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GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE
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NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

MICHAEL S. ANGELO
EXECUTIVE DIRECTOR

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DIVISION OF CONSUMER ADVOCACY
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
KA 'OIHANA PILI KĀLEPA

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cca.hawaii.gov/dca/

October 23, 2024

The Honorable Chair and Members
Of the Hawaii Public Utilities Commission
Kekuanao'a Building
465 South King Street, Suite 103
Honolulu, Hawaii 96813

Dear Commissioners,

RE: Docket No. 2022-0250 – Public Utilities Commission –
Instituting a Proceeding to Investigate Equity –
Division of Consumer Advocacy's Presentation, October 22, 2024 Meeting.

Please find the Division of Consumer Advocacy's attached Slide Presentation, which was given at the October 22, 2024 meeting in the above noted Docket.

If there are any questions or concerns regarding the Slide Presentation, please call Michael S. Angelo at **(808) 586-2800**.

Sincerely yours,

/s/ Michael S. Angelo

Michael S. Angelo
Executive Director

MSA:sts

Enclosures

cc: Kevin M. Katsura, David J. Bissell, Henry Curtis, Jeffery Ono, Carlito P. Caliboso, Wil K. Yamamoto, Melissa Miyashiro, Isaac H. Moriwake, Kylie W. Wager Cruz, Beren Argetsinger, Julia Kantor, Robert R. Mould, Tyler Law, Sally K. Kaye, Ryan D. Hurley, Bianca Isaki, Douglas A. Codiga, Mark F. Ito

Division of Consumer Advocacy (DCA)

Department of Commerce and Consumer Affairs

Energy Equity Docket No. 2022-0250

Utility Disconnections from an Equity Perspective

October 22, 2024



DCCA
HAWAII



Presentation Overview

Purpose

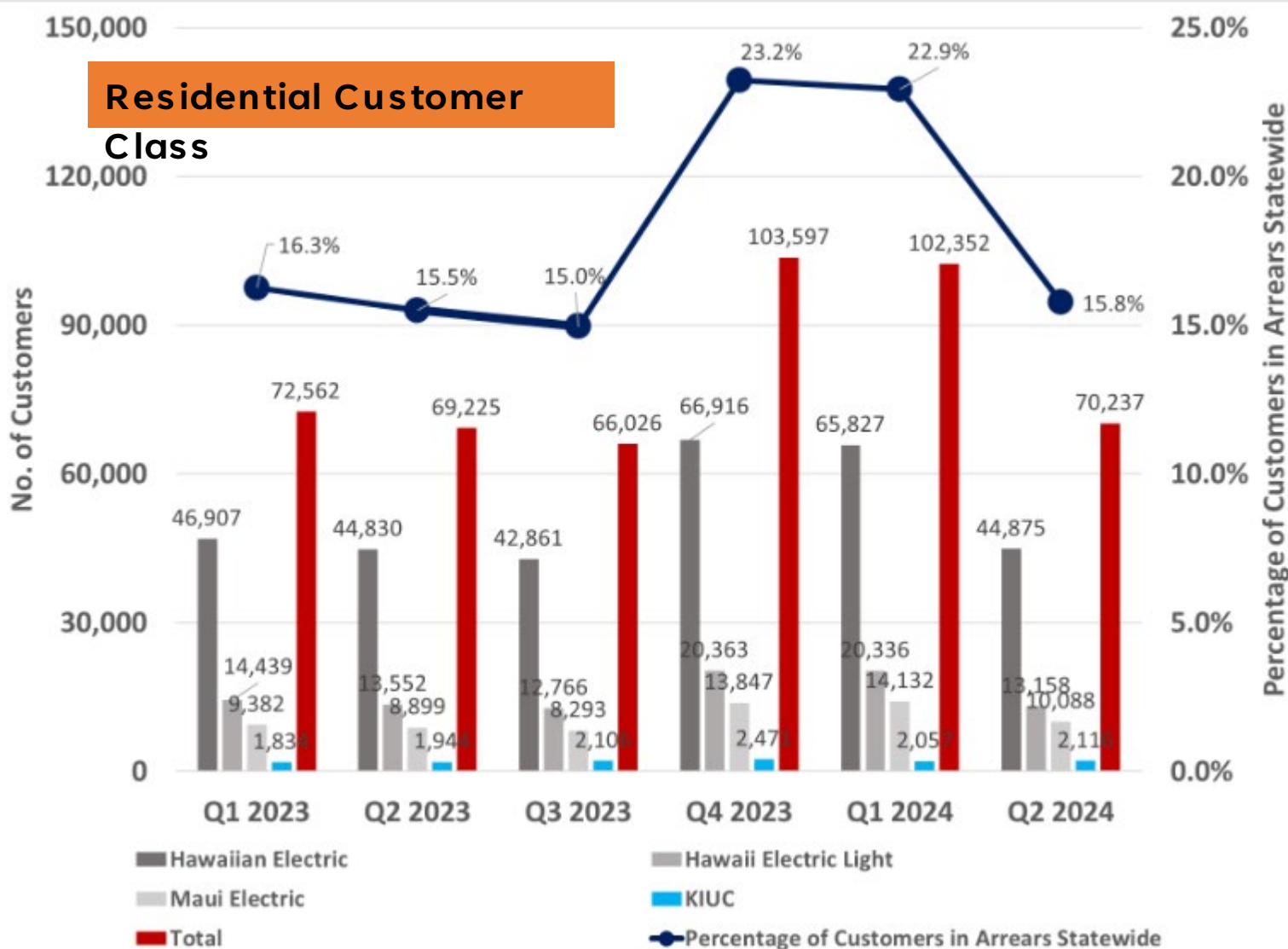
- Emphasize key points from DCA's Comments on RMI Disconnection Memo
- **Key goal/outcome:** Keep customers connected – Electricity is a critical need

Key Themes – Customers need to be able to pay their bills

- Make rates more affordable and leverage existing ratepayer funded programs
- Other solutions to decrease number of disconnections and arrearages
 - Need clear objectives (i.e., goals with quantifiable metrics) need to be established to track and assess progress on solutions
 - Solutions should decrease disconnections and arrearages for *all* customer types, but *particularly* residential customers and small businesses
 - Solutions should not increase utility costs on an ongoing basis or amount of bad debt and avoid potential subsidization by other customers within a class or across classes



Reduce Number of Arrearages



- Decreasing arrearages benefits customers and utilities
- Need to better understand:
 - Factors driving late payments
 - Proportion of customers with arrearages considered vulnerable
- Reporting data disaggregated by number of customers in arrears for each vintage would be helpful



Reduce Number of Disconnections

	First Quarter of 2023 (January to March 2023)		Second Quarter of 2023 (April to June 2023)		Third Quarter of 2023 (July to September 2023)		Fourth Quarter of 2023 (October to December 2023)		First Quarter of 2024 (January to March 2024)		Second Quarter of 2024 (April to June 2024)	
Hawaiian Electric	1,842	0.60%	2,056	0.66%	2,768	0.89%	415	0.13%	2,873	0.93%	5,392	1.74%
Hawaii Electric Light	584	0.66%	931	1.04%	684	0.77%	164	0.18%	808	0.90%	1,959	2.18%
Maui Electric ²⁷	405	0.55%	402	0.54%	150	0.22%	1	0.00%	0	0.00%	0	0.00%
KIUC	15	0.04%	19	0.05%	22	0.06%	18	0.05%	17	0.04%	9	0.02%
Total	2,846	0.56%	3,408	0.67%	3,624	0.72%	598	0.12%	3,698	0.72%	7,360	1.44%

- Similarly need to better understand:
 - What factors are driving disconnections?
 - What proportion of disconnected are vulnerable customers?

