

PSC/Water Utility Industry Meeting

July 22, 2020





- Video and PowerPoint Slides
 - Asking Questions

PSC/Water Utility Industry Meeting Agenda

- Welcome and Introductions
- COVID-19 Docket Updates, Q&A
 - 5-UI-120
 - 5-AF-105
- Other Updates, Q&A
 - Rate and Construction Cases
 - AFR Dockets
 - Order Point Tracker
 - Rates Dashboard
- Roundtable Discussion

COVID-19 Docket Updates: 5-UI-120

Background on Docket 5-UI-120

- An Order and Supplemental Order - First provided temporary customer service protections relating to disconnection, application for service, deferred payment agreements, late fees, cash deposit requirements, and credit card fee waivers.
- On June 26, 2020, the Commission issued a Supplemental Order - Second that provided guidance and timelines for lifting the temporary provisions.

Docket 5-UI-120: Disconnections

- Utility must file disconnection plan with the Commission 5 days prior implementing its disconnection plan. This is done through the online survey.
- Disconnection notices may be issued beginning July 15, 2020.
 - 10-day disconnection notice
 - Personal contact attempt
- Medical Clarification
 - Positive COVID-19 test of customer or member of the household shall automatically qualify for medical emergency and 21-day extension.

Docket 5-UI-120: Deferred Payment Agreements

- DPAs are required for residential and commercial customers until August 15, 2020.
- After August 15, 2020, a utility may decline to offer a subsequent DPA, unless a residential customer has had a significant change in ability to pay.
- On August 15, 2020, each Municipal Utility must follow its tariff with regards to DPAs for residential tenants.

Docket 5-UI-120: Late Fees

- As of July 15, 2020, a utility may resume assessing late fees, but only on amounts incurred beginning on July 15 or later. The utility would not apply late fees to amounts incurred during the period from March 24, 2020 to July 14, 2020.
- Utility options when there are billing system limitations
- Utility option to continue to waive late fees beyond July 15, 2020.
 - File notification letter on ERF under docket 5-UI-120.
 - Include the date the utility will resume assessing late fees.

Docket 5-UI-120: Deposits

- Utilities may begin assessing a deposit as a condition of new service effective July 31, 2020.
- Is there an option for Utilities that have concerns about customers that were not assessed deposits as a condition of new service, that would have normally been assessed a deposit?

Docket 5-UI-120: Credit Card Fee Waivers

Currently, there are two ways for a utility to handle credit card fee waivers:

1. No rate recovery. The utility may waive credit card processing fees, but no recovery of these costs would be allowed in its O&M budget until the utility's next rate proceeding. In this scenario, the utility would use its surplus to cover credit card processing costs.
2. Rate case. If a utility would like to recover the costs of credit card processing fees in its O&M budget, the utility could make that request in its next rate proceeding.

Docket 5-UI-120 Credit Card Fee Waivers

- 5-UI-120 allowed utilities to request a temporary tariff to waive credit card fees for customers
- 15 water utilities applied to Commission and were approved to have a temporary fee waiver tariff
- By default, the waiver will be lifted for all utilities effective December 31, 2020, unless otherwise requested
- If a utility would like to discontinue waiving these fees prior to 12/31/20, it should file a request on ERF

COVID-19 Docket Updates: 5-AF-105

Background on 5-AF-105

- Authorized all electric, gas, water, and sewer utilities to defer expenditures resulting from 5-UI-120 (March 24, 2020)
- Supplemental Order-First defined the expenditures and required utilities to report on these costs
- Reporting
 - **Class AB utilities** – report monthly [next monthly report due August 15, 2020]
 - **Class C and D utilities** – report quarterly [next quarterly report due October 15, 2020]
- COVID-19 Utility Reporting Survey
 - Allows utilities to provide data in standardized format
 - All utilities required to respond, even if no data to report
 - Sent to all utilities by email, based on UNF and utility manager mailing list

Commonly Asked Questions

- For updated announcements and resources related to COVID-19, please visit the Commission's Frequently Asked Questions for Utilities webpage.

