ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF ADMINISTRATIVE ORDERS RELATING TO THE COVID-19 STATE OF EMERGENCY	)))	DOCKET NO. 20-012-A ORDER NO. 15

ORDER

In response to the State of Emergency issued by Governor Asa Hutchinson, the Commission issued Order No. 1 on April 10, 2020, which suspended all disconnections of water, gas, and electricity services for Commission-regulated utilities and suspended all rules and provisions of individual utility tariffs on file that prevent or condition re-connection of disconnected customers during the pendency of the Governor's emergency declaration, or further actions by the Commission.

On September 17, 2020, the Commission issued Order No. 9 inviting comments from all utilities, including the investor-owned utilities (IOU) and electric cooperative utilities (ECU) (referred to collectively as utilities) and any other interested stakeholders regarding the continuation of the disconnection moratorium, including how and when the moratorium should be lifted.

Pursuant to that Order, the utilities filed comments on October 2, 13, and 14, 2020. The comments included utility-specific transitional plans detailing how, when the moratorium is lifted, that utility proposed to reinstate routine service-disconnection activities and collection of past due amounts in light of its particular circumstances. Each IOU and ECU uniformly expressed a desire for flexibility in determining how best to transition from the current moratorium based on its particular needs, the needs of its customers, and the resources available to handle the volume of work which may arise.[1] Although the dates differed, each utility, with the exception of Entergy Arkansas, LLC (EAL),[2] expressed a desire that the moratorium be lifted.

The Office of Attorney General Leslie Rutledge (AG) filed comments on October 14, 2020, recommending that the moratorium on service terminations continue for all utilities and for all classes of their customers for the entire duration of the Governor's COVID-19 emergency declaration. She also recommended that disconnection not resume for at least two billing cycles after the declaration ends to allow sufficient time for customers to be informed of any past-due amounts owed and what options or payment plans are available to avoid service termination.[3]

Also pursuant to Order No. 9, the General Staff (Staff) of the Commission filed a report on November 5, 2020, for the IOUs[4] and on November 19, 2020, for the ECUs summarizing their filed comments and providing recommendations of terms and conditions that should apply to all utilities when the moratorium is lifted in order to minimize customer confusion to the greatest extent possible.

After review and consideration of the comments, the continued emergency declaration of the Governor, and the state's COVID-19 positivity rate, the Commission finds that it is not in the public interest to lift the moratorium immediately but to announce a target date of May 3, 2021, to lift the moratorium on disconnections[5]

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[1] Staff's Reports at 4 (Doc. #113) and at 5 (Doc. #123).
[2] EAL stated that it should be lifted after the Governor lifted his Declaration. EAL Report at 4 (Doc. #98).
[3] AG Comments at 1 (Doc. #80).
[4] Liberty Utilities (Arkansas Water) d/b/a Liberty-Arkansas Water (LUAW) was not enjoined as a Party to this docket until October 10, 2020; therefore, Staff did not file a report for LUAW until November 17, 2020. (Doc. #122)
[5] The Commission notes that the term "disconnections" has been used in this Docket to refer to "suspensions" under Section 6 of the Commission's *General Service Rules*.

pursuant to the conditions and requirements below that utilities must meet before disconnections may resume.

In the meantime, the Commission will continue to review all information relevant to a discontinuation of the moratorium including, but not limited to, the Quarterly Reports filed by the utilities; the percentage of Arkansas residents who have received at least the first dose of the COVID-19 vaccination; the COVID-19 positivity rate; and the status of the Governor's emergency order to determine if it remains in the public interest to lift the moratorium on May 3, 2021. If any party desires to submit updated information to be considered by the Commission in its decision on lifting the moratorium, it shall do so no later than noon on March 12, 2021.

On March 26, 2021, the Commission will issue an order either confirming the lifting of the moratorium on disconnections on May 3, 2021, or extending the moratorium.

To prevent an abrupt resumption of disconnections, utilities should immediately begin to communicate with and educate customers to provide a description of the phase-in of disconnections and give the customer the time to contact a community action agency or other organization for available assistance if needed. In addition, the phase-in will allow customers who have been affected by the COVID-19 pandemic and who may not be familiar with disconnection process time to seek financial assistance or to enter into a payment agreement with the utility.

I. <u>General Communication with Customers:</u>

Each utility shall post information regarding the end of the moratorium, including the targeted end date, and available payment options on its website and social media platforms, and through bill messaging if available, within ten days of this Order. The information shall include a telephone number and/or email address where customers can receive further information. Utilities are also encouraged to utilize other forms of communication with their customers, including letters, bill inserts, and direct emails and texts, along with mass communication and press releases.