Sources: Hawaiian Electric's Quarterly Customer Reports (Non-Confidential), filed on May 10, 2023, August 8, 2023, November 13, 2023, May 10, 2024, and August 9, 2024; KIUC's Quarterly Customer Reports, filed on April 12, 2023, July 14, 2023, October 10, 2023, January 12, 2024, April 8, 2024, and July 10, 2024, in Docket No. 2020-0209.



Exploring Potential Solutions

Track and assess progress on all solutions on disconnection

1. Improve affordability of rates and increase benefits of service

- Determine key areas to target increasing *near-term benefits* (e.g., increased safety, reliability, progress on RPS targets) and increased scrutiny on expenditures with higher risks (e.g., long payback periods)

2. Incorporate existing ratepayer funded programs addressing affordability

- Customers pay for programs on their utility bills to help with affordability
- Include organizations managing those programs within discussion

3. Assess efficacy of additional potential solutions through pilot



Exploring Potential Solutions

In addition to key themes on first slide emphasizing a goal of finding solutions to keep customers connected:

- Need to study and better understand customers' experience with late utility bill payments disconnection
- Additionally, are there “low hanging fruit” solutions that could be implemented now?
 - Messaging to utility customers:
 - Utilities as “Trusted Partners” to helping customers find payment solutions keep their services on
 - Other organizations proactively helping (e.g., DCA)
- Other solutions that may be more challenging to implement that may decrease financial burdens on customers that do get disconnected? (e.g., reducing or waiving reconnection fees – more challenging to assess and change)



Pilot Overview

Need on-going means of assessing progress on success of affordability and decreasing disconnections



Example of a type monitoring and reporting mapping interface (for discussion purposes only)

[Eligibility Maps - CT Green Bank | Accelerating Green Energy Adoption in CT](#)

Stakeholder driven proves to establish key goals, desired outcomes

- What customer groups would be focus of pilot?
- Scope of pilot?
- Potential goals of pilot?
- How to monitor, study, and report progress on on-going basis?
- Study feasibility, cost-benefits,
- Funding sources?
 - Initial: Innovative pilot process
 - Potential source of on-going funding: existing ratepayer funded programs addressing affordability



DCA Supporting Efforts

Serve as Trusted Liaison & Resource

- Help customers navigate sometimes complex billing issues and quality of service concerns with utilities
 - Customers sometimes do not know where to turn for support or are concerned about bill collections
- Help customers interface with third-party agencies that provide bill assistance programs
- Offer comprehensive resource identifying utility bill assistance programs and solutions to help make utility services more affordable on an on-going basis
 - Link to resource: <https://cca.hawaii.gov/dca/utilityassistance/>

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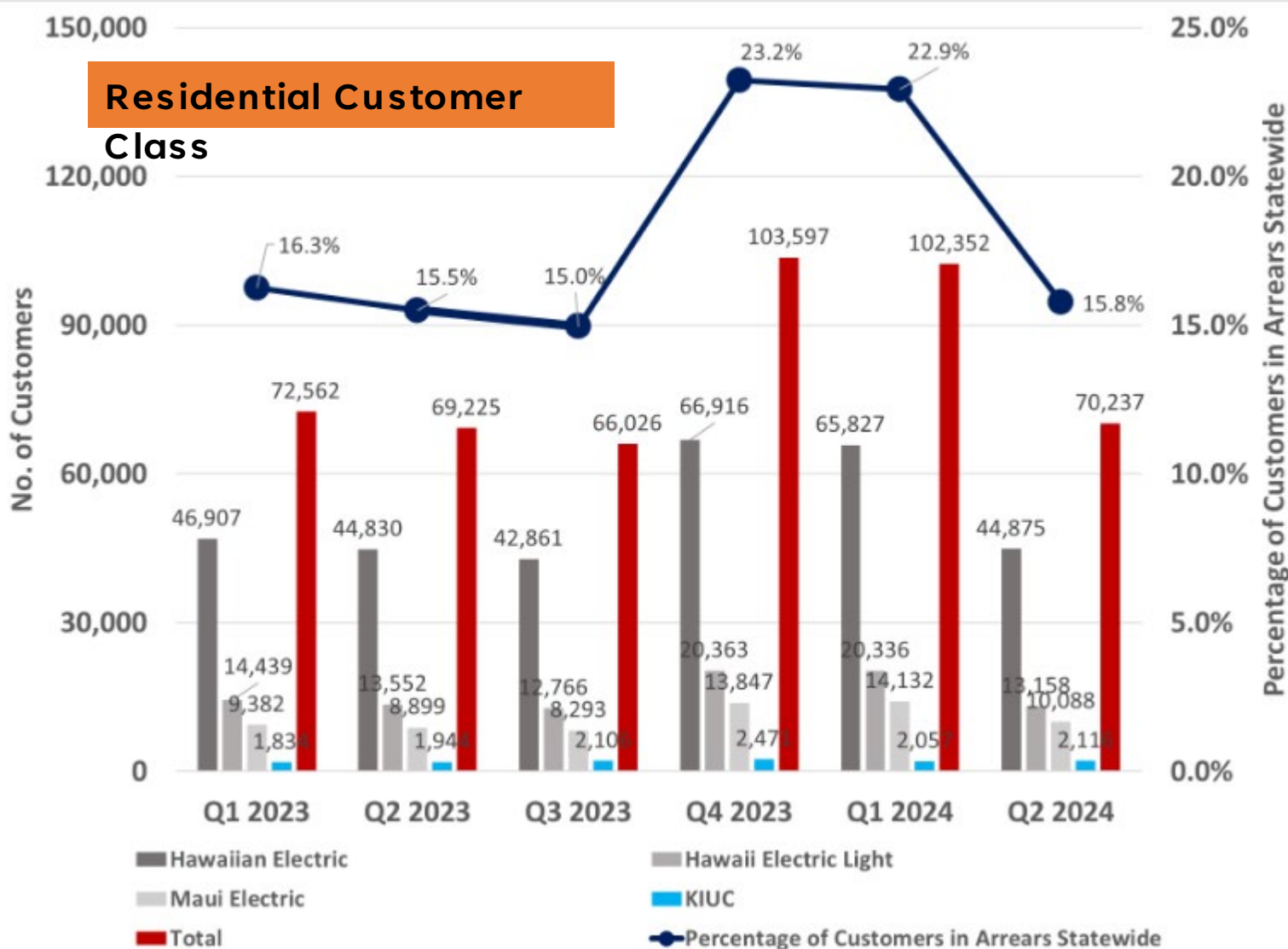
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Exploring Potential Solutions

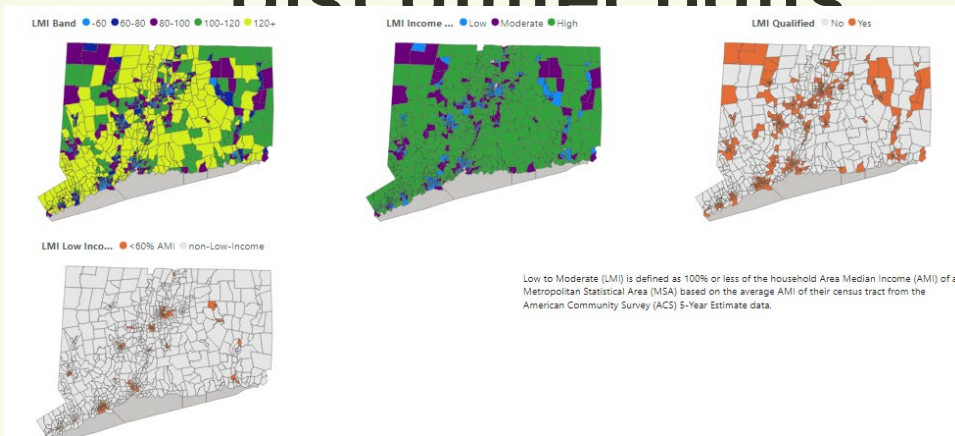
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PUBLIC UTILITIES

COMMISSION

F-315416

2022-0250

The foregoing document was electronically filed with the State of Hawaii Public Utilities Commission's Case and Document Management System (CDMS).



October 21, 2024

The Honorable Chair and Members
of the Hawai'i Public Utilities Commission
Kekuanao'a Building, First Floor
465 South King Street
Honolulu, Hawai'i 96813

Dear Commissioners:

Subject: Docket No. 2022-0250
Instituting a Proceeding to Investigate Energy Equity
Hawaiian Electric Presentation –
Energy Equity and Justice First Meeting on Disconnections

Hawaiian Electric¹ respectfully submits its presentation for the Commission's October 22, 2024, first meeting on disconnections.

Sincerely,

/s/ Brendan Bailey

Brendan Bailey
Vice President, Customer Service

c: Service List

¹ "Hawaiian Electric" or "Company" refers to Hawaiian Electric Company, Inc., Hawai'i Electric Light Company, Inc., and Maui Electric Company, Limited. On December 20, 2019, the State of Hawai'i Department of Commerce and Consumer Affairs ("DCCA") approved Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited's application to do business under the trade name "Hawaiian Electric" for the period from December 20, 2019 to December 19, 2024. See Certificate of Registration No. 4235929, filed December 20, 2019 in the Business Registration Division of the DCCA.



**Hawaiian
Electric**

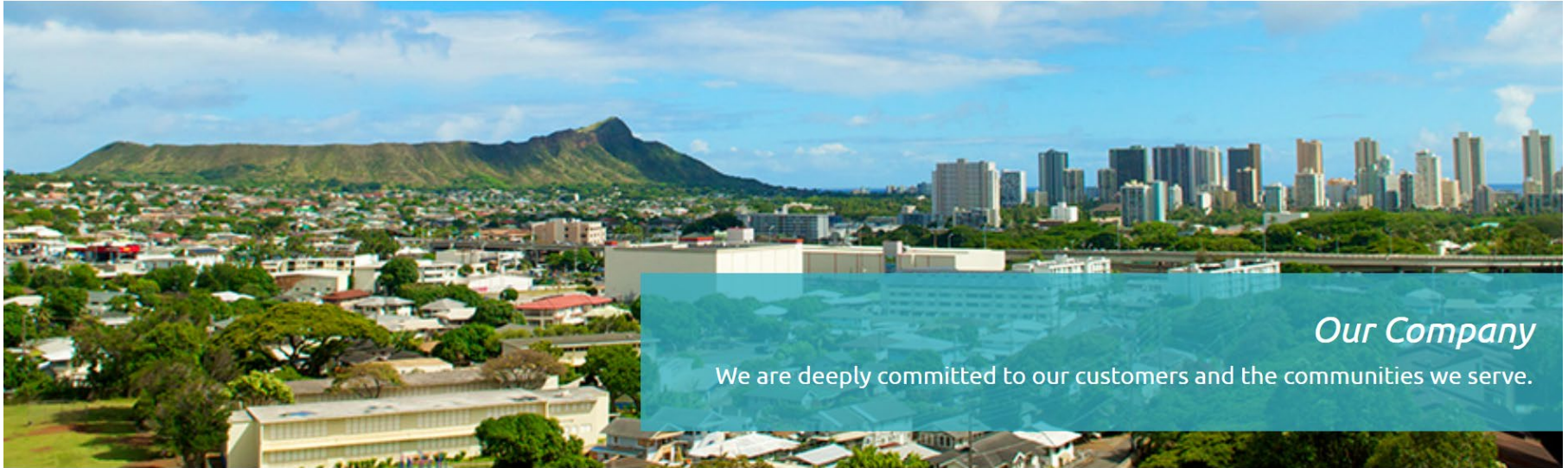
Energy Equity Docket No. 2022-0250

“Utility Disconnections” from an equity perspective

October 22, 2024



Aloha and Mahalo



Our Company

We are deeply committed to our customers and the communities we serve.