SDP9

**For Utilities: Click here for
Answers to Frequently
Asked Questions**

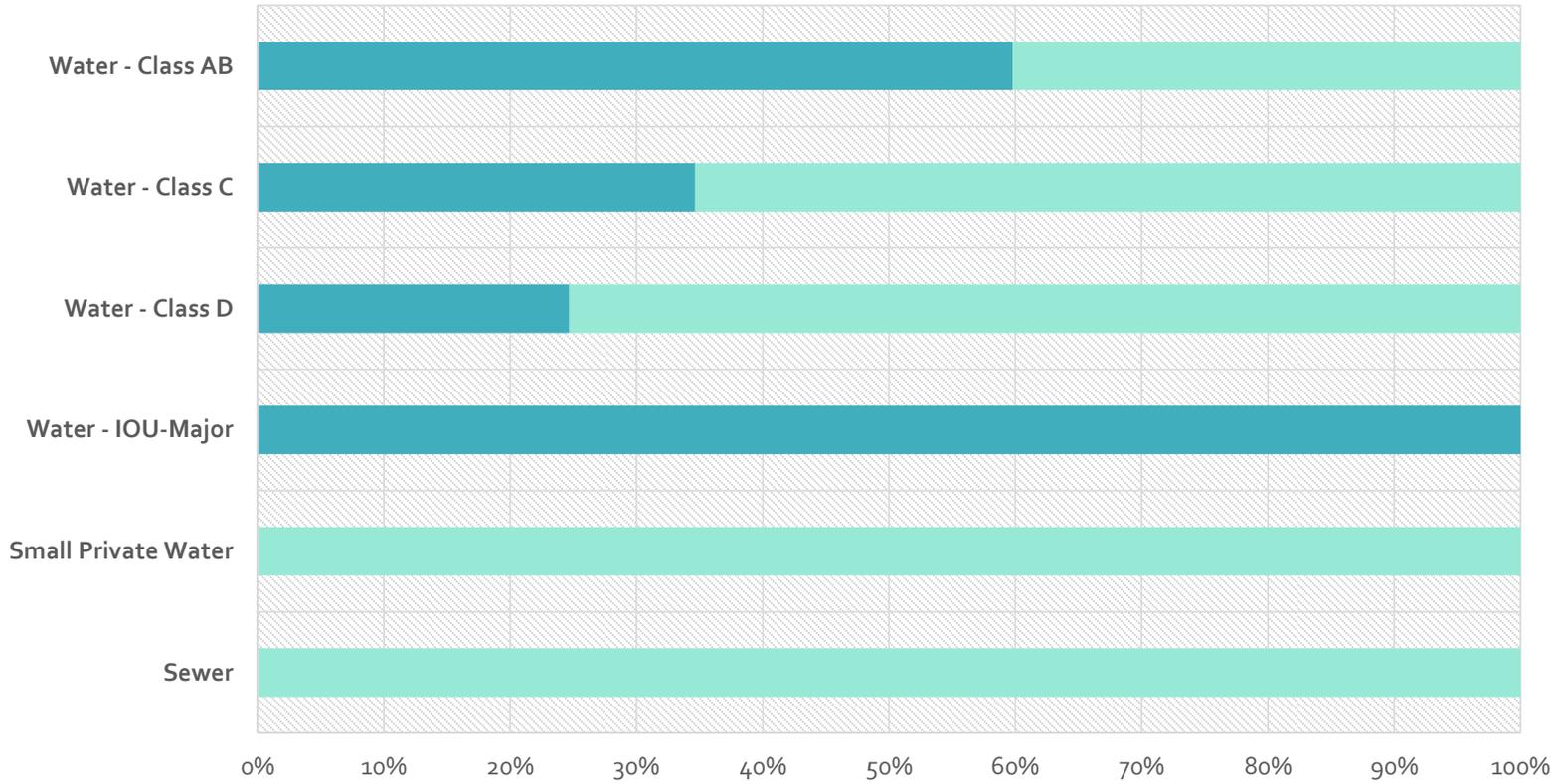
<https://psc.wi.gov/Pages/NewsEvents/UtilityCOVID19Resources.aspx>

