


Overview


- Disconnections
- Deferred Payment Agreements (DPAs)
- Deposits
- Foreclosures
- Military Deployment
- Name switching
- Electronic/Paper Billing
- Tampering/Self-reconnections
- After-hours Reconnections



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Disconnections


- Residential
Code Reference:
PSC 113.0301
- Commercial
Code Reference:
PSC 113.0302



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Disconnections


- Utility must provide written notice to customer at least 10 days prior to disconnection
- If disconnection does not occur by the 20th day after first notice, **second notice must be left on premises 24-48 hours prior to disconnection**



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Disconnections


- No residential disconnections during winter moratorium period (November 1 - April 15) **if electric service is integral part of heating system**
- No requirement to reconnect service during moratorium without reasonable payment or arrangements



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Disconnection and Refusal of Service

- Utility must make reasonable effort to contact customer in person or by telephone prior to disconnection
- Residential disconnections shall be postponed up to 21 days with proper certification that disconnection would aggravate medical or protective services emergency



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Disconnection and Refusal of Service

- Utility service may be disconnected or refused for:



- Failure to pay delinquent account
- Defaulting on deferred payment agreement
- Failure to pay deposit
- Diversion of service
- Failure to allow utility personnel meter access
- Failure to comply with state or utility rules

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Deferred Payment Agreements (DPAs)

- Residential
Code Reference:
PSC 113.0404



- Commercial
Code Reference:
PSC 113.0404

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Deferred Payment Agreements (DPAs)

- Required to be offered to residential customers only
- Subsequent DPA




- Not required to be re-negotiated before disconnection if prior DPA defaulted *unless there is significant change in customer's ability to pay*
- Must be offered on residential account after disconnection

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Deferred Payment Agreements (DPAs)

- DPA means a **reasonable down payment** on the arrears, with the remaining balance paid in **reasonable installments**, in addition to the **current or budget amount each month**



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What is Reasonable?

- Utility must consider the following in determining reasonableness:
 - Size of delinquent account
 - Customer's payment history
 - Time debt has been outstanding
 - Reasons why debt has not been paid
 - Other relevant household factors, including size and income/expenses

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Deferred Payment Agreements (DPAs)

- If another DPA is offered after a previous DPA default, utility may make terms of each subsequent DPA more stringent
- Utility may:
 - Require larger down payment
 - Require larger monthly installments
 - Reduce length of time for DPA

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Deferred Payment Agreements (DPAs)

- Utilities are encouraged to offer DPAs on commercial and farm accounts, but are not required to do so



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Customer Deposits

- Residential
Code Reference:
PSC 113.0402
- Commercial and Farm
Code Reference:
PSC 113.0403



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Customer Deposits for New Residential Service

- May be required only if customer:
 - Owes for undisputed arrears accrued in last 6 years with any Wisconsin electric utility for which no DPA is in place
 - Is over 200% of federal income poverty guidelines



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Customer Deposits for New Residential Service

- Utility is required to:
 - Offer deferred payment agreement on previous arrears if owed to same utility in lieu of deposit
 - Advise customer of appeal rights



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Deposit Alternatives for New Residential Service

- DPA in lieu of cash deposit if arrears owed to same utility
- Contract signed by guarantor
 - Contract terms
 - One year or less
 - Contract termination
 - By customer
 - By guarantor



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Residential Contract Termination

- Automatic after 1 year
- Contract terminates if:
 - Customer closes account
 - Guarantor requests termination
 - In writing at least 30 days in advance
- Deposit may be required within 20 days if contract is terminated or amount is deemed insufficient



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Deposits on Existing Residential Service

- May be required if:
 - Service was disconnected in previous 12 months for nonpayment or violation of utility's filed rules
 - Customer had ability to pay during the moratorium, but arrears were 80 days or more past due
 - Initial service application was falsified



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Deposits on Existing Residential Service

- May not be required if:
 - Gross income is at or below 200% of federal income poverty guidelines
- Utility must:
 - Advise customer of:
 - Right to provide deposit, guarantee, or establish DPA
 - Allow customer 30 days to pay
 - Provide written explanation for deposit request
 - Must include notice of customer's right to appeal



