

Decision No. R20-0664-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 20M-0267EG

IN THE MATTER OF THE COMMISSION'S IMPLEMENTATION OF SENATE BILL 20-030
RELATING TO INCREASED CONSUMER PROTECTIONS FOR INVESTOR OWNED
UTILITIES.

**INTERIM DECISION OF
HEARING COMMISSIONER
JEFFREY P. ACKERMANN
ESTABLISHING REPORTING
REQUIREMENTS AND SOLICITING COMMENTS**

Mailed Date: September 16, 2020

I. STATEMENT

1. On June 19, 2020, the Commission opened this Proceeding by Decision No. C20-0452, both to collect information that could inform the issuance of a Notice of Proposed Rulemaking in response to Senate Bill (SB) 20-030, which has since been issued,¹ and to understand regulated utilities' activities related to the coronavirus (COVID-19) pandemic.

2. The following stakeholders submitted comments in response to the Commission's Decision, touching both on SB 20-030 and COVID-19:

- Atmos Energy Corporation (Atmos)
- Black Hills Colorado Electric, LLC / Black Hills Colorado Gas, Inc. (Black Hills Energy)
- Colorado Natural Gas (CNG)
- Natural Resources Defense Council (NRDC)

¹ Decision No. C20-0622, issued August 27, 2020, Proceeding No. 20R-0349EG.

- Public Service Company of Colorado (Public Service)
- Sierra Club

3. On September 1, 2020, the Commission issued Decision No. C20-0636-I, which acknowledged the unusual and concerning circumstances of the COVID-19 pandemic and summarized the responsive actions taken by regulated utilities, the Commission, other branches of government, and other stakeholders related to public safety and energy affordability. Accordingly, the Commission continued this Proceeding, assigned Chairman Jeffrey P. Ackermann as Hearing Commissioner,² and refined its objectives related to COVID-19 as follows:

- Develop a body of knowledge on how COVID-19 is changing or may change how energy is consumed in Colorado, particularly as it pertains to consumers and their ability to pay, and its implications for utility revenues;
- Explore, using available data regarding ability-to-pay issues, how creativity in bill collection can increase customer retention while minimizing negative impacts and potentially leading to net-beneficial outcomes;
- Provide a forum for collaborative work to identify what actions utilities can take concerning creativity and flexibility in payment assistance options; and
- Understand whether specific regulatory actions or approvals are required related to the utility's role in economic recovery, with a focus on actions that can be taken quickly, outside existing proceedings.

4. This Decision establishes the next steps in this Proceeding to meet these objectives, by establishing additional reporting requirements for regulated utilities and requesting further written comments.

² Pursuant to § 40-6-101(2), C.R.S.

A. Discussion

5. Decision No. C20-0636-I, issued September 1, 2020, summarized the activities that Colorado regulated activities have taken so far with regard to COVID-19. We appreciate the work of Colorado regulated utilities, state and local agencies, and nonprofits to support customers who are experiencing economic, social, and health challenges during the pandemic.

6. However, we remain concerned about customers' ability to pay both during the pandemic and in the future. Because some regulated utilities submitted delinquency and disconnection data as confidential in their initial comments, we reviewed the quarterly disconnection reports that are filed in Proceeding No. 08M-305EG to better understand trends related to customer payments (see Tables 1 through 3).³ These quarterly reports provide information for residential customers only.

7. Tables 1 through 3 suggest that while the number of residential customers who are in arrears is not increasing for every utility, the total amount of past due bills is increasing, sometimes dramatically, for each of them. The average amount owed per customer would also appear to be increasing. This suggests that there is a subset of customers who may be getting further behind on payments, putting them at greater risk of disconnection as their arrears grow.

8. It is unclear to what extent these customers would qualify for bill assistance programs, and to what extent they have been able to participate in payment plans. The Commission wishes to better understand whether current practices are sufficient to meet the potential need, not only for residential customers (income qualified and otherwise) but for other classes of customers as well. We are also uncertain whether, and if so how, these trends have

³ For simplicity, Tables 1-3 sum figures from all fuel sources, e.g., electric, gas, and electric/gas.

altered given changes at the federal level, such as expiration of the Coronavirus Aid, Relief, and Economic Security (CARES) Act unemployment benefits on July 31, 2020.

	Atmos	Black Hills Energy	CNG	Public Service
June 30, 2017	73,236	23,571	337	309,723
June 30, 2018	2,577	20,807	875	285,063
June 30, 2019	2,778	20,819	724	268,190
June 30, 2020	4,012	19,860	1,775 ⁴	271,083

Table 1: Total Residential Customers Past Due as of June 30, 2020

	Atmos	Black Hills Energy	CNG	Public Service
June 30, 2017	\$349,763	\$2,454,550	\$123,347	\$66,680,286
June 30, 2018	\$571,747	\$2,247,509	\$131,096	\$63,829,428
June 30, 2019	\$636,218	\$2,317,107	\$189,142	\$65,918,282
June 30, 2020	\$905,817	\$3,611,353	\$411,265	\$79,448,415

