

NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES

RESOLUTION 2011-2

**URGING STATES TO GATHER UNIFORM STATISTICAL DATA ON
BILLINGS, ARREARAGES AND DISCONNECTIONS OF RESIDENTIAL GAS
AND ELECTRIC SERVICES**

1 **Whereas**, the National Association of State Utility Consumer Advocates (“NASUCA”)
2 has passed a companion resolution encouraging the states to institute programs to reduce
3 the incidence of disconnection of residential gas and electric service based on
4 nonpayment; and

5 **Whereas**, gathering data concerning residential gas and electric service, including data
6 concerning billings, arrearages and disconnections, and making that data publicly
7 available, will assist policymakers in evaluating the effectiveness of existing
8 disconnection practices and in identifying problems that may require new practices and
9 policies; and

10 **Whereas**, the collection of arrearage and disconnection data concerning at-risk segments
11 of the population including low-income customers, the elderly, and the ill are necessary
12 to ensure that public health and safety risks are being adequately considered; and

13 **Whereas**, consistent, uniform reporting by utilities of billing and arrearage data enables
14 policymakers to quantify both the number of consumers who are experiencing problems
15 in paying their utility bills and the financial impact of the arrearages¹; and

16 **Whereas**, the compilation of billing and arrearage data assists policymakers in evaluating
17 the adequacy of financial assistance programs, such as the Low Income Home Energy
18 Assistance Program (LIHEAP) and other government assistance programs, utility fuel
19 funds, and community assistance resources in helping customers pay utility bills;² and

20 **Whereas**, a lack of consistent reporting of billing and arrearage data impedes the
21 identification and/or aggregation of credit and collection best practices and the adoption
22 of credit and collection benchmark standards that can be used in the States; and

23 **Whereas**, public policy supports the development of cost effective credit and collection
24 policies and practices³ that make disconnection of gas and electric services the remedy of
25 last resort, occurring only after all other reasonable collection tools have been exhausted;
26 and

27 **Whereas**, data regarding the imposition of cash deposits is necessary to evaluate their
28 effectiveness and whether alternative methods should be used to help consumers
29 demonstrate creditworthiness; and

30 **Whereas**, the collection of data concerning the additional charges and fees such as late
31 payment charges, deposits, third-party fees for credit card or electronic payments, and
32 reconnection charges are measures of the impact that customers are experiencing paying
33 utility bills; and

34 **Whereas**, evaluations concerning the design and effectiveness of payment extensions and
35 multi-month payment plans, including the number of disconnections avoided through the
36 use of payment plans, can be performed much more effectively when there is a basis for
37 evaluation through quantitative data uniformly reported across comparable utilities; and

38 **Whereas**, data concerning the length of time that customers are living without gas and or
39 electric services following disconnections for non-payment is indicative of the difficulty
40 consumers are experiencing securing access to continuous, essential utility services; and

41 **Whereas**, the National Association of Regulatory Utility Commissioners (“NARUC”)
42 has previously passed a resolution⁴ supporting the gathering of terminations and
43 arrearages data, including an emphasis on bringing interested stakeholders to the process
44 of developing strategies for using such data effectively;

45 **Now, therefore, be it resolved**, that NASUCA urges the states to collect uniform data on
46 gas and electric billing, arrearages and disconnections;

47 **Be it further resolved**, that NASUCA urges the states to adopt uniform reporting
48 standards, enabled by reporting category requirements that are carefully defined and
49 explained, such that commissions and advocates can view the data obtained from separate
50 utilities for each reporting category alongside other utilities within the same industry,
51 and draw not only utility-specific conclusions but industry-wide conclusions by
52 aggregating the data, regarding the effectiveness or impact of specific disconnection,
53 credit and collection practices or policies;

54 **Be it further resolved**, that NASUCA supports the collection and reporting of publicly
55 available data on billings, arrearages and collections that enables an understanding of
56 issues of affordability impacting customers in paying utility bills and the effectiveness of
57 available resources to help consumers;

58 **Be it further resolved**, that NASUCA supports the collection and reporting of data on
59 billing arrearages and disconnections that is timely enough for prompt analysis as needed;

60 **Be it further resolved**, that NASUCA supports the accessibility of uniform and reliably
61 collected disconnections, credit and collection, billing and arrearages data to enable
62 commissions and advocates to better evaluate credit and collection policies and practices,
63 and setting and adopting benchmark standards and best practices;

