

## Staff Briefing Papers

Meeting Date May 7, 2020

Agenda Item 1\*

Company All Commission Rate Regulated Electric and Natural Gas Utilities

Docket No. **E,G-999/CI-20-425**

**In the Matter of an Inquiry into the Financial Effects of COVID-19 on Natural Gas and Electric Utilities**

**E,G-999/M-20-427**

**In the Matter of the Petition of the Minnesota Rate Regulated Electric and Gas Utilities for Authorization to Track Expenses Resulting From the Effects of COVID-19 and Record and Defer Such Expenses Into a Regulatory Asset**

### Issues

1. Should the Commission ask stakeholders for input on what actions the Commission should take, including what type of information to gather, if any?
2. Should the Commission ask for input on how to identify the types of financial impacts that could be considered COVID-related, including cost increases and decreases, revenue increases and decreases, and investments, as well as what off-sets there may be?
3. Should the Commission ask for information from utilities on the financial effects on the utilities of the pandemic?
4. How does the Commission wish to proceed with respect to the Joint Petition of Rate Regulated Gas and Electric Utilities for Authorization to Track Expenses Resulting from the Effects of Covid-19 and Record and Defer Such Expenses into a Regulatory Asset?

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.



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**Relevant Documents****Date****Docket No. E,G-999/CI-20-425**

N/A

**Docket No. E,G-999/M-20-427**Joint Petition of the Minnesota Rate Regulated Electric and Gas  
Utilities

April 20, 2020

## I. Statement of the Issues

Should the Commission ask stakeholders for input on what actions the Commission should take, including what type of information to gather, if any?

Should the Commission ask for input on how to identify the types of financial impacts that could be considered COVID-related, including cost increases and decreases, revenue increases and decreases, and investments, as well as what off-sets there may be?

Should the Commission ask for information from utilities on the financial effects on the utilities of the pandemic?

How does the Commission wish to proceed with respect to the Joint Petition of Rate Regulated Gas and Electric Utilities<sup>1</sup> for Authorization to Track Expenses Resulting from the Effects of Covid-19 and Record and Defer Such Expenses into a Regulatory Asset?

## II. Introduction

Because of the severity of the pandemic and the actions utilities have been asked to commit to, the Commission, in this proceeding (20-425) may wish to request, from the utilities and interested stakeholders, information related to the pandemic's financial impact on the utilities.

The Commission may also wish to provide direction and guidance with respect to the joint petition submitted on April 20, 2020, by the rate regulated natural gas and electric utilities, requesting authority to track and defer COVID related expenses into a regulatory asset, effective March 13, 2020.

## III. Background

On March 13, 2020, Governor Walz issued Emergency Executive Order 20-01, declaring a peacetime emergency to protect Minnesotans from the novel coronavirus disease 2019 (COVID-19) outbreak in the United States that has spread to the State of Minnesota.

On March 25, 2020, the Chair of the Commission and the Commissioner of the Minnesota Department of Commerce sent a joint letter to Minnesota Electric and Gas Utilities requesting all utility providers to commit to work with affected customers and communities by undertaking -- at minimum -- the following voluntary actions for the duration of the national security or peacetime emergency:

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<sup>1</sup> The Joint Petitioners consist of the regulated electric and natural gas service providers in Minnesota, alphabetically: CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, Dakota Electric Association, Great Plains Natural Gas Co., Greater Minnesota Gas, Inc., Minnesota Energy Resources Corporation, Minnesota Power, Northern States Power Company d/b/a Xcel Energy and Otter Tail Power.

- Extend the protections of Minnesota’s Cold Weather Rule provided under Minnesota Statutes sections 216B.096 (public utilities), 216B.097 (electric cooperatives and municipal utilities) and 216B.16, subdivisions 12 and 12a (small gas utility and small electric utility, respectively) by restricting disconnection of residential customers for nonpayment of utility bills and reconnecting, for the duration of the national security or state peacetime emergency, customers who have been disconnected. This request shall not affect the utility’s ability to disconnect a customer’s service for public safety concerns unrelated to non-payment of services;
- Waive late fees that any residential or small business customer incurs because of the economic circumstances related to the coronavirus pandemic.
- During this time, arrange payment plans for customers requesting help that is based on their financial resources and circumstances.