II. Communication with Individual Customers with Arrearages:

Each utility shall provide notification in writing with the following information to each customer with a past due balance for whom the utility intends to disconnect service as a result of the end of the moratorium:

a. The disconnection moratorium end date;
b. The arrearage balance ;
c. The options available for payment arrangements;
d. The sources available for energy bill assistance;
e. The options available for postponement of disconnection for medical need under Rule 6.17 of the Commission's *General Service Rules* (GSRs) or for the elderly and individuals with disabilities under Rule 6.18 of the GSRs*;* and
f. A telephone number and website, if available, where the customer can set up payment arrangements.

The notification should be marked so as to catch the customer's attention, for example "Important Information from [UTILITY]" in red. The notification must be delivered to affected customers as soon as possible after the moratorium is lifted, but not less than thirty-five calendar days before a shut off notice is sent under Rule 6.04 of the Commission's

***General Service Rules* (GSRs). In addition to the required written notification, utilities should use email, text, contact by telephone, or premises visits where the utility has the ability to do so.**

These directives are in addition to the normal shut-off notice required by the GSRs prior to any disconnection for non-payment.

III. Disconnections:

In addition to the disconnection requirements found in Section 6 of the GSRs, the utility shall contact the customer, either by telephone, in person, email with a read receipt, or with a door hanger, 48 hours in advance of disconnection. The telephone contact shall be to the person responsible for the account and not to a voice messaging system.

The utility shall provide a 14-day postponement for disconnections if a resident is under quarantine for COVID-19 as instructed by the Arkansas Department of Health, physician, or other health care provider. Utilities are encouraged to accept verbal statements for requests based upon COVID-19 related health conditions.

IV. Payment plans:

Each utility must offer COVID-19-related delayed payment agreements (DPAs) for a minimum of 18 months to be made available to all customers who had an arrearage when the moratorium began or if the arrearage occurred during the moratorium, regardless of their previous payment history. Utilities shall not require a down payment to participate in a DPA. As many customers may be making payment arrangements with multiple types of utilities at the same time, the Commission encourages the utilities to offer DPAs for more than 18 months for customers with large balances or with other circumstances which would hinder the ability to pay in full. The ability to enter into a COVID-19-related DPA pursuant to this Order shall expire within 90 days after May 3, 2021, or the date the customer's utility begins disconnections, if later. After that, the utility has the option of continuing to offer this COVID-19-related DPA, or resume the terms and conditions of its regular DPAs.

Utilities must make every effort to enroll customers with arrearages in DPAs.

V. Energy Assistance Programs:

Any assistance received by an energy assistance program shall be applied to the customer's oldest charges. Utilities shall continue to offer customers any available information regarding funds that may be available through assistance agencies or the Low-Income Home Energy Assistance Program.

VI. Reporting requirements:

Utilities shall continue to file Quarterly Reports as required by Order No. 1, and must include each type of payment plan it makes available to its customers, any qualifications, the length in months offered on payment plans and a breakdown of the number of customers on each payment plan with the total dollar amount of arrearages per plan. Utilities are encouraged to send information on COVID-19 related DPAs and any other pertinent information to the Consumer Services Section of Staff and to the Consumer Relations Division of the AG. In addition, utilities are encouraged to use the Quarterly Report to submit any problems or impediments being encountered or further recommendations. Staff shall also file a report no later than 30 days after the utilities file their Quarterly Reports stating its view on progress reflected in those reports along with a summary of complaints received by Consumer Services, including any problems or impediments being encountered or further recommendations.

VII. Ouachita Electric Cooperative Corporation (OECC)

In its October 14, 2020, filing, OECC requested additional Commission action in waiving certain provisions of its tariff. Specifically, OECC proposed to reduce the percentage amount of any power purchase applied to a delinquent balance from 50 percent to 25 percent for customers on prepaid service with an arrearage and waive late payment charges for six billing cycles after the moratorium has ended.[6] Staff supported OECC's request to deviate from its tariffs predicated on OECC not seeking approval of a regulatory asset or otherwise requesting recovery of these amounts.[7]

Based on OECC not seeking approval of a regulatory asset or otherwise requesting recovery of these amounts, the Commission finds it is in the public interest to grant OECC's waiver of Tariff 12.1, 3rd Revised Sheet No. 25 and Tariff 7.2, Original Sheet No. 18.

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[6] OECC Report at 4. (Doc. #99).
[7] Staff Report at 11-12.

BY ORDER OF THE COMMISSION.

This 8th day of February, 2021.

Ted J. Thomas, Chairman

Kimberly A. O'Guinn, Commissioner

Justin Tate, Commissioner

Karen Shook

Mary Loos, Secretary of the Commission

I hereby certify that this order, issued by the Arkansas Public Service Commission, has been served on all parties of record on this date by the following method:

___U.S. mail with postage prepaid using the mailing address of each party as indicated in the official docket file, or

X Electronic mail using the email address of each party as indicated in the official docket file.