64 **Be it further resolved**, that NASUCA supports the uniform gathering of the following
65 defined data by the states on an annual basis:

- 66 a. number of residential customers who were required to pay a deposit to
- 67 demonstrate creditworthiness to initiate gas or electric service and the average
- 68 amount of the deposit;
- 69 b. number of residential customers who used alternative methods to a deposit to
- 70 demonstrate financial responsibility while initiating service;
- 71 c. number of residential customers who were required to pay a deposit to initiate gas
- 72 or electric service but were unable to do so;
- 73 d. number of customers enrolled in each specific and distinct low-income payment
- 74 plan;
- 75 e. average payment amount for customers in each specific and distinct low-income
- 76 payment plan;
- 77 f. number of customers enrolled in every other type of payment plans offered by the
- 78 utility to other (non-low-income) customers;
- 79 g. the aggregate dollar amount that is being deferred in each specific and distinct
- 80 type of low-income or other payment plan;
- 81 h. the aggregate dollar amount that has been collected in each specific and distinct
- 82 type of low-income and other payment plan;
- 83 i. number of customers who defaulted on each specific and distinct type of payment
- 84 plan;
- 85 j. provide the dollar value and number of residential accounts (and low-income
- 86 accounts) written off as gross uncollectibles, in that the accounts have been
- 87 written off and sent to a collection agency;
- 88 k. the dollar value and number of residential accounts (and low-income accounts)
- 89 written off as net uncollectibles, in that the accounts have been written off after a
- 90 collection agency has failed to collect payment;
- 91 l. separately provide the total number of accounts in arrears between 30 – 60 days,
- 92 60 – 90 days, more than 90 days;
- 93 m. separately provide the total dollar amount of the arrears that were owed between
- 94 30 – 60 days, 60 -90 days, more than 90 days;
- 95 n. number of residential customers receiving a disconnection notice;
- 96 o. number of low-income customers receiving a disconnection notice;
- 97 p. number of residential customers disconnected for non-payment;
- 98 q. number of low-income customers disconnected for nonpayment;
- 99 r. number of customers enrolled in a low-income payment assistance program when
- 100 they were disconnected for non-payment;
- 101 s. number of residential customers who used special medical certification
- 102 procedures to avoid disconnection;
- 103 t. separately provide the number of residential disconnections, and low-income
- 104 residential disconnections, where service was reconnected within ten business
- 105 days, ten to thirty days, thirty to sixty days, sixty to ninety days, and greater than
- 106 ninety days.

107 ***Be it further resolved,*** that NASUCA supports the gathering and reporting of information
108 related to the number of residential customers who received LIHEAP, fuel funds, or other
109 financial assistance and the average amount of assistance received;

110 ***Be it further resolved***, that NASUCA supports the gathering and reporting of the
111 additional charges and fees that consumers pay on an annual basis to pay utility bills

- 112 a. to pay bills at authorized agents of the utilities;
- 113 b. to pay bills via credit cards or electronic checks;
- 114 c. in late payment charges;
- 115 d. in reconnection charges.

116 ***Be it further resolved***, that NASUCA authorizes its Executive Committee to develop
117 specific positions and take appropriate actions consistent with the terms of this resolution.
118 The Executive Committee shall advise the membership of any proposed action prior to
119 taking action if possible. In any event the Executive Committee shall notify the
120 membership of any action pursuant to this resolution.

Submitted by Consumer Protection Committee

Approved June 28, 2011
San Antonio, Texas

¹2008 Individual State Report by the NARUC Consumer Affairs Subcommittee on Collections Data Gathering, NARUC Consumer Affairs Committee (Nov. 17, 2008), <http://www.naruc.org/Publications/2008%20NARUC%20Collections%20Survey%20Report.pdf>.

²Tracking the Home Energy Needs of Low-income Households Through Trend Data on Arrearages and Disconnections, National Energy Assistance Directors' Association (May 2004), available at http://www.neada.org/publications/Tracking_the_Need.pdf.

³, Ron Grosse, Wisconsin Public Service Corporation, with Collaboration of Nancy Brockway, National Regulatory Research Institute (Revised 2008), available at http://nrri.org/pubs/multiutility/Win-Win_Alternatives_for_Credit_Collections.pdf.

⁴National Association of Regulatory Utility Commissioners, Resolution Supporting the Gathering of Data for Electric and Natural Gas Distribution Companies by Individual State Utility Commissions or Energy Offices (Nov. 14, 2007), available at <http://www.naruc.org/resolutions.cfm>.