The telephone companies submitted their responses to the Commission and Department joint letter in Docket No. P-999/CI-20-374, and the Natural Gas and Electric utilities submitted their responses in Docket No. E,G-999/CI-20-375. On April 14, 2020, the Commission issued its Notice of Reporting, Comment Period and Procedures, in Docket No. E,G-999/CI-20-375, which established reporting expectations, procedures and comment opportunities for the natural gas and electric utilities.

#### **IV. Regulatory activity in other jurisdictions**

Because of the severity of the pandemic and the actions utilities have been asked to commit to, the Commission has gathered some information about regulatory activity in other jurisdictions related to the financial impact of the pandemic on the utilities.

##### **■ Actions by Other Regulatory Bodies**

As far as staff is aware, some states have taken specific action with respect to utility financial and accounting issues related to COVID-19. Some actions that entities have taken related to utility financial issues are summarized in moderate detail in Attachment A.

##### **■ Actions Taken by Other Regulatory and Government Bodies**

Staff also compiled, from other sources, a more comprehensive but abbreviated summary of recent action taken by various states. Many of them have revised their initial initiatives and responses to the COVID epidemic related to customer relief and have instructed utilities to extend those initiatives. Rather than extending through a specific time, some extensions are to remain in effect until stay-at-home orders are lifted. Puerto Rico enacted law prohibiting disconnections through two billing periods after the stay-at-home period ends.

In order to provide additional ratepayer relief, a few state Commissions have expedited the approval of pending refunds.

Attachment B summarizes the compiled recent actions taken by other states.

## NARUC Staff Subcommittee on Accounting & Finance – Survey Responses

MPUC Staff requested answers to the following question from Staff Subcommittee members:

Is your Commission considering or has it established any special cost tracking or cost recovery mechanisms for its gas, electric or telecommunications utilities related to the impacts of COVID-19?

If it has, please provide some details, and if possible, a link to where additional information for your state can be found.

As of Wednesday, April 22, 2020, responses from 23 states were received. States' responses that have taken formal action are discussed in Attachment A including a few states that did not respond to the survey. Most of the remaining states indicated that, not only can their utilities seek deferred accounting, their Commissions anticipate that such filings will be made.

Attachment C summarizes the compiled recent actions taken by other states.

## V. Staff Comment

### Request for Deferred Accounting

In Docket No. E,G-999/M-20-427 the rate regulated electric and natural gas utilities, filed a request for deferred accounting for incremental costs incurred as a result of COVID-19. The utilities proposed an effective date of March 13, 2020.

In the past, Commission approval for deferred accounting has required that all four of the following criteria be met:

1. Related to utility operations for which ratepayers have incurred costs or received benefits;
2. Significant in amount;
3. Unusual or extraordinary items;
4. Subject to review for reasonableness and prudence.

In the event that all four criteria are met and deferred accounting is approved, then a decision on how utilities would recover those costs would be needed at some point.

There are a number of different types of expense increases and revenue decreases that could be considered as COVID19- related. There are those that may be directly related to the actions the Commission has asked utilities to take, such as possible increases in bad debt expenses and lower revenues from the elimination of late payment fees. Other more general impacts could be decreases in revenues from lower overall sales, and increases in expenses for operations.

There could also potentially be decreases in expenses for fuel costs and other items that would need to be off-set in any review of deferred accounting.

Also, as discussed more fully in the next section, there are existing mechanisms other than deferred accounting, such as decoupling and other rate rider and true-up mechanisms, that could be used to reflect some of the changing costs and revenues. And programs outside of the utilities, for example, increased Energy Assistance Program (EAP) funds, may help mitigate some of the potential bad debt expenses.

### **Potentially Impacted MPUC Proceedings**

There are many types of MPUC proceedings that could be impacted by COVID-19. They include:

- Current rate cases – All four rate cases are based on forecasted 2020 test-years. ALJ reports are pending on the Dakota Electric and the Great Plains Natural Gas rate cases so no material impact or changes in the evidentiary record in these two cases is expected; however, Minnesota Power and CenterPoint have their rate cases in early stages – intervenor direct testimony has not been filed in either case. It is possible that the financial information used as basis for these cases may have materially changed. For example, there may be known and measurable changes to the test-year related to the COVID-19 epidemic. More discovery and updating of test-year information than usual may be necessary. While it is true that all revenues and costs are examined in a rate case to make a determination on the test-year revenue requirement, and all of these items can and do change before, during and after a test-year, some of the issues in a rate case that could be directly impacted by the COVID-19 epidemic are: the sales forecast, bad debt and related expenses, cost of capital, etc.
- Future rate cases – Anticipated rate cases with a 2021 forecasted test year will be based on 2020 data. Traditional metrics used to develop and evaluate those cases will be impacted and may need to change. It may be anticipated that Xcel-Electric, Otter Tail Power and Minnesota Power may file rate cases with 2021 test years.
- 2020 electric fuel clause adjustment (FCA) – the FCA currently in effect was based on sales forecasts and energy costs for 2020 that may greatly diverge from actuals and may result in substantial true-ups.
- 2021 electric fuel clause adjustment (FCA) – electric utilities are filing next year's 2021 initial forecasts on May 1, 2020. Uncertainty regarding forecasted sales and costs for 2021 may require material adjustments before 2021 rates are approved.
- Revenue Decoupling and Sales Forecast True-ups – Xcel-Electric, CenterPoint, MERC and Great Plains have revenue decoupling mechanisms or sales true-ups. As a result of the stay at home orders and the temporary shut-down of non-essential businesses, consumption by classes is likely to diverge from approved benchmarks. Surcharge caps may be reached.
- Transmission Cost Recovery (TCR) Riders, Renewable Resource (RES) Riders, Gas Utility Infrastructure Cost (GUIC) Riders, Capital projects/capital true-ups. Completion of capital projects and their costs may be significantly impacted, however, for projects that

are eligible for rider recovery or that are subject to cost true-ups, no material rate impact is expected that is not subject to after-the-fact true-up or adjustment.

- Low-income affordability programs – Xcel-Power-On, MP-CARE program, OTP– contributes to SA Heat Share, and the gas utilities operate gas affordability programs. Most of these programs are supplemental to the Energy Assistance Programs (EAP) and the gas utility programs typically have unspent money in their budgets.
- Capital structure – customers’ inability to pay may materially impact cash-flow/liquidity forcing utilities to seek permission to issue additional debt and/or stock.

## Concluding Comment

The Commission should be aware that unless an alternative procedure is established, the joint petition for deferred accounting will be subject to the miscellaneous tariff procedures in the Commission’s rules of practice and procedure. (Minn. Rules, part 7829.1400) This rule allows for an initial comment period of 30 days, which may be extended by 30 additional days upon request by the Department and the OAG-RUD. Replies are due within 10 days. Under the Commission rules, the Commission’s Executive Secretary has the authority to grant requests for extensions of time and normally does. (Minn. Rules, part 7829.1275) If the Commission has a specific timeline in mind for this proceeding, this would be a good time to advise parties of that timeline. In Docket No. 20-427, the Commission may wish to expedite the process, or give additional time for comments.

The Commission could consider in the generic inquiry docket (20-425) one or more of the following:

- Soliciting stakeholder input on what actions the Commission should take, including what type of information to gather, if any;
- Soliciting input how to identify the types of financial impacts that could be considered COVID-related, including cost increases and decreases, revenue increases and decreases, and investments, as well as what off-sets there may be;
- Gathering information from utilities on the financial effects of the pandemic.

Because of the overlap in issues and concerns in the generic investigation and the joint petition for deferred accounting, staff recommends the Commission ask for oral comments from potentially interested parties and stakeholders at its May 7<sup>th</sup> meeting before deciding whether to solicit more information in the inquiry docket and perhaps whether the inquiry docket is necessary. Additionally, the Commission may wish to consider consolidating the two dockets, 20-425 and 20-427.

If the Commission proceeds with the generic investigation, then staff recommends the Commission should delegate authority to its Executive Secretary to vary time periods and modify procedures so that if parties need more time to prepare comments or if additional or supplemental comments or other procedures appear helpful, the deadlines and procedures can be modified without the Commission having to meet and issue an order.

## VI. Decision Alternatives

### Docket 20-427 – Joint Petition of the Rate Regulated Gas and Electric Utilities

1. Let this docket proceed on the usual course for miscellaneous dockets under the Commission's rules of practice and procedure for miscellaneous tariff filings, Minn. Rules, parts 7829.1400 and 7829.1275, and
2. Delegate authority to the Commission's Executive Secretary to modify and vary procedures and deadlines, including the procedures and deadlines in this and subsequent orders, for the duration of this proceeding.