Table 2: Total Residential Bills Past Due as of June 30, 2020

	Atmos	Black Hills Energy	CNG	Public Service
June 30, 2017	1,125	3,270	202	8,240
June 30, 2018	999	2,799	143	4,347
June 30, 2019	3,440	2,927	114	3,938
June 30, 2020 ⁵	4,049	<i>Confidential</i>	1,232	<i>Confidential</i>

Table 3: Residential Customers Disconnected for Nonpayment as of June 30, 2020

9. We do not yet understand how significant or long-lasting the changes to our economy and society will be as a result of the pandemic. Accordingly, we propose to seek further information to understand the current situation, as well as to explore whether there are creative options that provide additional flexibility to customers, including residents and small businesses, beyond those who fit traditional definitions of “low-income.” By this Decision, we require

⁴ Colorado Natural Gas, Inc., Responses to Commission Requests (filed Jul. 23, 2020), Att. A.

⁵ This line does not reflect customers actually disconnected, but customers that may be eligible to be disconnected based on data presented in the regulated utilities’ initial comments.

additional reporting from regulated utilities, and seek comments on options for payment flexibility.

10. We require that regulated utilities submit supplemental data related to delinquencies and disconnections on a monthly basis. The first report should be provided on October 1, 2020, and cover data through August 31, 2020. Subsequent reports should be submitted on the 15th of each month from October 15, 2020, through January 15, 2021, and be updated to the most recent full month. These reports should include the following information:

- A continuation of the data filed in initial comments in response to paragraph 20 of Decision No. C20-0452, updated to the most recent full month, and including both customer counts and total dollars in arrears by customer class;
- Definitions of key terms, including active vs. inactive arrears, bad debt, etc.;
- A narrative explaining whether customer counts and total dollars in arrears are greater than or less than the prior year, and reasons for the variation where known (*e.g.*, more customers in arrears, customers with larger multi-month arrears);
- How many customers have enrolled in payment plans as compared to the prior year, and any changes to utilities' practices to notify people of payment plan options as they were described in initial comments;
- Whether the utility has resumed issuing notices of disconnection or plans to as of an anticipated date;
- If the utility has resumed field disconnections or plans to resume disconnections within the next month, how many customers are eligible for disconnection by class, how long they will have to pay arrears, and any changes to internal policies related to which customers will be eligible for disconnection;
- A list of the top five zip codes where residential customers are eligible for disconnection, along with the number of customers who may be eligible for disconnection in each zip code;

- Whether or not the utility is currently reporting customers who are delinquent to credit bureaus; and
- Any additional changes to outreach or protections that the utility is implementing since its initial comments in this Proceeding, if there are any.

11. The Commission requires that this data be submitted as non-confidential in order to promote public understanding and engagement, and further requires that confidential components of initial comments be resubmitted as non-confidential.

12. Furthermore, the Commission wishes to understand whether there are creative ways to navigate economic constraints that customers are experiencing that are either already in practice or could be implemented quickly. Regulated utilities may have unique capabilities to navigate economic downturns that are not available to individual customers, like residents and small businesses. For example, utilities may be able to aggregate shareholder funds, grants, donations, and other assistance funding to distribute; consider debt refinancing and other opportunities to sustain economic contractions; offer some degree of short-term bill reduction or forgiveness in order to retain customers long-term; and provide avenues for customers to manage costs going forward through creative programs or tariffs. We are specifically interested in options that may be available to customers who do not necessarily fit into the low-income utility customer definition created by § 40-3-106(1)(d), C.R.S., and can be performed without creating challenges associated with cross-subsidization.

13. By October 1, 2020, the Commission requests written comments from participants in response to the following questions:

- How is bill assistance currently prioritized by utilities and energy assistance organizations, such as nonprofits?
- To what extent are traditional income eligibility requirements creating challenges in responding to customers' bill assistance

needs? Are there, or should there be, options to make assistance programs more flexible in how they assess eligibility?

- Are there additional actions that regulated utilities could take in order to prevent residential or small business customers from being at risk of disconnection where COVID-19 is creating challenges to their ability to pay past-due bills? Examples of additional actions could include, but are not limited to, the following:
 - Raising the arrears thresholds at which disconnections occur;
 - Accepting less than full repayment (*e.g.*, prioritizing repayment of fixed costs);
 - Pairing payment plans with energy efficiency or other energy management programs;
 - Extending payment plans beyond 12 months; or
 - Creating graduated repayment plans that adjust in response to changes in income over time.

14. The Commission requests that reply comments be submitted by October 15, 2020.

15. We are cognizant that many entities are resource-strapped in managing COVID-19.

Accordingly, subject to findings in this phase, the Commission may initiate subsequent phases or determine that no additional activities are needed.

II. ORDER

A. It Is Ordered That:

1. The Commission orders that regulated utilities provide additional monthly reporting on delinquencies and disconnections through January 15, 2021, consistent with the discussion above.

2. The Commission requests written comments to be submitted by October 1, 2020 and reply comments by October 15, 2020.

3. This Decision is effective immediately.

(S E A L)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

Hearing Commissioner

ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director