

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF BRANDY L. WREATH,)	
DIRECTOR OF THE PUBLIC UTILITY)	
DIVISION, OKLAHOMA CORPORATION)	CAUSE NO. PUD 202000050
COMMISSION, FOR AN ORDER OF THE)	
COMMISSION AUTHORIZING ACTION IN)	ORDER NO. <u>711412</u>
RESPONSE TO COVID-19)	

INTERIM ORDER

The Corporation Commission (“Commission”) of the State of Oklahoma, being regularly in session and the undersigned Commissioners present and participating, there comes on for consideration and action, the Application of Brandy L. Wreath, Director of the Public Utility Division (“PUD”), Oklahoma Corporation Commission for an Order of the Commission Authorizing Action in Response to COVID-19 (“Application”) filed by Brandy L. Wreath on April 28, 2020.

I. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. THE COMMISSION FINDS that it has jurisdiction over this Cause pursuant to pursuant to Article IX, § 18 of the Oklahoma Constitution, 17 O.S. §152, and OAC 165:5-9-3(c).
2. THE COMMISSION FURTHER FINDS that on March 13, 2020, the Commission, by and through its PUD Director Brandy Wreath, issued a call to utilities to voluntarily enact a temporary moratorium on residential disconnects in response to the uncertainty presented by COVID-19 and public safety concerns. Each utility separately responded in the affirmative. Many utilities were in the process of implementing such actions at the time the request was made and consequently ceased residential disconnections almost immediately.
3. THE COMMISSION FURTHER FINDS that on March 16, 2020, this Commission issued a media advisory to the public stating, in part, that the Commission’s Public Utility Division is coordinating a voluntary effort with the State’s utilities to help Oklahomans impacted by the COVID-19 pandemic.
4. THE COMMISSION FURTHER FINDS that by March 16, 2020, all regulated utilities implemented temporary moratoriums on disconnections for non-payment related to the widespread effects of COVID-19. Many of the utilities announced an initial 30-day moratorium on all disconnections; however, the timeline varies among utilities.
5. THE COMMISSION FURTHER FINDS that on March 15, 2020, Governor Stitt issued an executive order declaring an emergency in all 77 counties to provide the public, public health officials, health care providers, state agencies and small businesses support as a result of the national spread of COVID-19. Since March 15, Governor Stitt has issued a series of subsequent executive orders to broaden the provisions in response to the severity and direct impact on the State.

6. THE COMMISSION FURTHER FINDS that in response to the emergency, the PUD Director has worked, and continues to work, with utilities on matters related to public safety and the protection of the public and utility workers. This effort has resulted in letters of non-enforcement being issued by the PUD Director related to matters such as service installation timing, reconnects, and on premise work. These letters commit that PUD will not file an enforcement action for variance from Commission rules or terms and conditions related to these matters. These letters are being issued to immediately respond to matters of safety and continued system reliability.

7. THE COMMISSION FURTHER FINDS that in recognition of the continued widespread effects of this pandemic and the uncertainty as to when it will end, that in coordination with the utilities the existing voluntary moratoriums will correspond with the timing set forth in the Governor's Third Amended Executive Order (2020-13) as issued on April 20, 2020.

8. THE COMMISSION FURTHER FINDS that the existing moratorium, as well as any extension, could cause an increase in bad debt expense, including bad debts associated with factoring of accounts receivable, above the level included in each utility's base rates.

9. THE COMMISSION FURTHER FINDS that each utility shall take reasonable steps, and be able to show efforts made, to minimize the amount of bad debt that may ultimately occur from COVID-19. Those steps may include continuing to advise customers of their responsibility to pay any outstanding amounts owed once the moratorium is lifted, encouraging customers to make partial payments if they are unable to pay in full, utilizing payment plans, and resuming collection activities as reasonable once the moratorium is lifted.

10. THE COMMISSION FURTHER FINDS that in addition to the moratorium on disconnections, utilities have reported waiving various fees, including late fees, convenience fees, and reconnection fees, and expanding the use of payment arrangements to further aid customers during this extraordinary time.