Oahu Maui County Hawai'i Island



Key Takeaways



Helping customers stay connected is our priority

Customers have many tools & resources available to help manage bills



Disconnection Moratoria results in temporary increases in arrears, write-offs, & disconnections

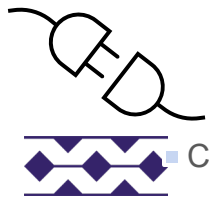
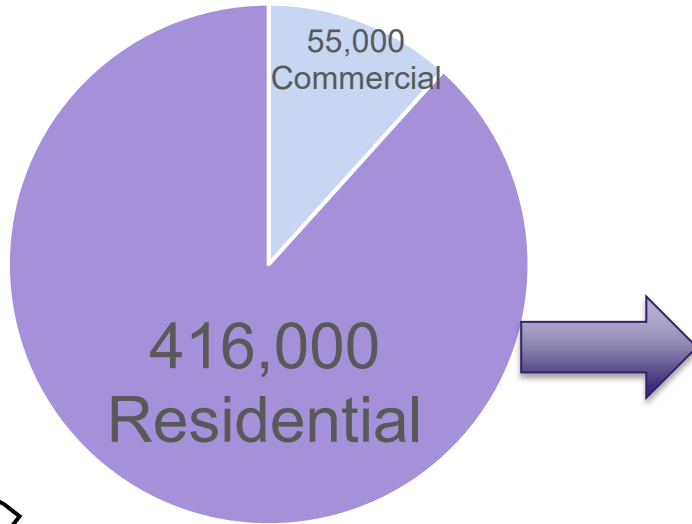
Community partnerships & customer education are key to disconnection prevention





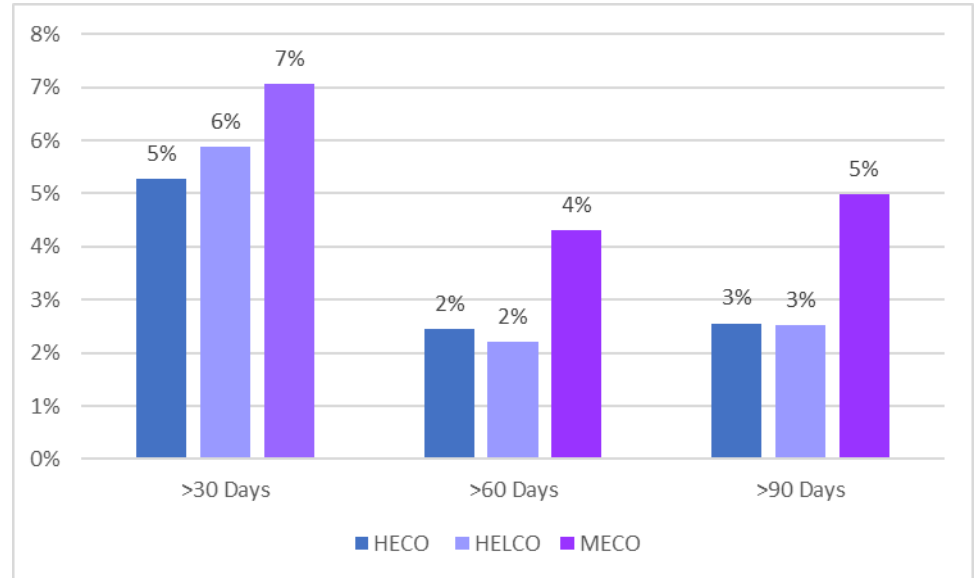
Hawaiian Electric

We Serve 471,000 Customers

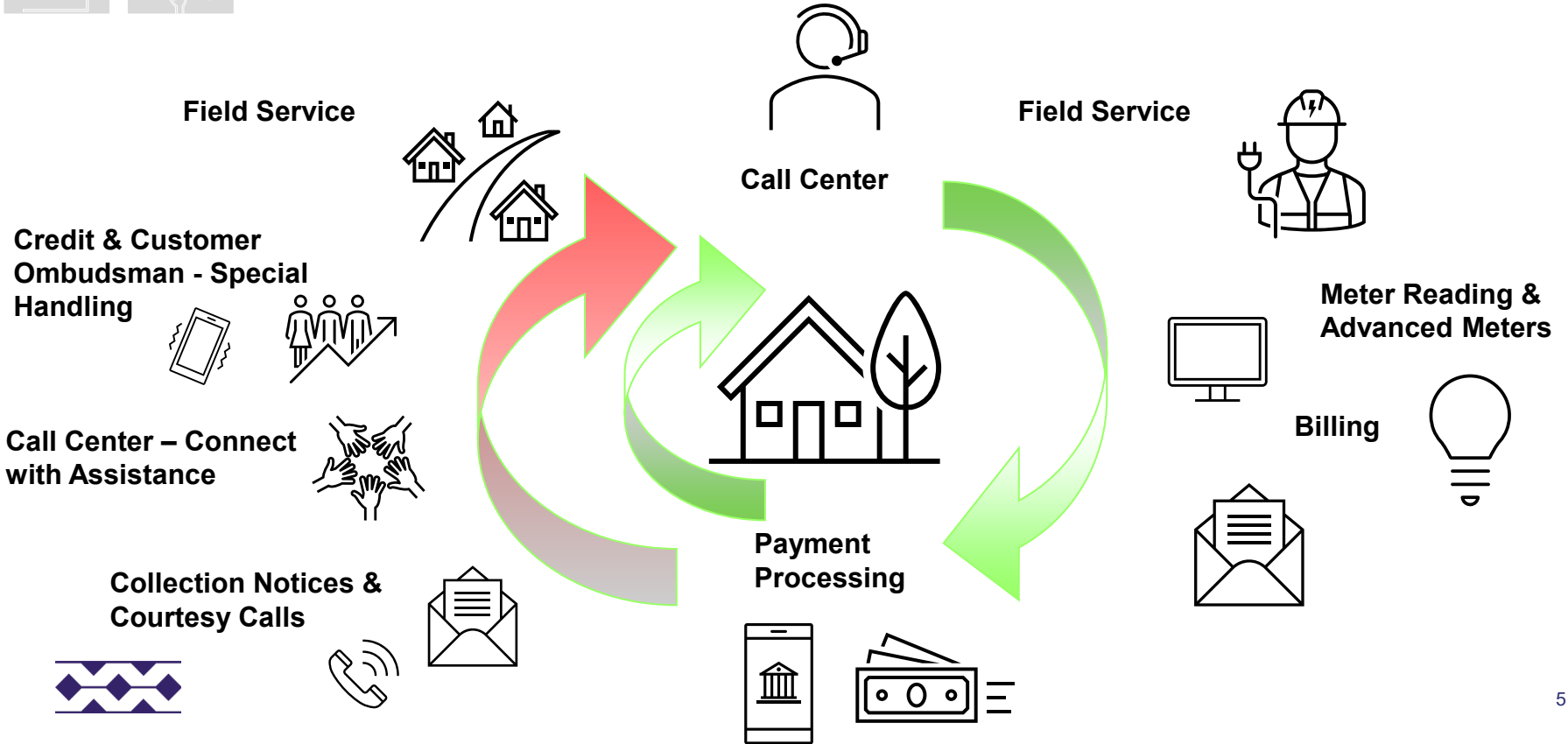


Commercial Residential

- ◆ **Approx. 26,000 (6%) of Residential Customers are in arrears >30 Days**



Our Customer Circle of Care





Hawaiian Electric's Collection Strategy

Comprehensive & Customer Centric

Starting Service

- Confirm Identity
- Utility Credit Check
- Paperless Billing
- Payment Options
- My Energy Use Portal

Monthly Outreach & Support

- Electric Bill
- Outreach: Automated Notices & Courtesy Calls
- Support: Call Center, Website, Energy Use Portal

Note: Payment, Payment Plans, Pledges will automatically stop collection process

Supplemental Resources

- H-HEAP & Other Partners, Community Partner Toolkit*, Hawaii Energy, GEMS, Life Support & Special Med Needs

*Published in multiple languages - e.g. for Maui Moratorium – 8 additional languages, 12 languages on our website





Hawaiian Electric's Collection Strategy

Helping Customers Stay Connected

Customers' proactive response to outreach reduces risk of disconnection for non-payment



Ways to Stop Path to Disconnection:

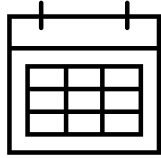
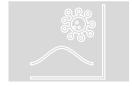
- Payment
- Set-up & maintain Payment Plan
- Community Partner Financial Pledge (H-HEAP, etc.)



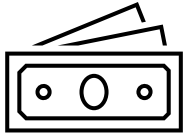


Hawaiian Electric's Collection Strategy

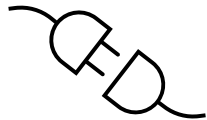
Always Improving for the Customer



Post-bill time to pay before disconnection considers customer needs, financial risk based on payment history



Minimum arrearage disconnection threshold adjusted periodically to balance customer needs with resources



Reconnection fee is reasonable, set by rate case



Multiple notification touchpoints & payment options with links to resources



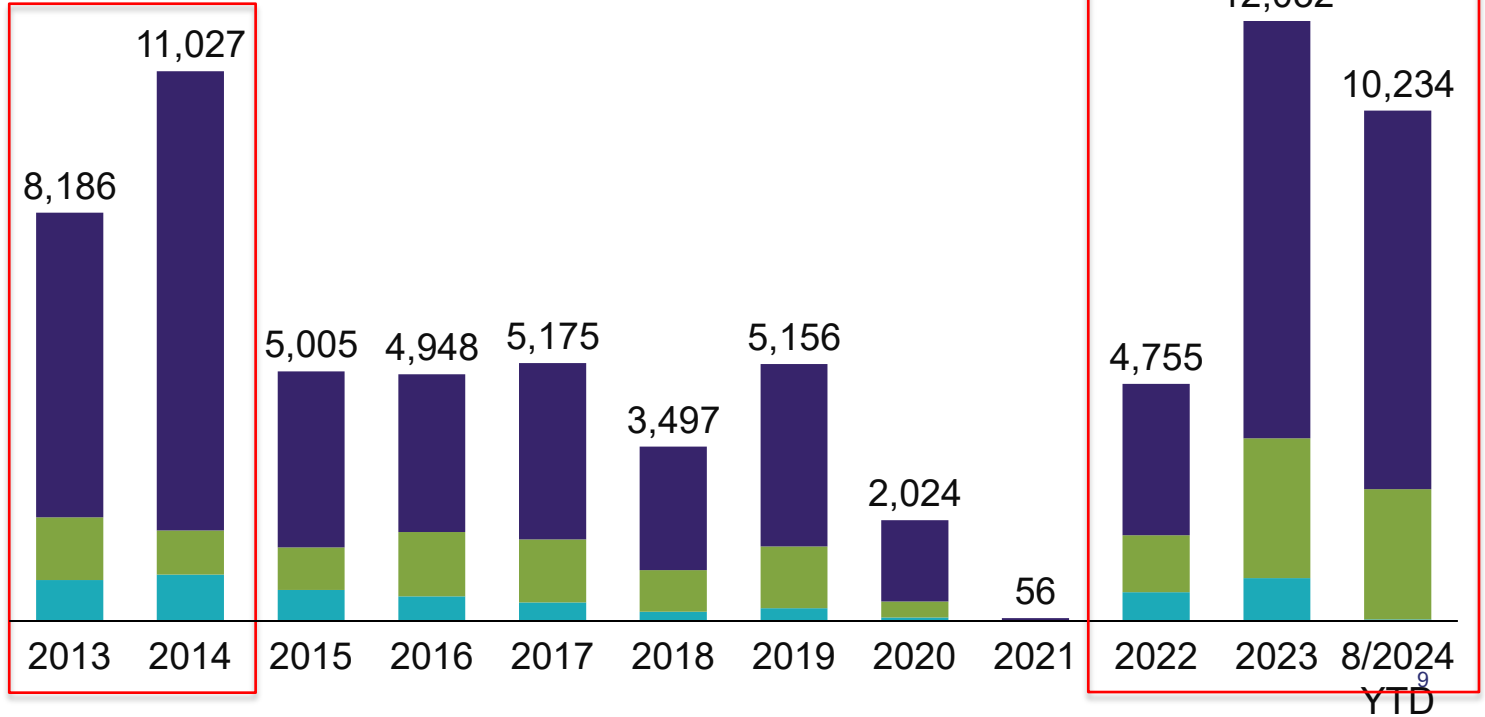
Post Moratorium Effect on Disconnections for non-payment

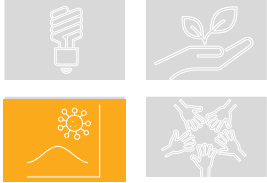
Temporary Increase

Post CIS
Moratorium

Post COVID
Moratorium

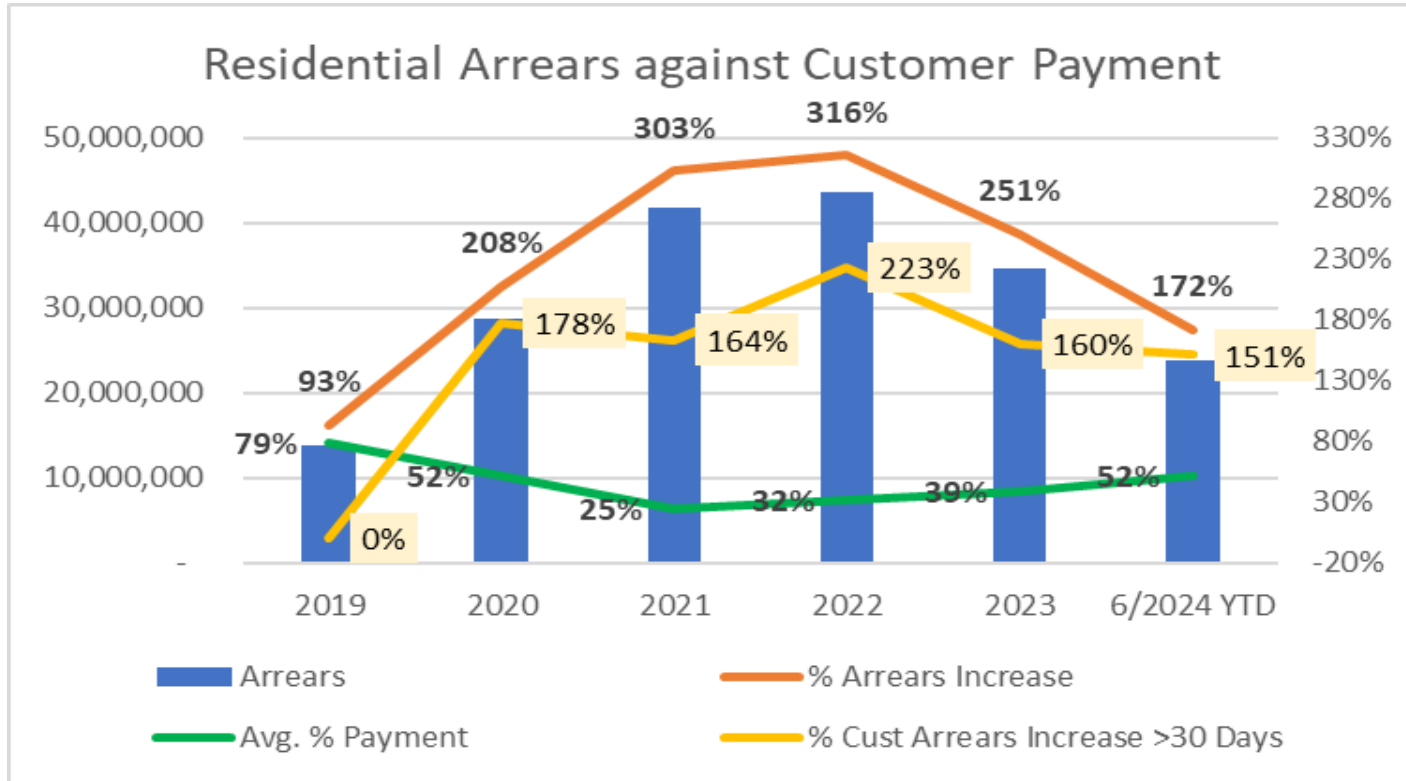
HECO
HELCO
MECO





COVID Moratorium Effect on Arrears

Customer Payment Trends & Arrears





Hawaiian Electric's Collection Strategy

Customer Resources & Payment Assistance Available

Payment Plans

- **Payment Arrangement:** Divide current Total Balance Due into equal monthly installments over a period of 4 months
- **Payment Extension:** Extend Total Past Due balance to a future due date

Vulnerable Customer Programs

- Special Medical Needs
- Life Support & Critical Care
- Referrals to agencies (e.g. Adult Protective Services)

Financial Utility Assistance Options

- H-HEAP
- Catholic Charities
- Helping Hands
- Salvation Army
- and much more

Government Assistance

- State electricity subsidy for Public Housing
- County Rental & Utility Assistance programs

Educational & Other Opportunities

- My Energy Use Portal
- Hawai'i Energy Efficiency programs
- GEMS financing for energy efficiency equipment

Strengthening relationships with Community & Government Partners through LMI Customer Advisory Council and process improvement efforts





Proposed Remedy

Coordinated Community Partnership & Education

Disconnection can be avoided when customers are educated on options and **proactively** take advantage of Company, Community, and Government Resources.

*It takes ALL PARTIES to develop a funded framework to **promote and encourage** customers to reach out and take advantage of:*

- ◆ Billing & Payment Options, Payment Plans to meet customer needs
- ◆ Financial Assistance both short and long-term
- ◆ My Energy Use Portal & Energy Efficiency Programs for long term bill reduction
- ◆ Other educational programs offered by community partners on household budgets, financial security