- Survey Samples on the first page of survey?
- Do I have to file even if I don't have any costs to report?
- Did my utility receive an email about this?
- How do I know my utility ID?
- How do I know my utility Class?

Slide 14

SDP9 Andy, it might be good to make this its own page and stick it at the end of this section.
Schmidt, Denise PSC, 7/21/2020

Survey Responses by Reporting Class Type



	Sewer	Small Private Water	Water - IOU-Major	Water - Class D	Water - Class C	Water - Class AB
■ Responded	0	0	1	79	53	61
■ Did Not Respond	2	2	0	241	100	41

■ Responded ■ Did Not Respond

COVID-19 Utility Financial Impacts

Reporting Period: 3/24/20 – 5/31/20

208 (78% of respondents) reported COVID-19 related expenses, foregone revenue, and/or reimbursements

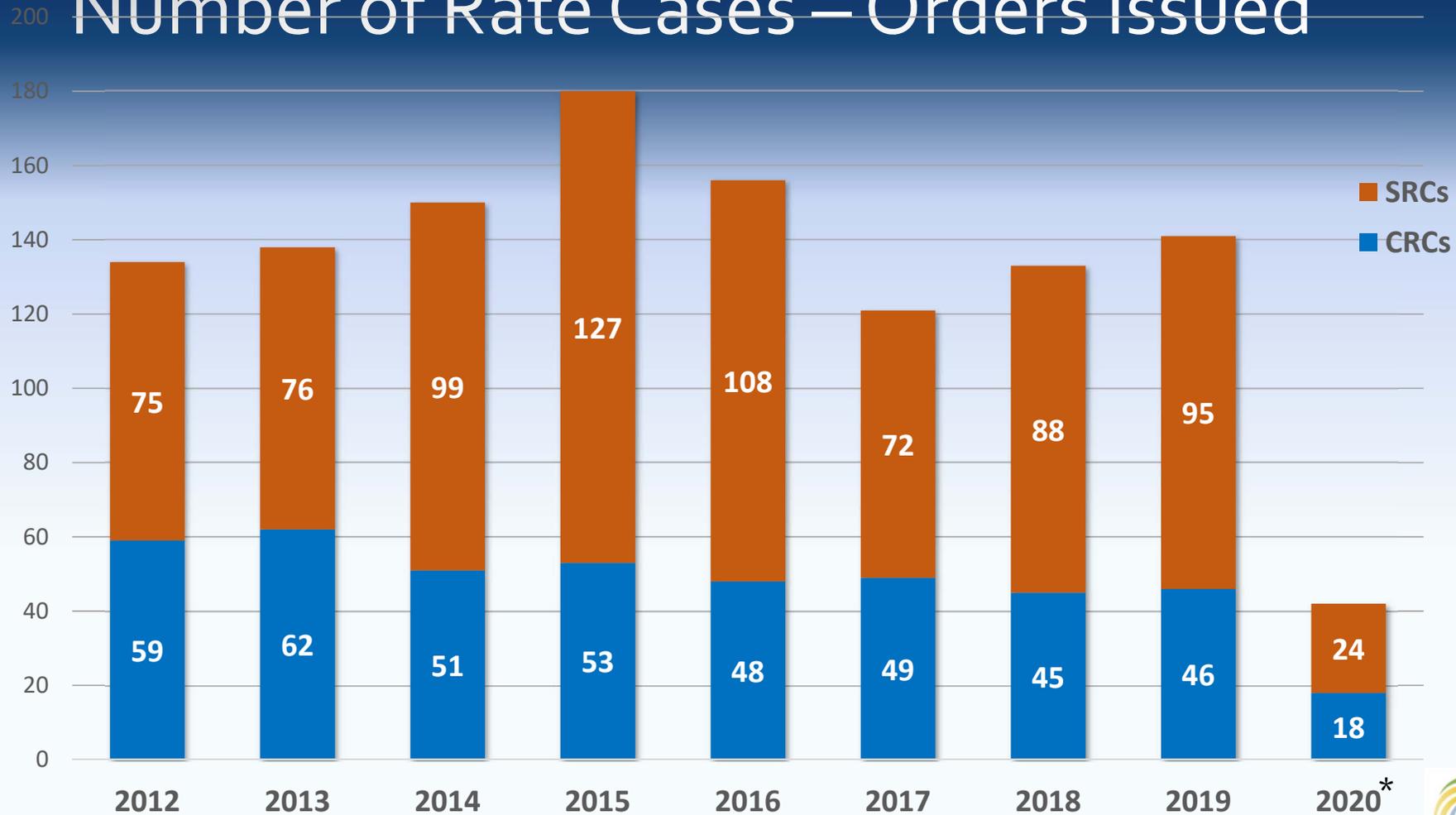
- **\$7.8M** total foregone revenues
 - Across all reporting utilities, amount comprised **0.08%** of 2019 total operating revenues
- **\$8.7M** total incremental expenses
 - Across all reporting utilities, amount comprised **0.11%** of 2019 total operating revenues
- **\$1.6M** total loan and grant funds received
- COVID-19 related capital expenses were minimal (office furniture/equipment or computer equipment)

Data from Docket c-AE-19-027/c/30 published survey responses <https://www.psc.wis.gov/ERP/ERP/view/viewDoc.aspx?docId=500560>

Other Updates

Rate Case Update

Number of Rate Cases – Orders Issued



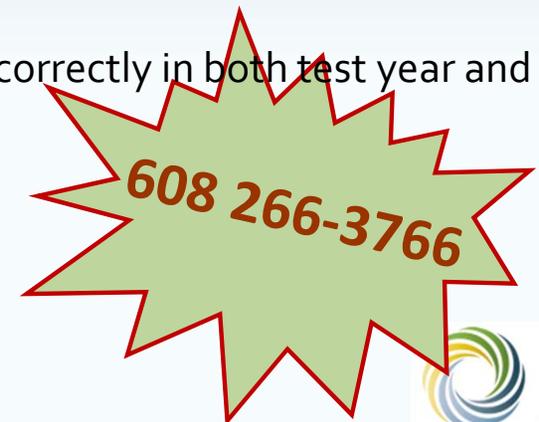
* 2020 data through 7/22/20

WR Applications through Calendar Year



Utility Rate Case Tips

1. Consider your timing
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!**



Construction Case Update

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



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 Checklists!)
4. Respond to **PSC data requests** promptly
5. If in doubt, **call us!**



How to Apply

Provide the information described in the "General Application Checklist" and the appropriate "Supplemental Checklist" described in the links below. Upload the completed application and related documents (pdf format) to the PSC Electronic Records Filing (ERF) System using the utility's PSC identification number.

PSC General Application Checklist

[General Application Checklist](#)

PSC Supplemental Checklist by Project Type

[Establish New Utility](#)

[Utility Expansion](#) (Acquisition and Interconnection)

[Construction of Water Supply Facilities](#) (either new or replacement: wells, surface water intakes, storage facilities, and pumping stations)

[Construction of Water Treatment Facilities](#)

[Construction of Utility Buildings](#)

[Non-routine Meter Replacement](#)

[Large Mains](#) (equal or greater than 8-inches in diameter and 3 miles in length)

psc.wi.gov/Pages/ForUtilities/Water/Construction.aspx

Subscribing to PSC Dockets

- Subscribing to PSC Dockets 5555-CW-100
 - Starting 1/1/20, all correspondence is sent only to Subscribed Parties.
 - For your dockets, make sure your key staff and consultants are subscribed

<http://apps.psc.wi.gov>

AFR Dockets

- Application Filing Requirements (AFR)
- Fulfill Legal Requirements
- Efficient Review
 - Identify complete application
 - Reduce the need for data requests

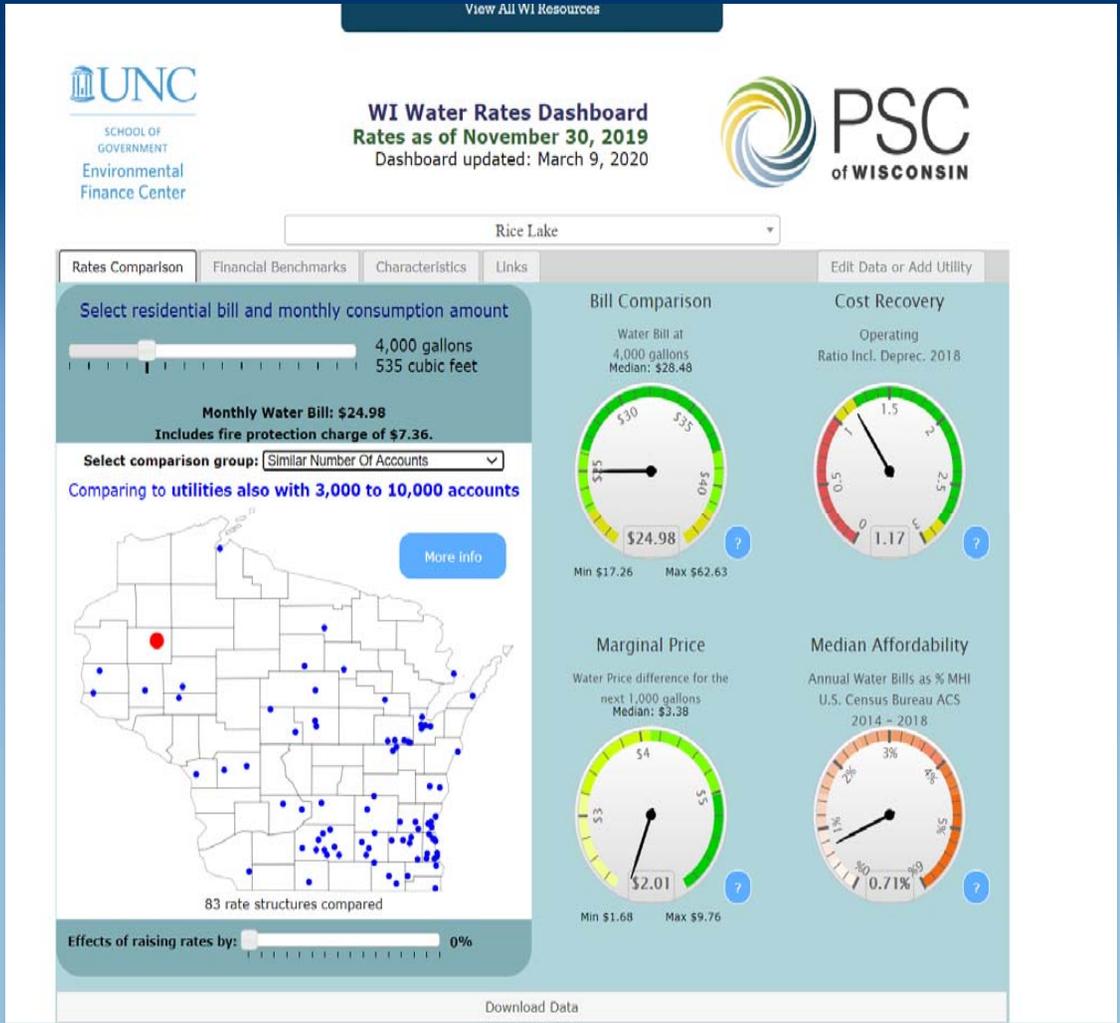
AFR Dockets

- 5-AFR-1100: AFR for Establishing a New Utility
- 5-AFR-1200: AFR for Water Treatment Facility
- 5-AFR-1300: AFR for Construction of Utility Buildings
- 5-AFR-1400: AFR for Non-Routine Meter Replacement
- 5-AFR-1500: AFR for Construction of Large Water Mains
- 5-AFR-1600: AFR for Financial Assistance Programs for the Replacement of Customer-Side Lead-Containing Service Lines
- 5-AFR-1700: AFR for Changing Method of Cost Recovery for PFP Charge Outside of a Conventional Water Rate Case

5-AFR-1600

- Wis. Stat. § 196.372- Financial assistance for lead-containing customer-side water service lines.
 - The municipality has adopted an ordinance that allows utility to provide financial assistance and requires property owners to replace customer-side water service lines containing lead
 - Must not be unjust, unreasonable, or unfairly discriminatory
 - Grants are limited to no more than one-half the total cost
 - Any loan provided can not be forgiven by the utility or municipality
 - The percentage or dollar amount provided must be equal for each owner in a class of customers

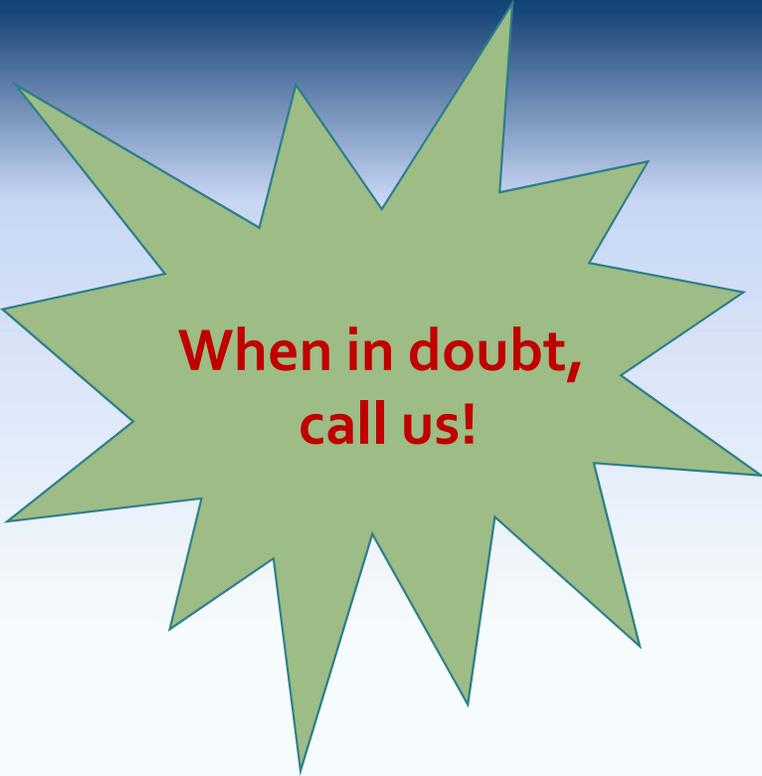
Order Point Tracker Emails



- Now linked directly to Census and SDWIS data
- Quarterly updates of rates data

<https://efc.sog.unc.edu/resource/Wisconsin-water-rates-dashboard>





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call us!**

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<https://psc.wi.gov/Pages/NewsEvents/UtilityCOVID19Resources.aspx>

<https://psc.wi.gov/Pages/Home.aspx>

Utility Inquiry Line: 608-266-3766

Roundtable Discussion