

NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES
Resolution 2020-01

NASUCA Recommendations Concerning the Effects of the Public Health and Economic Crises Resulting from COVID-19 upon Utility Rates and Services Provided to Consumers by Public Utilities

Whereas, on January 30, 2020 the World Health Organization (WHO) declared the novel coronavirus outbreak (COVID-19) a Public Health Emergency of International Concern (PHEIC)ⁱ. By March 11, 2020 the WHO characterized COVID-19 as a world pandemic; and

Whereas, on January 31, 2020 the Secretary of the United State Department of Health and Human Services declared a public health emergency related to the COVID-19ⁱⁱ. On March 13, 2020 the President of United States declared that the COVID-19 outbreak in the United States constituted a national emergencyⁱⁱⁱ; and

Whereas, during this national emergency, extraordinary actions have been instituted by State Governors and the federal government to reduce social contact with the goal of preventing the spread of the COVID-19 virus. Many businesses have been declared non-essential during the crisis and temporarily closed. Many states have issued temporary orders for citizens to shelter-in-place and avoid all non-essential movement away from home. Schools have been closed in many states. These emergency actions have resulted in record unemployment, widespread financial hardship and severe contraction of state economies; and

Whereas, to reduce the economic impact of this national emergency the United States Congress has passed, and the President has signed, several laws that offer financial support for states, citizens and businesses, some of which specifically include funding for essential utility services; and

Whereas, State governors and state public utility commissions and consumer advocates have taken steps to order or request voluntary compliance, and utilities and communications providers have taken steps either voluntarily or pursuant to orders, to stop disconnecting consumers that are unable to pay for service during the national emergency, to reconnect service for consumers that were disconnected prior to the national emergency, and to cease other collection activity temporarily; and

Whereas, the national crisis caused by COVID-19 is extraordinary in its breadth and depth, and the speed of its onset. While the ultimate depth and duration of the economic crisis is unknown, the initial impact of the economic crisis has been severe, resulting in closed businesses, disruption to the economy and millions unemployed,^{iv} many of whom are struggling to meet basic needs such as buying food and medicine, paying for shelter and paying for vital utilities; and

Whereas, the end of the COVID-19 virus public health emergency, however defined, will not correspond to the end of the economic crisis. Many utility consumers are already behind on, or will fall behind on their utility bills, and will need uniform programmatic assistance and financial

help getting back on their feet. This includes payment arrangements covering much longer time periods than normal, discount/assistance plans where none currently exist or expansion of existing plans; and

Whereas, access to electricity, water, natural gas and communications networks are essential for the health, safety, and welfare of all people, and that particularly during this unparalleled crisis broadband communications has played a vital role in protecting and furthering the health, safety and welfare of the States and their peoples; and

Whereas, small water and wastewater utilities have unique liquidity and infrastructure needs that must be addressed. Due to the lack of population density and the lack of economies of scale, small communities often face hurdles in supporting water and wastewater systems. Urban and rural water systems may also have issues with lead and other contaminants, and face other infrastructure challenges; and

Whereas, one of the goals of regulation besides protecting consumers is to serve as a proxy for the positive results of competition, and competitive enterprises have sought or will seek to reduce costs during this economic crisis.

Now, Therefore, Be It Resolved: Every effort must be made to ensure that universal access to and affordability of utility services are not diminished during this public health and economic crisis. Utilities, regulators and consumer advocates should work together to craft evidence-based solutions that address the unique challenges and burdens faced by all consumers and other stakeholders during this crisis. Such solutions should ensure the continued safe and adequate provision of utility services at affordable rates and under terms and conditions that are reasonable within this new environment; and

Be it further resolved, that: When utilities, states or consumer advocates are communicating with consumers during this crisis, effort should be made to focus on the following:

- Consumers who are having trouble paying their utility bills should be urged to communicate with their utilities early and frequently;
- States, utilities and other service agencies should work together to communicate with utility consumers to ensure access to low income bill payment assistance, weatherization or other energy efficiency programs and any other resources available to help consumers pay arrearages, reduce bills and maintain service;
- Utility consumers should be urged to continue to pay their utility bills if possible, and if they cannot pay in full, to pay some portion of the bill to minimize any balance that will accumulate and be due at a later date; and

Be it further resolved, that: With regard to disconnection moratoria and communication rules between utilities and consumers during this crisis:

- Congress should respect state jurisdictional and decision-making authority to determine the extent and duration of any shutoff moratoria and to control any rules related to disconnections and reconnections, utility communications, payment programs and revenue collection activities;

- State public utility commissions should revisit utility tariffs and other terms and conditions applicable to disconnections, reconnections, late payment penalties and deposits in proceedings to address the economic impacts upon consumers of the ongoing economic crisis and to adopt policies applicable after the crisis ends to protect continued access to vital utility services by providing more time for repayment of past due amounts and reducing the burden of collection-related charges on consumers;
- Utilities should track and publish detailed information about consumer arrearages and shutoffs in a standardized format,^v while maintaining consumer privacy. Such information should be shared with state commissions and consumer advocates and be publicly available; and

