecasting is or could be performed, and how utilities engage with customers at risk of disconnection for nonpayment. We further direct Staff to develop a proposal that enables for effective, useful, and efficient reporting related to arrearages and disconnections if changes to current practices and reports are merited. Staff will identify for us next steps which may include analysis and presentations at a future weekly meeting, Staff report(s), and/or a proposal for a Commissioners' Information Meeting.

II. ORDER**A. The Commission Orders That:**

1. We find good cause to extend the temporary variance from Electric Rule 3407(g)(I) and Gas Rule 4407(g)(I), with a deadline for annual disconnection reports to be set by a future Decision.

2. We further direct regulated utilities to file, within ten days of this Decision, monthly data from January 2019 through March 2023 reflecting total residential customer arrearages, residential customers in arrears, and average arrears per residential customer, consistent with the discussion above.

3. We further direct Commission Staff to engage with utilities and to bring back one or more proposals for next steps to promote efficient and effective reporting of disconnections and arrearages, consistent with the discussion above.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
April 5, 2023.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script, appearing to read "G. Harris Adams".

G. Harris Adams,
Interim Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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Commissioners