Resolution 2019-07

Resolution on Best Practices in Data Collection and Reporting for Utility Services
Delinquencies in Payments and Disconnections of Service

WHEREAS services from public utility companies including providers of electricity, heating fuels, water and wastewater are vital and necessary to modern life;

WHEREAS many utility customers have chronic difficulties paying their utility bills in full, which can result in disconnection of service by the utility for nonpayment;

WHEREAS these difficulties have been of concern for state regulatory agencies and other interested parties for at least 50 years;

WHEREAS these difficulties have persisted or are worsening despite protracted and ongoing efforts to provide direct financial support from federal and state tax dollars, and customer donations, plus financial assistance and programming provided by social services agencies, religious institutions, and other community-based organizations;

WHEREAS disconnection during either cold or hot temperature extremes in weather can prove dangerous and potentially life-threatening;

WHEREAS many electric customers rely on continuous service to power medical care devices that are essential for their health, the disconnection of which can be life-threatening;

WHEREAS almost half of all residential energy consumption is devoted to heating and cooling of homes, with these services being essential to maintaining health, safety and welfare of ratepayer households;

WHEREAS the large number of disconnections of utility service jeopardizes the health and safety of many households and the safety of many communities and leaves vulnerable households subject to risk of harm;

WHEREAS households with seniors and infants and very young children are particularly at risk if utility services are disconnected as all are more susceptible to hypothermia if there is no heat and heat stress when there is no air conditioning;

WHEREAS seniors on fixed incomes, in particular, may face challenges in not only affording service but also in accessing assistance for paying utility bills, due to mobility limitations or other age-related disabilities;

WHEREAS households with annual incomes at or below $30,000, have “energy burdens” two to four times as large as households that make in excess of $30,000 (with “energy burden” defined as the percent of income spent on energy costs);

WHEREAS funding to assist lower-income households pay their energy bills is insufficient to meet the need, with funding available from the federal Low-Income Home Energy Assistance
Program (LIHEAP) able to assist only about 6.1 million or about one-fifth of eligible households, with an average annual grant of $458, during federal fiscal year 2018;

WHEREAS low-income households often postpone other important purchases, even in some cases going without food, or forgoing medical or dental care, in order to pay utility bills, or suffer illness in an effort to lower those bills by reducing their usage of heating and cooling energy to what may be unhealthy levels;

WHEREAS States vary widely in the protections against disconnection available to customers and to households with persons who have a serious illness or who are otherwise vulnerable, including additional procedural delays, or disconnection stays of limited or unlimited duration, with some states having no protections;

WHEREAS both National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Utility Consumer Advocates (NASUCA) have revisited related concerns about low-income utility services in recent years and have both passed at least a dozen related resolutions on this topic;

WHEREAS NARUC and NASUCA recognize the value of evidence-based policy making to improve outcomes for both utilities and customers;

WHEREAS data collection and sharing play an integral role in providing information for developing evidence-based policies; now therefore be it

RESOLVED, that NASUCA, convened at its 2019 annual meeting in San Antonio, TX encourages all interested parties to study and consider implementing best practices to help reduce the incidence of and minimize the negative impacts on utility services payment delinquencies and disconnections and take into consideration and explore the following actions;

  • work to standardize the terms used to discuss delinquencies and disconnections and definitions of those terms including, at a minimum, the terms -- disconnection, reconnection, displacement (meaning a customer once disconnected who does not ever reconnect to service at the same address), vulnerable customers and critical medical needs customers;
  • work to standardize the data collected, insofar as that is practicable, in order to facilitate state comparisons and track progress towards reducing these problems;
  • describe and implement best practices related to data collection regarding delinquencies and disconnections;
  • regularly seek input from consumers, and the agencies and organizations that work with consumers, so that utility companies and regulators continue to be apprised of evolving customer needs and preferences;
  • consider implementing quality audits and data-governance practices to ensure the information collected and reported is valid and reliable;
  • to the extent permissible under federal and state laws, collect and share data for research purposes, while ensuring privacy of personally identifiable information;
• work to identify and share best practices that demonstrate promise to reduce delinquencies and disconnections, with the explicit goal of increasing customers capabilities to pay utility bills over time including best practices that identify and highlight access to helpful programs and services, including bill affordability programs such as discount rates or percentage of income payment plans, energy efficiency programs and services, weatherization, consumer education, expanding existing shutoff protections, custom payment plans that reflect the ability of the customer to successfully complete the payment plan, and flexible bill due dates;

• train employees of utilities and service agencies to assess and work with customers on sustainable solutions to avoid arrearages and maintain utility services;

• work with all stakeholders, including utility companies, to collect and share data on arrearages and disconnections;

• share information about best practices with all interested parties; and

• work on continuous improvements in policies and programs designed to help reduce delinquencies and disconnections; and, be it further

RESOLVED, that States should consider requiring utilities to (1) collect monthly data that tracks uncollectables, number of payment arrangements, number of payment arrangement defaults, number of revised payment arrangements, disconnections, reconnections, duration and frequency of disconnections and other relevant data points; (2) make the data publicly available on a monthly basis, delineated by general residential customers and those receiving low-income assistance; and (3) file the data with state public utility commissions to be published on the public utility commission’s website so that policy makers might have access to sufficient, objective and granular data for forming public policy aimed at protecting the public health, safety and welfare.

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.

Submitted by Consumer Protection Committee

Approved November 18, 2019
San Antonio, Texas