or

3. Allow 60 days for comments and 15 days for replies and reject any late filed, additional or supplemental comments

or

4. Authorize an alternative timeline for comments and replies.

### Docket 20-425 – Commission Inquiry Into the Financial Effects of Covid-19

5. Request initial comments on one or more of the following.
  - a. Request stakeholder input on what actions the Commission should take, including what type of information to gather, if any.
  - b. Request input on how to identify the types of financial impacts that could be considered COVID-related, including cost increases and decreases, revenue increases and decreases, and investments, as well as what off-sets there may be.
  - c. Request information from utilities on the financial effects on the utilities of the pandemic.

or

6. Do not solicit more information in this docket



7. Initial comments should be filed no later than May 29, 2020 and replies no later than June 12, 2020.

or

8. Authorize an alternative timeline for comments and replies.
9. Delegate authority to the Commission's Executive Secretary to modify and vary procedures and deadlines, including the procedures and deadlines in this and subsequent orders, for the duration of this proceeding.
10. Consolidate this inquiry docket (Docket No. 20-425) into the joint petition for deferred accounting proceeding (Docket No. 20-427).

## **Actions by Other Regulatory Bodies**

Some entities that have taken actions related to utility financial issues are discussed below.

- NARUC and FERC wrote joint letter on April 7, 2020 to Federal Reserve in support of the March 24, 2020 request by the Edison Electric Institute, the American Gas Association and the National Association of Water Companies to extend Commercial Paper Funding Facility (CPFF) purchasing to commercial paper programs that are rated at A2/P2/F2 Tier 2 by at least two of the major credit rating agencies.
- FERC – In addition to supporting the energy industry’s need for access to credit financing, the FERC has taken several steps to ease its processes and procedures and indicated in its Policy Statement that it “will expeditiously review and act on requests for relief, including but not limited to, request for cost recovery necessary to assure business continuity of the regulated entities’ energy infrastructure. ...”
- Connecticut – Docket No. 20-03-15, March 18, 2020, Motion No. 2, Order No. 4. The gas, electric, and water public service companies regulated by the Authority shall maintain a detailed record of costs incurred and revenues lost as result of implementing Order Nos. 1 – 3 and may establish a regulatory asset to track incurred costs. Orders 1 -3 established a shut-off moratorium, and a security deposit and balance restoration payment moratorium.)
- Texas – Project No. 50664, *Order Related to Accrual of Regulatory Assets*, March 26, 2020. (1) Each electric utility and water and sewer utility in the state of Texas shall record as a regulatory asset expenses resulting from the effects of COVID-19. (2) In future proceedings, the Commission will consider, on a case-by-case basis, the appropriate adjustment to a utility's rates to reflect the recovery of the approved amount of regulatory assets recorded in accordance with this Order.
- Wisconsin – Ref#: 386353, March 24, 2020 Order regarding the accounting treatment of utility costs incurred due to and during declared public health emergency for COVID-19. All electric, gas, steam, and water public utilities are authorized to defer expenditures incurred by the utility resulting from its compliance with Emergency Order #11, orders by the Commission in docket 5-UI-120, and as otherwise required to ensure the provision of safe, reliable and affordable access to utility services during the declared public health emergency for COVID-19. Utilities shall track the costs which are the subject of this deferral. This deferral shall continue until a future Commission order on this topic or future rate case proceeding. This deferral authorization is for accounting purposes only and does not bind the Commission to any specific treatment for this item in any future proceeding involving rates or other matters before the Commission.
- Wyoming - Docket No. 90000-151-XO-20 (Record No. 15474). In a March 26, 2020 Order, Wyoming found that public utilities that anticipate applying for the authority to recover, through rates, any foregone revenue or extraordinary costs related to actions taken pursuant to this Order shall file an application to establish a deferred accounting order and Ordered that “This Order does not confer a right to any public utility to

recover, through rates, any foregone revenue of extraordinary costs related to actions authorized hereby.”

- Nevada - All rate-regulated public utilities subject to the Commission's jurisdiction shall establish regulatory asset accounts for the purpose of recording amounts that reflect the costs, beginning March 12, 2020, of maintaining service to customers affected by COVID-19 whose service would have been terminated, discontinued, and/or disconnected under normally-applicable terms of service.
- Alaska - Order pending. Utilities may record uncollectable residential utility bills and extraordinary expenses as regulatory assets, to be recovered through future rates.
- Maryland – The Maryland PSC has authorized utilities to create regulatory assets to track incremental costs related to COVID-19. This authorization (or pre-approval) appears limited at this time to tracking of atypical operations and maintenance expenses and increased uncollectable and bad-debt costs.
- Washington D. C. – On April 15, 2020, the Public Service Commission of the District of Columbia issued Order No. 20329<sup>2</sup> authorizing the Potomac Electric Power Company (“Pepco”) and Washington Gas Light Company (“WGL”) to create a regulatory asset account to record the incremental costs related to COVID-19 that were prudently incurred beginning March 11, 2020, to ensure that District of Columbia residents would continue to have essential utility services during the public health emergency. The amounts in the regulatory asset account will be evaluated in a future base rate case.
- Arkansas – The Arkansas Public Service Commission issued an order in a new docket (no. 20-012-A) to place moratorium on service disconnections during the state of emergency and encouraged the provision of payment arrangements. Utilities were also directed to use an accounting mechanism to track costs associated with the moratorium. All Utilities shall file a quarterly report on the amounts of the costs incurred and saved which have been booked to the regulatory assets beginning on July 1, 2020, and every three months thereafter.

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<sup>2</sup> GD2020-01, IN THE MATTER OF THE ESTABLISHMENT OF REGULATORY ASSETS FOR COVID-19 RELATED INCREMENTAL COSTS, Order No. 20329 (April 15, 2020).

## Recent Action by Other States

	State	General Action	Dated
1	District of Colum	Commission has launched a resource page to keep consumers and stakeholders informed of all utility-related response efforts and commission actions.	04/01/20
2	District of Colum	D.C. Council passed supplemental emergency legislation prohibiting a telecommunications service provider from disconnecting, suspending or degrading telecommunications service for non-payment of a bill, any fees for service or equipment, and other charges, or noncompliance with a deferred payment agreement during a public health emergency or for 15 calendar days thereafter.	04/07/20
3	Florida	PSC will review a petition on May 5 from Sebring Gas System, Inc. to waive customer fees in appropriate emergency circumstances.	04/14/20
4	Florida	PSC Chairman Gary Clark has scheduled a special Commission Conference on April 28 to consider further electric utility petitions to accelerate credits to customers' bills due to lower fuel costs.	04/14/20
5	Georgia	Order 42516 instruct Georgia Power to: 1) continue the suspension of disconnections for non-payment until the Commission terminates mandate, 2) reasonable payment arrangements made available to customers, 3) defer the incremental cost of bad debt resulting from the suspension of disconnections for nonpayment, storm damage reserve may be utilized to defer this cost - recovery will be addressed in next rate case, 4) Company and Commission Staff shall work collaboratively on establishing a methodology for identifying incremental charge offs, and 5) Company not required to wait until Staff completes its review of the 2019 Annual Surveillance Reporting to issue such refunds. To the extent that there is disagreement on eligible costs, Commission shall make the final determination no later than June 30, 2020.	04/14/20
6	Kansas	Emergency order suspending utility disconnects extended until May 15.	04/14/20

7	Michigan	<p>Order O-20757 issued instructs utilities to:</p> <ol style="list-style-type: none"> <li>1. Consult with Commission Staff, on or before April 30, 2020, on practices and plans to address challenges and opportunities to improve affordability for customers, including options for payment flexibility, opportunities to support energy assistance programs, and customer education and outreach. This consultation should address all customer classes, with an emphasis on customers impacted by governmental orders due to COVID-19 response, and those financially or medically impacted by COVID-19. Consultation may be done individually or in groups.</li> <li>2. Provide advance notification to the Commission prior to filing any new rate case between now and August 1, 2020, and to consult with the Staff prior to filing to discuss timing and substantive considerations.</li> <li>3. File a statement of affirmation, on or before April 20, 2020, that the following minimum protections are in place for vulnerable customers related to bill payment, disconnection of service, and reconnection of service: <ol style="list-style-type: none"> <li>a. Protections for Michigan’s low-income customers and seniors through June 1, 2020.</li> <li>b. Protections for customers medically affected by COVID-19 – Allow for customers exposed to, quarantined, or infected by COVID-19 to be eligible for an additional 30-day medical hold to suspend a disconnection service.</li> <li>c. Restoration of electric and gas service – Waive deposits and reconnection fees for low-income customers, seniors, and customers experiencing financial hardship related to COVID-19 and seeking restoration of electric or natural gas service.</li> <li>d. Offer financial and customer assistance – Extend access to and flexibility of payment plans to customers financially impacted by COVID-19 and provide customer assistance personnel with the resources necessary to connect customers to available financial assistance and social service agencies.</li> <li>e. Safeguard customers and workforce employees – Safeguard customers and utility workers by limiting face-to-face contact through the closing of office lobbies, focusing efforts to provide emergency and critical infrastructure-related activities.</li> </ol> </li> </ol> <p>Commission seeks comment on the following:</p>	04/15/20
8	Mississippi	Order suspending utility disconnections extended through at least May 14.	04/14/20