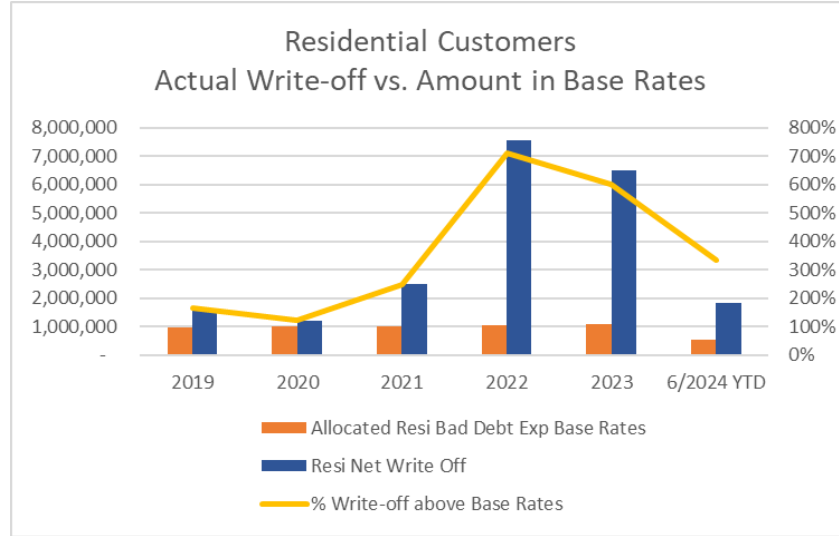


Proposed Remedy

Balancing Customer Needs with Financial Impact to All Customers



Reasonable Bad Debt Expense
Target based on sliding scale



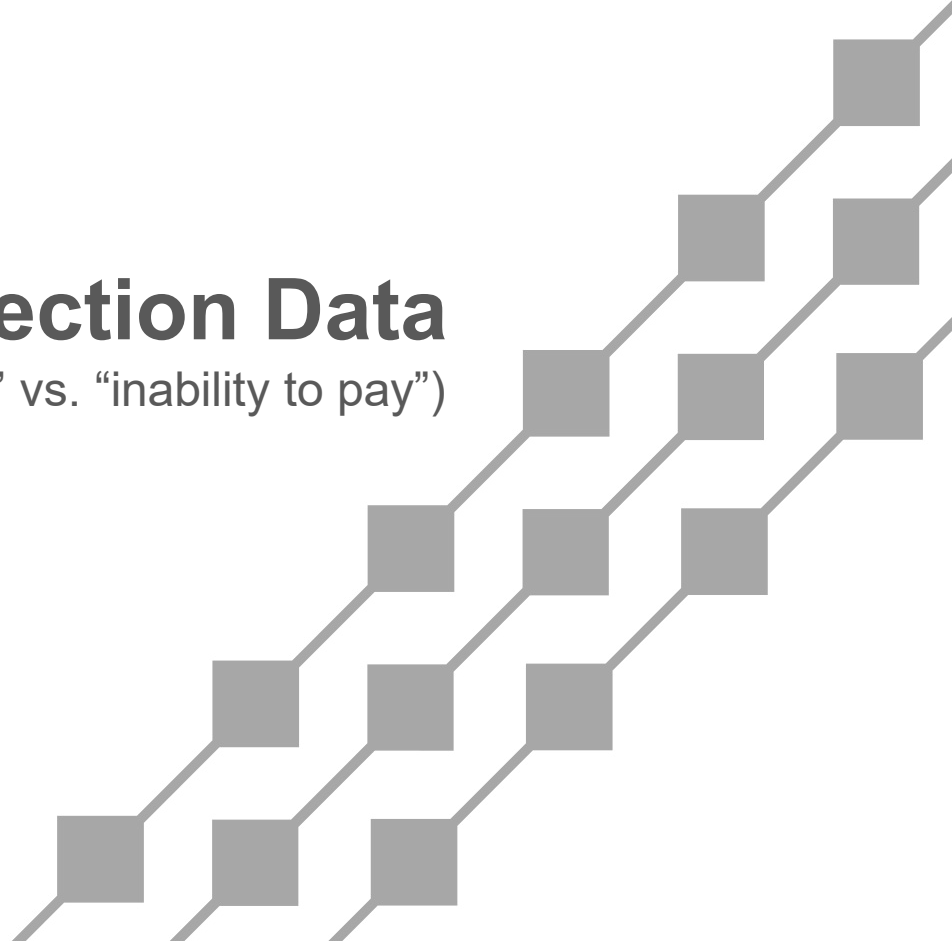
- Improving Company's financial health benefits all customers
- Higher write-offs shift other key strategic priority work
- Propose actual rolling 12-month write-off rate to be adjusted in the annual RBA



Part I:

Overview of Disconnection Data

(Note: Data presented as “non-payment” vs. “inability to pay”)