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Residential Service Deposits Must Be Reasonable

- Utility must consider customer's ability to pay, including:
 - Size of delinquent account
 - Customer's payment history
 - Time debt has been outstanding
 - Reasons why debt has not been paid
 - Other relevant household factors, including size and income/expenses



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Maximum Deposit Amount for Residential Service

- New Service or Existing Service
 - May not exceed highest estimated or actual gross bill for any consecutive 2-month billing period in preceding 12-month review period, as selected by utility
 - Winter Moratorium Deposits
 - If arrears are 80 or more days past due during moratorium period, November 1-April 15, deposit may equal highest actual or estimated gross bill for any consecutive 4-month billing period in preceding 12-month review period, as selected by utility, if customer is over 200% of poverty

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Residential Customer Failure to Comply with Deposit, DPA, or Guarantor

- Disconnection or refusal of service
 - May be done for failure to pay properly requested deposit
 - May be done for default of DPA
 - May be done if guarantor terminates or deposit amount is deemed insufficient with 20 days written notice to customer
 - Disconnection of service may occur:
 - With 10 days written notice
 - Guarantor to be mailed copy of notice

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Interest on Residential Service Deposits

- Shall accrue from date deposit made until applied to account or refunded
 - 2011 interest rate is 0.30%
 - Must be calculated at time of refund and at end of each calendar year



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Residential Arrearages

- May be deducted from deposit prior to refund
- Deposit may be used to pay arrears accrued after deposit was made if service is continuing
 - Customer may be required to bring deposit to original amount with 20 days written notice
 - Failure to do so is grounds for disconnection with 10 days written notice

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Residential Deposit Refund

- Shall be made with interest after 12 consecutive months of prompt payment or within 30 days of service termination
 - By check within 30 days unless customer agrees to credit
- Arrears may be deducted prior to deposit refund



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Deposits for Commercial and Farm Service

- For new and existing service:
 - Deposit may be required within 30 days of customer's request for service
 - Customer has 30 days to pay requested deposit
 - Deposit may be required if customer has not made timely payment of all bills in previous 24 months
 - Deposit may not exceed highest estimated or actual gross bill for any two consecutive billing periods as selected by utility

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Deposits for Commercial and Farm Service

- Before requiring a deposit, utility shall inform customers that it may consider:
 - Credit information from credit reporting agencies
 - Letters of credit from lenders and other utilities
 - Customer's business characteristics, including:
 - Type
 - Length of time in operation
 - Customer's experience and knowledge
 - Estimated size of bills
 - Assets of business
 - Financial condition of business

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Alternatives to Deposits for New Commercial and Farm Customers


- Utility must offer:
 - Service under an installment payment plan
- Utility may offer:
 - Contract signed by guarantor
 - Term may not exceed two years
 - Subject to same termination and disconnection criteria as residential service



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Deposits for Existing Commercial and Farm Customers

- May be required if:
 - Payment not prompt in past 24 months
 - Customer had ability to pay but had arrears 80 or more days past due during moratorium



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Deposits for Existing Commercial and Farm Customers

- Utility must:
 - Allow 30 days to provide deposit, guarantee or DPA
 - Provide written explanation of reason for deposit, including advising customer of:
 - Appeal rights
 - Right to receive refund of difference between amount of deposit necessary, based on actual consumption, and deposit amount held after 12 months

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Interest on Deposits for Commercial and Farm Service

- Deposits must be refunded with interest after 24 months of prompt payment
 - 2011 interest rate is 0.30%
 - Must be calculated at time of refund and at end of each calendar year
 - May be credited to continuing account in lieu of refund if customer agrees



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Commercial and Farm Arrears

- Arrears may be deducted from deposit prior to refund
- Deposit may be used to pay arrears accrued after deposit was made if service is continuing
 - Customer may be required to bring deposit to original amount with 20 days written notice
 - Failure to do so is grounds for disconnection with 10 days written notice

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Deposit Refunds for Commercial and Farm Service