9	Missouri	Approved Spire's request which sought authority to revise its low-income tariff in order to provide approximately \$940,000 in one-time bill credits. Granted Ameren's variance request to keep the Low-Income Pilot tariff which will allow Ameren Missouri to waive indefinitely, the programs requirement that limits the missed, late or partial payments that a customer may make and remain in the Keeping Current Program. Granted Summit Natural Gas' variance request to allow it to waive fees for reconnection of service to assist customers during the COVID-19 pandemic.	04/15/20
10	Montana	Governor extended COVID-19 Directives through April 24.	04/07/20
11	Nevada	Issued order in docket 20-04008 deviating from the requirement to provide paper copies.	04/08/20
12	New Jersey	Governor issued executive order prohibiting cable and telecommunications providers from terminating internet and voice service, downgrading service quality, collecting late or reconnection fees without Board of Public Utilities' approval. If service was discontinued after March 16, 2020 then, at a customer's request, reconnect service at no cost to beyond any actual costs incurred.	04/13/20
13	Oregon	PUC reviewing regulatory requirements to determine what rules and requirements related to matters other than safety and operations can be waived during COVID-19 pandemic. Many energy and telecommunications utilities confirmed that they will not be disconnecting service for non-payment during this pandemic. PUC approved filings submitted by the electric and natural gas utilities to provide them needed flexibility to waive late payment fees.	04/07/20
14	Pennsylvania	PUC issued press release urging consumers to know their options regarding available payment plans and assistance programs.	04/08/20
15	Pennsylvania	PUC voted to investigate Pittsburgh Water and Sewer's proposed water and wastewater service rate increases. PUC suspended proposed rate increase requests for up to seven months from the time the rates would otherwise have become effective, and to assign the case to the PUC's Office of Administrative Law Judge for corresponding proceedings and the issuance of a recommended decision.	04/16/20
16	Puerto Rico	Law No. 39 of April 9, 2020 prohibits the interruption of electricity and drinking water services for up to two billing cycles, after the end of the emergency.	04/09/20
17	USVI	On April 1, the Water and Power Authority made a filing with the Pubic Services Commission requesting to retain the current LEAC rate through December 2020. PSC will hear this matter in June.	04/08/20

18	Washington	Washington Commission approved Puget Sound Energy's (PSE) request to extend existing bill assistance programs to households that have lost income due to COVID-19. PSE will use \$11 million of previous years' unspent funds from PSE's Home Energy Lifeline Program.	04/10/20
19	Washington	Washington Commission approved changes to Avista's (PSE) Low-Income Rate Assistance Program (LIRAP) to provide aid to customers who have lost income due the COVID-19. Customers will be able to apply for hardship grants of up to \$350 from current LIRAP funds. An existing cap of one annual grant per program has been lifted. Low-income verification requirement to qualify for LIRAP has been shortened from three months to one month.	04/10/20
20	Wisconsin	<p>The Wisconsin Commission met on April 16 and decided the following:</p> <ol style="list-style-type: none"> <li>1. It is appropriate to include in the deferral authorization, the incremental increase in bad debt or uncollectible expenses related to the health crisis above what is currently included in authorized rates;</li> <li>2. It is premature to include declining sales revenue as a component of foregone revenue in the deferral authorization;</li> <li>3. Until further notice, total deferral amounts should be reported by large investor-owned utilities on a monthly basis, and be reported by smaller and municipal utilities on a quarterly basis, and;</li> <li>4. To authorize specific carrying cost rates for investor-owned utilities to accrue at the authorized cost of short-term debt and at the municipal benchmark rate of 4.9% for municipal utilities.</li> </ol>	04/16/20