Be it further resolved, that: To help consumers pay utility bills during this crisis, NASUCA believes:

- Congress should provide supplemental funding for fiscal year 2020 and increase funding for subsequent fiscal years through the Low-Income Home Energy Assistance Programs (LIHEAP) and other funding mechanisms to address heating and cooling bills for consumers impacted by the COVID-19 crisis;
- Congress should create and fund a LIHEAP type mechanism to assist low-income water and wastewater utility consumers in paying their bills;
- Congress should consider providing direct support to utilities to assist consumers that may not otherwise qualify for LIHEAP assistance, including providing direct funding to utilities to reduce consumer arrearages and provide bill credits to help consumers maintain service;
- States should review and relax LIHEAP income eligibility standards to allow a wider range of consumers to qualify for assistance;
- States should consider adopting or strengthening bill payment assistance programs such as discounted rates, Percentage of Income Payment Plans (PIPPs) and arrearage management or arrearage reduction programs; and

Be it further resolved that: Accounting and utility operating cost:

- State commissions are urged to identify cost reductions when evaluating utility requests to defer COVID-19 cost increases as a regulatory asset;
- Congress should eliminate the normalization requirement contained in the Tax Cuts and Jobs Act of 2017 associated with the flowback of excess protected accumulated deferred income taxes to allow state commissions more flexibility to use these consumer-supplied funds to offset expenses; and

Be it further resolved, that: Broadband, telephone and cable:

- To facilitate the additional capacity necessary to support telemedicine and education and commerce, Congress should work with states and increase funding to appropriate state government agencies or create incentives for investor-owned broadband internet access providers to expand broadband capability and availability in all areas, but with additional focus on unserved and underserved areas to reduce the impact of the digital divide;
- Communications providers should sign the FCC's Keep Americans Connected Pledge and should extend the protections of that Pledge through August 2020;

- Communications providers should consider additional protections and relief programs for consumers that extend beyond the terms of the FCC’s Keep Americans Connected Pledge, including, among other things, making every effort to find workable arrangements to allow consumers to pay any arrearages caused by the COVID-19 crisis over a reasonable period of time after the crisis eases;
- To ensure consumers have access to local news and community television channels—which may be the only sources of COVID-19 or other emergency-related information for certain consumers, cable television providers should consider extending the protections of the FCC’s Keep Americans Connected Pledge to basic cable service and consider allowing consumers that cannot pay their bills for other levels of service to downgrade to basic cable service, without additional costs or fees, in lieu of disconnection, through August 2020 or 60 days after the end of the public health emergency, whichever is later;
- NASUCA affirms its historic support for universal service and affordability, service quality and the need for telephone service to reach as close as practicable to 100% of low-income households in the United States, as was originally provided for by the Communications Act of 1934 and the 1985 Lifeline amendments thereto, and as such programs are consistent with NASUCA policy positions taken over time in its resolutions and legal action(s); and NASUCA supports the uncapping and increasing of the Lifeline program funds so that for the duration of this public health and economic crisis the funding of such program is sufficient to meet need, provided that such reasonable protections against waste be retained to protect the public and NASUCA supports the expansion of the provision of voice minutes, text messages and broadband internet access over wireless Lifeline phones such that vulnerable families will retain full and reasonable access to online education, government, health/telemedicine and public safety services; and

Be it further resolved, that: Consumer access to utility-supplied water and wastewater services is critical to consumer health and safety:

- NASUCA affirms its support for legislation to fund critical water and wastewater infrastructure technical assistance and workforce development needs especially for small systems and systems burdened by lead and other nationally recognized contaminants. And all such action should focus upon maintaining or creating affordability, safety and potability of drinking water.

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 and the needs of its Members and their utility consumers. The Executive Committee shall notify the membership of any action pursuant to this resolution.

Submitted by the COVID-19 Response Subcommittee
Passed by Membership Vote May 12, 2020

Abstained
Kentucky AG Ohio Oklahoma AG
Tennessee AG Texas

Endnotes

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- ⁱ <https://www.who.int/news-room/detail/27-04-2020-who-timeline---covid-19>
- ⁱⁱ <https://www.hhs.gov/about/news/2020/01/31/secretary-azar-declares-public-health-emergency-us-2019-novel-coronavirus.html>
- ⁱⁱⁱ <https://www.whitehouse.gov/presidential-actions/proclamation-declaring-national-emergency-concerning-novel-coronavirus-disease-covid-19-outbreak/>
- ^{iv} The U.S. Department of Labor reports that 16.4 million Americans are unemployed as of April 18, 2020 <https://www.dol.gov/ui/data.pdf>.
- ^v <https://www.nasuca.org/nwp/wp-content/uploads/2018/11/2019-07-NASUCA-Data-Collection-Resolution-Joint-with-NARUC-Final.pdf>; <https://www.nasuca.org/2018-04-data-collection-resolution/>