11. THE COMMISSION FURTHER FINDS that although the Commission declines to mandate the waiver of such fees or expanded use of payment plans, the Commission is supportive of this assistance and recognizes it may result in a utility varying from its approved tariffs, terms and conditions, and/or Commission rules.

12. THE COMMISSION FURTHER FINDS that each utility is authorized to record as a regulatory asset increased bad debt expenses, including bad debts associated with factoring of accounts receivable, costs associated with expanded payment plans, waived fees, and incremental expenses that are directly related to the suspension of or delay in disconnection of service (or the reconnection of service) beginning March 15, 2020, with the issuance of the Governor's Declaration of Emergency.

13. THE COMMISSION FURTHER FINDS that it will consider in future proceedings whether each utility's request for recovery of these regulatory assets is reasonable and necessary, and that in said future proceedings, the Commission will also consider issues such as the

incremental bad debt experienced over normal periods, appropriate period of recovery for any approved amount of regulatory assets, any amount of carrying costs thereon, and other related matters.

14. THE COMMISSION FURTHER FINDS that beyond customer billing related actions, the Commission recognizes that utilities report taking many steps to ensure the continuity of utility service, while protecting utility personnel, customers, and the general public. Such steps include procuring additional personal protective equipment (PPE), increasing sanitation efforts at facilities, implementing health-screening processes, and securing temporary facilities for potential sequestration of critical operations personnel. The Commission states its support of the continuation of these critical response and planning efforts and acknowledge they may cause incremental costs.

15. THE COMMISSION FURTHER FINDS that continued access to safe, reliable, and affordable utility service is essential to maintain public health and safety during the COVID-19 pandemic and authorize utilities to defer expenses associated with ensuring continuity of service and protecting utility personnel, customers and the general public. That the Commission's deferral authorization does not bind the Commission to any specific treatment of these items in any future proceeding, nor prohibit the Commission from considering the effect of any operational savings, or other financial impacts that may occur as a result of COVID-19. Further, that the Commission direct utilities to maintain records to document the impacts and to provide proof of reasonableness and necessity in any future cause(es) brought by utilities seeking cost recovery.

16. THE COMMISSION FURTHER FINDS That the Commission also recognize that each utility's response to COVID-19 to ensure continuity of service and protect the health and safety of customers and employees could temporarily alter its operations. Further, that the Commission recognize the PUD Director has issued commitment letters to not file enforcement actions for appropriate safety-related variances from rules and tariffs resulting from the emergency situation. And, rather than require each utility to file applications to make such requests, the Commission direct utilities to continue to work directly with the PUD Director to address situations including, but not limited to, those related to health and public safety or the temporary suspension of routine work. If an order is deemed necessary due to the materiality of the request, a cause may be initiated that may apply to all similarly situated companies.

II. ORDER

THE COMMISSION THEREFORE ORDERS that the Findings of Fact and Conclusions of Law set forth above are hereby adopted.

THE COMMISSION FURTHER ORDERS that each utility is authorized to record as a regulatory asset increased bad debt expenses, including bad debts associated with factoring of accounts receivable, costs associated with expanded payment plans, waived fees, and incremental expenses that are directly related to the suspension of or delay in disconnection of service (or the reconnection of service) beginning March 15, 2020, with the issuance of the Governor's Declaration of Emergency until September 1, 2020, unless otherwise ordered by the Commission.

OKLAHOMA CORPORATION COMMISSION

J. TODD HIETT, Chairman

BOB ANTHONY, Vice-Chairman

DANA L. MURPHY, Commissioner

DONE AND PERFORMED THIS _____ DAY OF _____, 2020.

BY ORDER OF THE COMMISSION:

PEGGY MITCHELL, Secretary

Cause No.

CORPORATION COMMISSION OF OKLAHOMA

J. TODD HIETT, CHAIRMAN

BOB ANTHONY, VICE CHAIRMAN

DANA L. MURPHY, COMMISSIONER

CERTIFICATION

DONE AND PERFORMED by the Commissioners participating in the making of this Order, as shown by their signatures above, this _____ day of _____, 2020.

BY ORDER OF THE COMMISSION:
