

**NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES**

**Resolution 2018-04**

**URGING STATES TO DIRECT NATURAL GAS AND ELECTRIC UTILITIES TO COLLECT AND POST ON THE PUBLIC UTILITY COMMISSION WEBSITE UNIFORM TIME SERIES STATISTICAL DATA ON RESIDENTIAL BILLINGS, COLLECTIONS, ARREARAGES AND DISCONNECTIONS FOR NONPAYMENT**

*Whereas*, this resolution enhances and updates resolution 2011-2, adopted June 28, 2011, which urges the states to gather uniform statistical data on billings, arrearages and disconnections of residential gas and electric services for nonpayment; and

*Whereas*, available data gathered since 2011 show an increasing trend in disconnections and other measures of energy insecurity; and

*Whereas*, the Energy Information Administration's most recent Residential Energy Consumption Survey (RECS) found that 31% of US households are struggling to meet their energy needs;<sup>1</sup> and

*Whereas*, gathering time series data concerning residential gas and electric service, including data concerning billings, collections, arrearages and disconnections for nonpayment, and making that data publicly available, will assist policymakers in evaluating the effectiveness of existing disconnection practices and policies and in identifying problems that may require new practices and policies; and

*Whereas*, the collection of time series arrearage and disconnection data concerning all segments of the residential population, including identified low-income customers participating in an energy assistance, low-income energy efficiency, or other means-tested benefit program, young children, the elderly, and the ill are necessary to ensure that public health and safety risks are being adequately considered and addressed; and

*Whereas*, consistent, uniform reporting by utilities of time series billing and arrearage data enables policymakers to quantify the number of consumers who are experiencing problems in paying their utility bills, the financial impact of the arrearages, and any geographic disparities in this impact; and

*Whereas*, the compilation of time series billing and arrearage data assists policymakers in evaluating the justness, reasonableness and affordability of utility rates and the adequacy of financial assistance programs, such as the Low Income Home Energy Assistance Program (LIHEAP) and other government assistance programs, utility fuel funds, and community assistance resources in helping customers pay utility bills; and

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

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

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

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

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

**Whereas**, data concerning the length of time that customers are living without gas and or electric services following disconnections for nonpayment is indicative of the difficulty consumers are experiencing securing access to uninterrupted, essential utility services; and

**Whereas**, the National Association of Regulatory Utility Commissioners (“NARUC”) has previously passed a resolution<sup>2</sup> supporting the gathering of terminations and arrearages data, including an emphasis on bringing interested stakeholders to the process of developing strategies for using such data effectively;

**Now, therefore, be it resolved**, that NASUCA urges the state regulators to direct natural gas and electric utilities to collect and to post on the website of the public utility commission, on a monthly or quarterly basis, uniform data on billing, collections, arrearages and disconnections for nonpayment, provided however that all such collection shall be done in a manner reasonably calculated to protect the confidentiality of ratepayers;

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

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

**Be it further resolved**, that NASUCA supports the accessible reporting monthly or quarterly of publicly available data on billings, arrearages, collections and disconnections for nonpayment that are made available through a public website in a data format that allows policymakers,

advocates and stakeholders to effectively review and analyze the data, such as an Excel or CSV file, rather than static formats like PDFs;

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

***Be it further resolved,*** that NASUCA supports the accessibility of uniform and reliably collected disconnection for nonpayment, credit and collection, billing and arrearages data to enable commissions and advocates to better evaluate credit and collection policies and practices, and to establish benchmark standards and best practices;

***Be it further resolved,*** that NASUCA supports the uniform gathering of the following defined data by the states on a monthly or quarterly basis:

- a. Number of active residential customer accounts in the utility's territory, by customer type (i.e. low-income program participants, medical certificate households, customer that receives service from a supplier and such other categories as may be prescribed by state law or regulation, etc.);
- b. Total customers sent service termination notices for nonpayment, by customer type;
- c. Total number of disconnections for nonpayment, by customer type;
- d. Total electric customer reconnections within 24 hours, within 48 hours, within 72 hours, within 7 days, within 14 days, within 15+ days, by customer type;
- e. Total electric customers not reconnected, by customer type;
- f. Total gas customer reconnections within 24 hours, within 48 hours, within 72 hours, within 7 days, within 14 days, within 15+ days, by customer type;
- g. Total gas customers not reconnected, by customer type;
- h. Customers requesting bill payment assistance of any kind, by customer type;
- i. Payment plans created, by customer type;
- j. Payment plans failed, by customer type;
- k. The dollar value and number of residential accounts written off as gross uncollectibles, in that the accounts have been written off and may have been sent to a collection agency, by customer type;
- l. The total number of accounts in arrears between 30 to 60 days, 60 to 90 days, and more than 90 days, by customer type;
- m. The total dollar amount of the arrears that were owed between 30 to 60 days, 60 to 90 days, and more than 90 days, by customer type;

- n. Number of deposits received by customer type<sup>3</sup>;
- o. Dollar value of deposits received, by customer type;
- p. Number of deposits returned to customers upon satisfaction of deposit return criteria, by customer type;
- q. Dollar value of deposits returned to customers upon satisfaction of deposit return criteria, by customer type;
- r. Dollar value of deposits retained by the utility, by customer type;

***Be it further resolved,*** that NASUCA supports the reporting of the above data (a-r) to be reported both in aggregate and stratified by neighborhood geography (i.e., zip code or census tract) within the utility's service territory;

***Be it further resolved,*** that NASUCA supports the gathering and reporting of information related to the number of residential customers who received LIHEAP, fuel funds, or other financial assistance and the average amount of assistance received per residential customer. Such information should be reported by customer type (i.e. medical certificate households, customer that receives service from a supplier and such other categories as may be prescribed by state law or regulation, etc.) and stratified by neighborhood geography (i.e., zip code or census tract) within the utility's service territory;

***Be it further resolved,*** that NASUCA supports the gathering and reporting of any additional charges and fees that consumers pay on an annual basis to enable them to pay their utility bills, including such charges or fees assessed:

- a. to pay bills at authorized agents of the utilities;
- b. to pay bills via payment cards or electronic checks;
- c. in late payment charges;
- d. in reconnection charges;
- e. in deposits received and deposits refunded.

Such information should be reported by customer type (i.e. low-income program participants, medical certificate households, customer that receives service from a supplier and such other categories as may be proscribed by state law or regulation, etc.) and stratified by neighborhood geography (i.e., zip code or census tract) within the utility's service territory;

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

In any event the Executive Committee shall notify the membership of any action pursuant to this resolution.

***Be it further resolved,*** that this resolution supersedes resolution 2011-2.

Submitted by Consumer Protection Committee  
Approved November 11, 2018  
Orlando, Florida

Abstained:  
Oklahoma AG

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<sup>1</sup> Energy Information Administration, Residential Energy Consumption Survey (RECS) (September 19, 2018), available at <https://www.eia.gov/todayinenergy/detail.php?id=37072>.

<sup>2</sup> National 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 <https://pubs.naruc.org/pub.cfm?id=53976517-2354-D714-5123-0DB132D8026B>.

<sup>3</sup> Not all utilities require deposits