**Survey Responses - NARUC Staff Subcommittee on Accounting & Finance**

	<b>State</b>	<b>Utility Actions</b>	<b>Accounting Related Commission Action</b>	<b>General Commission Action</b>
1	Alaska		Order pending. Utilities may record uncollectable residential utility bills and extraordinary expenses as regulatory assets, to be recovered through future rates.	
2	Arkansas		Order in docket 20-012-A, utilities were authorized to establish regulatory assets to record costs resulting from the suspension of disconnections. Recovery of these regulatory assets will be considered in future proceedings. Utilities required to offset costs by any cost savings directly attributable to the suspension of disconnections or other activities. Starting on July 1, 2020 and every three months thereafter, uUtilities shall file a quarterly report on the amounts that have been booked as regulatory assets.	Order in docket 20-012-A, instructed electric, gas, and water utilities to suspend disconnections. Order also suspends any and all rules and provisions of individual Utility tariffs on file that prevent or condition re-connectionof disconnected customers. Utilities were encouraged to offer reasonable payment arrangements once the prohibition on disconnections is lifted.
3	Connecticut		No formal action.	In docket 20-03-15, shut-off moratorium includes all non-residential customers. Grants a temporary waiver of financial security deposits and balance reduction payments normally required for reconnections. Utilities to track costs related to the implementation of these emergency measures. Created a forum to consider expansion of existing affordability measures to all customers.
4	Florida	Four electric utilities filed petitions to reduce their fuel rates as a result of lower gas prices.	No formal action.	



5	Idaho	Idaho Power and Rocky Mountain Power have filed requests for deferred accounting	No formal action. Staff will look at the appropriate baseline in which to compare expenses to and will also investigate any additional cost categories that decreased. Cost savings should offset the recovery of any regulatory asset. Prudency review and the recovery method will occur in a subsequent proceeding.	
6	Illinois		Issued emergency order. Utilities to track costs incurred in response to COVID-19.	Issued emergency order banning disconnects and charging late fees, utilities to present plans for more lenient collection practices for a period after the pandemic.
7	Kansas		No formal action, expect utilities to file for recovery.	No disconnections allowed, suspended all statutory deadlines .
8	Kentucky		No formal action, utilities can file for deferral.	No disconnections allowed. Expect utilities to establish lenient and flexible payment plans for any unpaid balances.
9	Maine		No formal action, expect utilities to file for recovery.	No formal action; however, asked utilities to not do disconnections.
10	Maryland		Order No. 89542 issued. each Authorizes utilities to create a regulatory asset to, beginning on March 16, 2020, record the COVID-19-related incremental costs related to COVID-19. Incremental costs shall also include any assistance or benefit that would offset any COVID-19-related expenses. Recovery will be considered in future proceedings.	Order No. 89542 issued. each Authorizes utilities to create a regulatory asset to, beginning on March 16, 2020, record the COVID-19-related incremental costs related to COVID-19. Incremental costs shall also include any assistance or benefit that would offset any COVID-19-related expenses. Recovery will be considered in future proceedings.
11	Michigan		Order U-20757 issued.	No disconnections allowed.
12	Missouri		No formal action.	
13	Montana		Conversation with largest utility about increasing bad debt 4Xs. If more, then utility will file for recovery.	

14	Nevada		Order (Docket 20-03021) issued 3/27. Utilities to track costs (as of 3/12) as a regulatory asset for future review. Includes costs of maintaining service to customers whose service would have been otherwise terminated, discontinued or disconnected.	
15	New Hampshire		No formal action.	No disconnections. Temporary waiver to requirement to publish rate changes in newspaper.
16	New Mexico		No formal action.	
17	New York		No formal action, utilities informed they can file for recovery.	
18	Tennessee		No formal action.	No disconnections allowed.
19	Texas	Natural gas distribution utilities have voluntarily suspended disconnects.	Order (project 50664) issued 3/26. Utilities to track costs as a regulatory asset for future review.	
20	Virginia			Order suspending service disconnections for 60 days.
21	Washington	Utility (Avista) requested modifications that mitigate the economic impact of the COVID-19 pandemic, and to remove the existing Income Based Payment Plan (TBPP) Pilot and the Balance Management Arrangement (BMA) Pilot from its tariff.	Utilities have filed, or are expected to file, for deferred accounting.	
22	Wisconsin	Many utilities have submitted comments in Docket 5-AF-105.	Docket 5-AF-105 is for the accounting treatment for utility costs associated with COVID-19.	Docket 5-UI-120 is an investigation ensure safe, reliable and affordable access to utility services.
23	Wyoming		No action (yet); however, utilities welcome to request accounting orders that may enable recovery in later proceedings.	