PSC/Water Utility Industry Meeting

November 17, 2021

• Video and PowerPoint Slides
  • Asking Questions
PSC/ Water Utility Industry Meeting Agenda

• Welcome and Introductions
• Wisconsin Act 85 & 86
• Construction Application Update
• Other Updates
  - Rate and Construction Cases
  - LSL Financial Assistance Program Application
  - Financial Outreach
  - Financial Impacts of Covid
• COVID-19 Docket Updates, Q&A
• Roundtable Discussion

Wisconsin Act 86

• Changes Wisconsin Statute and Administrative Code
  • Wis. Admin. Code § PSC 184.03(4)(c) replaces “routine meter” with “meter installation.”
  • Clarifies that all meter installation, repair, or replacement projects no longer require a certificate of authority from the Commission.
  • Effective for all applications submitted on or after November 7, 2021


  • Important to note that Commission staff will continue to consider recovery of projects as part of typical rate case proceeding
Wisconsin Act 85

• Changes Wisconsin Statutes related to both:
  • Certificates of Authority for construction-related projects (196.49(5r)(c))
  • Lead Service Line Financial Assistance Programs (196.372(3)(d))

• Requires deadlines for Commission review of applications and issuance of Final Decisions
• Effective for all applications submitted on or after November 7, 2021


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Construction Authorization Process

- Pre-Application Meeting
- App Filed by Utility
- Application Completeness Determination
- Complete Letter
- NOI
- Final Decision

- Incomplete Letter
  - Utility Refiles App
  - Unlimited refilings
  - 30-day Completeness Determination on subsequent refilings

Dockets with Hearing:
- Application – Complete Letter: 45 days
- Complete Letter – Order: 180 days

Dockets w/o Hearing:
- Application – Complete Letter: 45 days
- Complete Letter – Order: 90 days
Construction Application Updates

Updating Construction Application - Fall 2021

• Single application that includes supplemental questions based on project type
• Easier to determine Completeness
• Word-based form
• Eventual transition to online application

Final Decisions Issued Per Year (BS, CW, SA, SI, WA, WB, WI, WM Dockets)

10-year average

* 2021 data through 11/16/21
Tips For Construction Authorizations

1. Request joint PSC/DNR **pre-application meeting** early in process (ex: well site phase)

2. Make sure application is based on **updated information** (demand forecasts, major customer agreements, etc.)

3. Make sure application is complete *(Use the Application and be descriptive!)*

4. Respond to **ICLs/data requests** promptly

5. If in doubt, **call us**!

Order Point Emails

• Are they helpful?

• Could we provide additional information in the email?

The final decision in this docket included the following order point:

Order Point Number: 3

No later than 180 days from the effective date of this Final Decision, the applicant shall use the most recent version of the Free AWWA Water Spreadsheet Tool to conduct a detailed water audit, develop a non-revenue water control plan that includes a list of action items and timeframe for completing them, and provide a copy of the audit and plan to the Commission.

**This is a courtesy reminder that the above order point has a due date of 02/13/2021.** You will continue to receive this reminder monthly until the completion of this order point.

**NOTE:** Please upload the document in the docket identified above. If the docket is closed, please reference the docket as a note in the description.
LSL Financial Assistance Program
Application Filing Requirements

• Docket 5-AFR-1600

• Adopted new application on October 29, 2020

Recent Changes to CRC Application

Updated email sent with the application

Revised Instructions tab:
• Added instructions to make Attachment 2B more clear
• Added instructions to make Attachment 20 easier to understand
• Now sending out the instructions as a PDF

New rate-setting objectives
• (PFP, affordability, etc.)

Coming Next: Changes to individual tabs that may change the application’s appearance
New Application Filing Status Email

• Sent shortly after application is considered sufficient

• Sent to:
  - Utility’s primary contact in PSC’s Universal Name File
  - Person responsible for filing
  - Utility consultant

• Contains:
  - Contact information for PSC staff involved
  - Information about rate case process
  - Reminders about utility’s responsibilities

WR Applications through Calendar Year

[Graph showing the number of applications filed by month, with a peak in July 2021. The graph includes data from 2020 and previous years, with the deadline for Current Test Year (July 31) indicated.]
1. Consider timing of your filing
2. Review construction approvals prior to filing
3. Don’t be afraid of incomplete application letters
4. Be sure your application is complete:
   a. Thoroughly complete Attachments 19 and 19a of the rate application
   b. Resolve problems with customer billing data
   c. Classify construction projects properly
   d. Classify Contribution in Aid of Construction (CIAC) plant correctly in both test year and prior years
5. Answer PSC data requests promptly and completely
6. Call if you have questions!
Financial Outreach Program

• Evaluation based on annual report data
• Metrics
  – Fewer than 90 days’ cash on hand, AND
  – Two consecutive years of operating losses, AND
  – No rate case within last year
• Commission may open investigation: Are rates reasonable?

COVID-19 Water Utility Predictions

NACWA estimates US water utilities could lose $12.5 billion from COVID-19 impact

WaterNews

Water Utility Industry Report Estimates Nearly $14 Billion in Revenue Loss from Pandemic
April 17, 2020 / in Water News / by Circle of Blue
Residential Arrears

Residential Water Arrears Comparison

Revenue and Customer Trends

Revenue from Water Sales and Number of Customers Statewide
Revenue and Customer Trends

Utilities with Largest Decrease in Revenue

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<tr>
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<th>Commercial</th>
<th>Industrial</th>
<th>Residential</th>
<th>Total Revenue Decrease</th>
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<td>Weyerhaeuser Municipal Water Utility</td>
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<td>-6.63%</td>
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Utilities with Largest Decrease in Revenue

| Alma Municipal Water Utility  | 20,335 | 65% |
| Ashwaubenon Water And Sewer Utility | 319,560 | 27% |
| City of Baraboo Water Utility | 14,272 | 3% |
| Ironton Water Utility | 6,940 | 67% |
| Village of Lake Delton Water Utility | 10,409 | 2% |
| Village of Wilson Municipal Water Utility | 2,251 | 48% |
| Weyerhaeuser Municipal Water Utility | 1,778 | 24% |

Supplemental Order on Residential Disconnection – Fourth

The Commission took the following actions on March 18, 2021:

1. Utilities may disconnect service after April 15, 2021, pursuant to utilities’ filed disconnection plans.

2. Utilities shall file a disconnection plan with the Commission 5 business days prior to disconnection.

3. Utilities shall offer a DPA to low-income residential customers without limitation.

4. Utilities shall continue to submit quarterly information.
Docket 5-UI-120 Order Points

5. After April 15, 2021, utilities may no longer elect to waive any late payment fees.

6. Municipal utilities may choose to offer a DPA to a customer who is a tenant at a rental dwelling unit.

7. Utilities may continue to waive credit card fees.

8. Utilities may continue to request temporary waivers of certain tariff provisions and deadline tolling and extensions until further order of the Commission.

Disconnection Plans

• Utilities that wish to disconnect customers due to nonpayment after April 15, 2021 must file a disconnection plan with the Commission.

• Utilities that previously filed disconnection plans with the Commission only need to update the plan if the disconnection plan changes prior to November 1, 2021.

• A new disconnection plan or an updated plan must be filed at least (5) business days prior to implementing any changes.

• Disconnection plans and updated plans can be submitted by completing this survey found on the Commission website FAQ page.
Deferred Payment Agreements (DPA)

• A utility shall offer every residential customer a DPA if they are unable to pay their bill in full.

• For purposes of determining reasonableness, the code requires a utility to consider the customer's ability to pay along with the following factors:
  • Size of the delinquent account.
  • Customer's payment history.
  • Time that the debt has been outstanding.
  • Reasons why the debt has been outstanding.
  • Any other relevant factors concerning the customer's circumstances such as household size, income, and necessary expenses.

Deferred Payment Agreements (DPA)

• If a customer defaults on a DPA, a utility is not required to offer a subsequent DPA unless the customer is low-income or has had a significant change in their ability to pay.

• A municipal utility is not required to offer a subsequent DPA prior to transferring an amount to the tax roll.

• A municipal utility may elect to suspend tariff provisions restricting the ability to offer DPAs to residential customers who are tenants without obtaining a waiver from the Commission.

• When the utility and customer cannot agree on terms, either party may ask the Commission to review the disputed issues.
Arrearage Management Plan (AMP)

• The Commission ordered all utilities to submit an AMP by January 15, 2021.
• 374 utilities submitted an AMP to the Commission.
• The AMP is a comprehensive plan outlining a strategy to address the financial impact of arrears.
• Commission staff has met with electric, gas, and water public utilities to discuss arrearage management planning.
• There is currently an expedited process in place for tariff change requests related to new AMPs or forgiveness programs.
• Additional information on arrearage management will be submitted as part of the quarterly reporting requirement.

Water Rates Dashboard

• Do you use the dashboard?
• How do you use it?
• Additional data?
• Changes in how data is displayed?
Application Status Email

- Additional explanation on process?
- Other ways we could improve our communication as part of a rate case?

PSC Website Update

- What do you use the website for?
- Additional information or changes to how it’s displayed?
- Information that is more accessible?
Future Meetings and Trainings

- Training topics?
- Frequency?
- Meeting formats?

Upcoming PSC/Water Industry Meetings

Quarterly: PSC/Water Association Meetings
December 7: Best Practices for Managing Small Water Utilities, WI League of Municipalities
February 16: PSC/Water Industry Meeting
March 15-18: WRWA Technical Conference
April ?: Training through the Environmental Finance Center Network
Questions?

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Extra Slides
Not for Public Use
New Application Filing Status Email

• Sent shortly after application is considered Complete

• Sent to:
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• Contains:
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Case Timing