- Shall be made with interest after 24 consecutive months of prompt payment or within 30 days of service termination
 - By check within 30 days of account termination unless customer agrees to credit



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Foreclosures

- The Public Service Commission has no jurisdiction or authority over foreclosures



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Foreclosures



- Utility service should be handled in the same manner for property going through foreclosure as it is for property that is not being foreclosed on
 - Service should continue in current property owner's name until either current owner contacts utility to stop service or new customer applies for new service

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Foreclosures



- If current property owner contacts utility to stop service due to foreclosure and indicates that property is vacant, utility cannot continue to bill that owner for service, even if lender does not apply for service as new customer
 - Utility must decide whether it will absorb cost of continued service or disconnect

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Foreclosures



- Prior to disconnection of service of property undergoing foreclosure, utility should check with its legal counsel regarding utility's liability if there is property damage due to lack of service

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How to Handle Situations Involving Foreclosure

Important Code References

- PSC 113.012(3): "Customer" means the party billed for payment of bills issued for use of utility service at a given premises.
- PSC 113.012(4): "Customer-requested termination" means that the customer or occupant has asked the utility to cease providing utility service to a premises.
- PSC 113.012(9): "Occupant" means the resident or residents of a premises to which utility service is provided.

A "customer" may be:

- The property owner
- A tenant
- A real estate company
- A bank or mortgage company

When customer requests service termination because of foreclosure

- Service should be disconnected
- You cannot keep service in the name of previous customer while you determine who to bill going forward
- Whether to leave service on while you determine who may be the new customer, is a decision you will need to make

When a customer fails to request termination of service

- He or she continues to be the customer of record at the service address
- Service remains in customer's name until customer calls to cancel service, service is disconnected for nonpayment, or new customer applies for service

What happens with the current unpaid bill?

- You may transfer arrears to customer's current account at the new address if it's within your service territory
- You may require deposit as condition of new service (See PSC 113.0402(1))
- The customer may establish deferred payment agreement in lieu of paying deposit (See PSC 113.0402(2))

Customer Charges

- You may back bill tariffed charges if customer requests disconnection and then reconnects service within one year
- You cannot require payment of previously unbilled charges from next customer as condition of obtaining service

Military Deployment

- Commission has no jurisdiction over military deployments
- Utilities should use same rules of reasonableness when negotiating DPAs or requesting deposits

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Military Deployment

- Servicemembers Civil Relief Act (SCRA) (previously known as Soldiers and Sailors Civil Relief Act (SSCRA))
- The SCRA provides significant protections to servicemembers:
 - no court hearings if military service materially affects servicemembers' ability to defend their interests
 - reducing interest to 6% on pre-service loans and obligations

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Military Deployment

- requiring court action before a servicemember's family can be evicted from rental property for nonpayment of rent if the monthly rent is \$1,200 or less
- termination of a pre-service residential lease
- and allowing servicemembers to maintain their state of residence for tax purposes despite military relocations to other states.

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Name Switching

- PSC 113.0301(h): Service may be disconnected/refused for a new customer if the previous customer/occupant has undisputed arrears for service and continues to be an occupant.
- PSC 113.0301(3)(a): Utility may require a signed application for service and verification of identity/residency where a bill remains unpaid for service within previous 24 months

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Name Switching

- Utilities may require:
 - One of the following: Photo identification card, driver's license, or U.S. military card
 - Two of the following: Current utility bills, bank statements, leases, or letter of identification from social service agency or employer

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Electronic/Paper Billing

- PSC 113.0406: Administrative code does not indicate whether bills must be paper or electronic
 - Bills must contain all required information whether paper or electronic

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Tampering/Self-reconnections

- Utilities may assess tariffed charges for tampering/self-reconnections
- Tampering/self-reconnections do not exclude customer from administrative code protections

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After-hours Reconnections

- Utilities are not required to offer after-hours reconnections
 - If after-hours reconnections are not offered, utility must provide reconnections during reasonable business hours
 - Reconnect charges should be tariffed, whether during normal business hours or after-hours

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More Questions?

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