

# Supporting Customers in Utility Account Recovery

Joint Study Session of Tacoma City Council & Tacoma Public Utilities Board February 1, 2022



# Background

- Mayor Woodards and Governor Inslee issued separate utility disconnection moratoriums in March 2020:
  - Governor Inslee's moratorium ended September 2021
  - Mayor Woodards' moratorium remains in effect for all TPU customers
- \$2.4 million Emergency Assistance Program created quickly from Utility Funds.
- \$750k Tacoma small business program deployed from Tacoma CARES Funds.
- \$4.5 million in Low Income Home Energy Assistance Program (LIHEAP) funds distributed through partners.
- Staff is actively working with partners to apply COVID dollars to accounts.
- Multi-channel customer outreach throughout the pandemic, including thousands of calls and letters/postcards mailed.



#### Overview: Overdue Customer Balances

|                | Total Amount     | Oustanding Balances by Customer Segment and Jurisdiction |                 |              |              |                 |                  |  |  |  |
|----------------|------------------|--|-----------------|--------------|--------------|-----------------|------------------|--|--|--|
|                | Outstanding by   | Commercial   |                 | Industrial   |              | Residential     |                  |  |  |  |
|                | Jurisdiction     | Owners   | Tenants         | Owners       | Tenants      | Owners          | Tenants          |  |  |  |
| Inside Tacoma  | \$ 24,380,104.21 | \$ 1,835,002.30  | \$ 1,667,477.73 | \$ 27,038.51 | \$ 10,354.32 | \$ 8,687,374.40 | \$ 12,152,856.95 |  |  |  |
| Outside Tacoma | \$ 7,089,399.39  | \$ 271,347.92  | \$ 203,587.28   | \$ 6,213.63  |              | \$ 2,730,579.38 | \$ 3,877,671.18  |  |  |  |

Inside Tacoma bills include 5 utility services.

|                | Average Outstanding Balance by<br>Customer Billing Segment and Jurisdiction |          |            |         |             |          |  |
|----------------|---|----------|------------|---------|-------------|----------|--|
|                | Commercial  |          | Industrial |         | Residential |          |  |
| Inside Tacoma  | \$  | 2,733.85 | \$         | 6700.94 | \$          | 1,135.83 |  |
| Outside Tacoma | \$  | 1,093.25 |            |         | \$          | 649.64   |  |
|                |   |          |            |         |             |          |  |

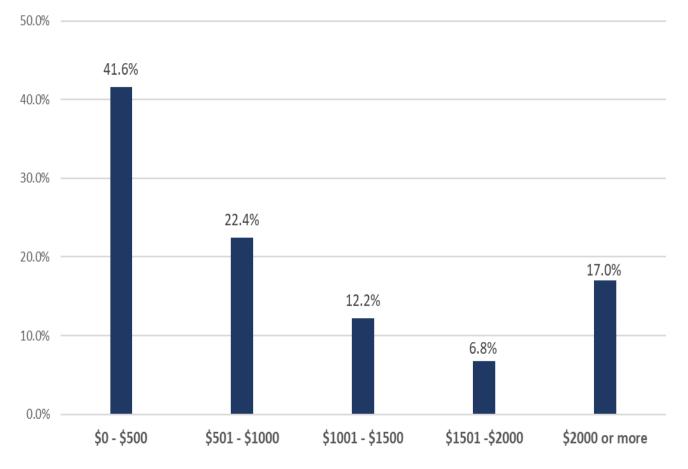
|                         | Average Outstanding Balances by<br>Customer Billing Segment Only |            |    |            |    |             |
|-------------------------|--|------------|----|------------|----|-------------|
|                         |  | Commercial |    | Industrial |    | Residential |
| Inside + Outside Tacoma | \$   | 2320.15    | \$ | 6700.94    | \$ | 964.65      |

\*Information as of 1/27/22



## ••• Overview: Residential Accounts

- 28,609 residential customers have aging account balances
- 83% owe less than \$2000
- 64% owe less than \$1000
- \$964.65 average residential account balance
- Residential pandemic payment activity:
  - 18,190 have not made payment in the last 60 days
  - 14,753 have not made payment in the last 90 days
  - 1,383 have not made a payment since start of pandemic



Residential Overdue Balance Distribution

\*Information as of 1/27/22



### Post Moratorium Plan

- Mayor Woodards established a bridge period for TPU customers following the end of the Governor's moratorium.
- Once the utility disconnect moratorium expires, TPU customers will be set up on automatic, flexible 24-month installment plans for COVID balances.
- Late fees will not be collected on past-due COVID balances.
- TPU will continue communicating with customers through numerous channels to connect them with available assistance.
- Eligible households will be enrolled in recently expanded Discount Rate or Bill Credit Assistance Plan (BCAP) programs.



## ••• Next Steps

- Staff recommends advanced notice of moratorium expiration: April 1.
- Goal: connect customers with funds for which they qualify and work with customers to keep services in place.
- In February, TPU will mail approximately 28,000\* letters to Residential Customers regarding the availability of assistance funds.
- In Mid-February, TPU will mail approximately 1,600 letters to Small / Mid-size Businesses informing them of their options.
- In March, TPU will deploy a canvassing company to go door-to-door and distribute information regarding assistance funds available.
- In March, TPU will transition customers to payment plans for past due amounts.