Disconnection Notice Threshold* History

Pre- COVID-19

\$150

During COVID-19

\$150 used for Reminder Notices

Post- COVID 19 Transition

\$3000 to \$500 over 2 years

Current

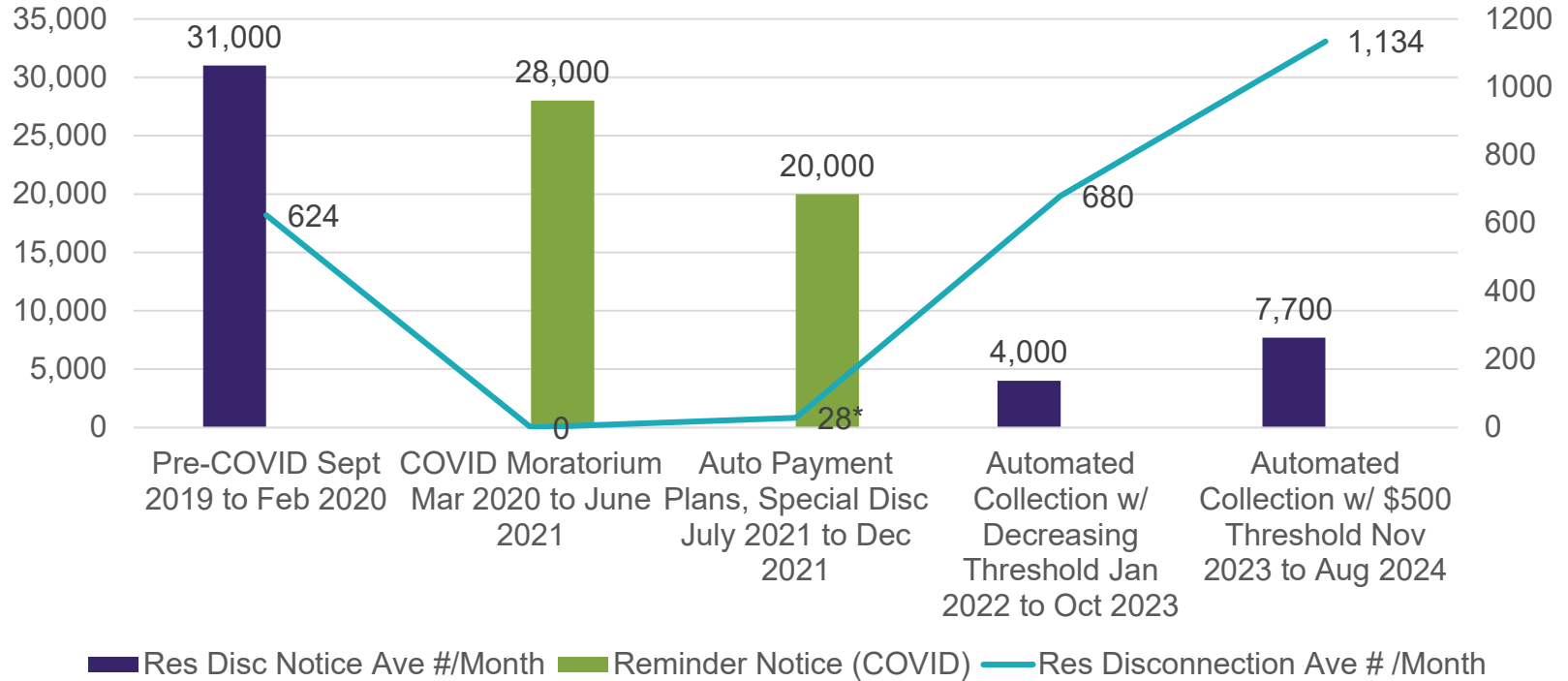
\$500



*referred to as “minimum arrearage” in RMI report

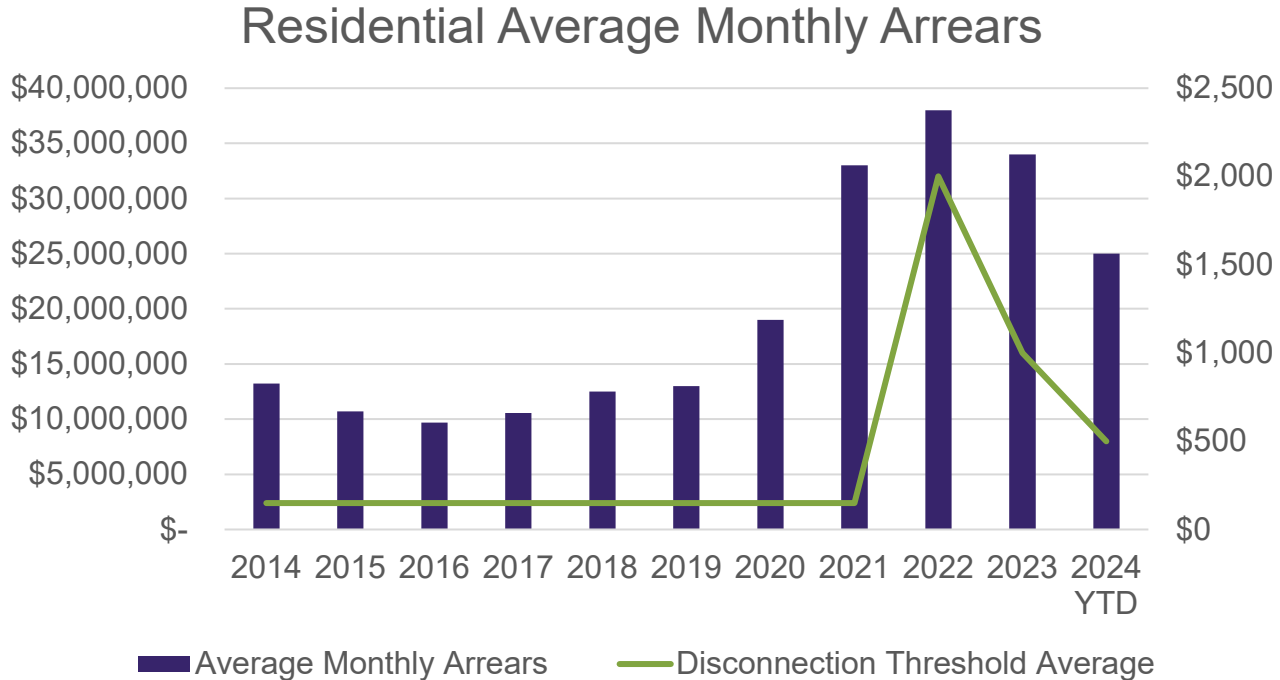
Question 1 & 1.a.

How many disconnection notices sent to residential customers per month over the past five years, subsequently disconnected for non-payment, flagged as at risk for disconnection?



**Question
2**

How much do residential customers owe in arrears for unpaid electric service in a given year? In the aggregate & as average per disconnection case.



Question 3 *How many customers would have been disconnected during the COVID-19 pandemic if a disconnection moratorium were not in place?*



During the COVID-19 pandemic, an average of 7,260 residential customers per month would have been disconnected if a disconnection moratorium were not in place.

How many paid down their arrears before disconnections were resumed?



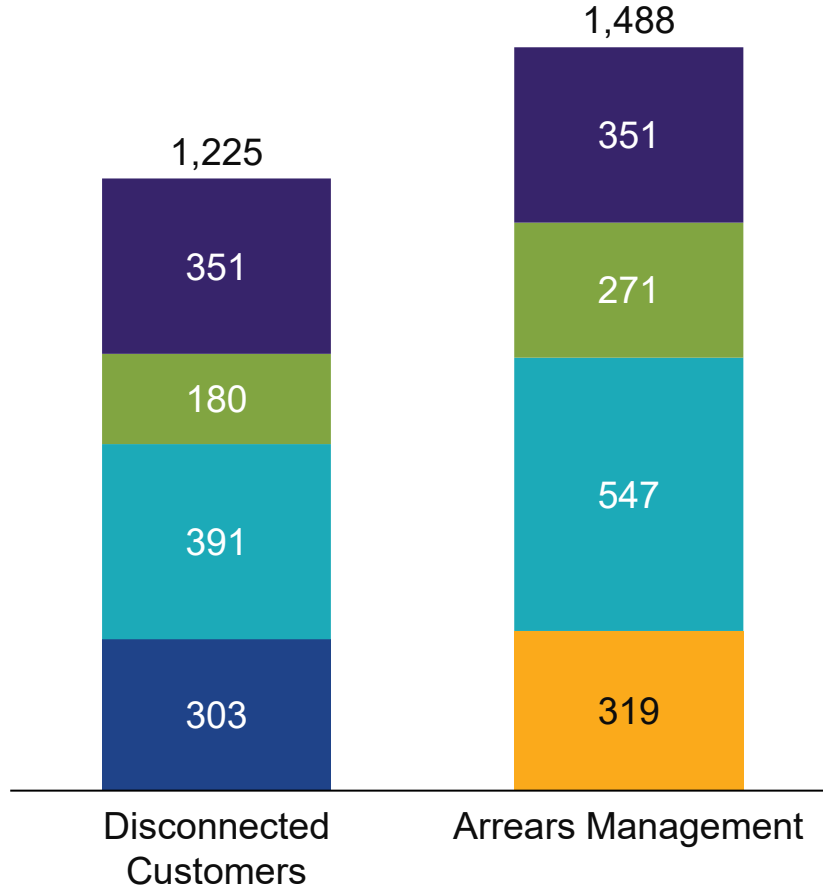
Approximately 8,000 residential customers paid down their arrears before disconnections resumed. This estimate is based on the decreased average number of reminder notices sent during the period starting July 2021 and December 2021.



Question 4

How much do disconnection procedures and arrears management programs cost the utility administratively?

- Credit & Collections
- Payment Processing
- Customer Care
- Field Service
- Collection Agency



- Estimated Disconnected Customer Annualized cost of ~\$1.2M
- Estimated Arrears Management Annualized cost of ~\$1.5M



Part II: Internal Disconnection Triggers and Administrative Process



**Question
1 & 1.a.**

What level of arrears triggers a customer account for disconnection? How are cases treated & reviewed?

Currently, \$500 in arrears & risk class determines number of days from bill date prior to disconnection.

Cases are treated and reviewed using the Automated Dunning Collection process together with personal touchpoints where internal teams do outreach and provide support.



Are there cases where two households with the same arrears may result in different outcomes? What factors does the utility consider?

Yes. Customer circumstance, action or inaction may determine outcome.

Payment history, usage and disconnection history, any other extenuating circumstances are also considered.



Question 2 *How does the utility ensure the affected customer is not part of a group protected from disconnections?*

"Flags" are set in the system that direct the workflow to create a case for Credit Specialist (instead of an automated courtesy call), who attempts to contact the customer for payment arrangements and connect with financial assistance. If unsuccessful, one or more field visits by Field Service personnel are scheduled to further investigate the customer's situation.



Special Medical Needs

Same as Life Support Program, except enrollment offers bill discount with maximum savings at \$20 in a given month. Participating customers referred to Hawaii Energy upon enrollment.

Life Support

Customers apply with physician certification of reliance on life support equipment. Special consideration provided when bill payment issues arise.

Other Critical Care

Sometimes vulnerable customers who are not reliant on life support equipment may be deemed to require special handling and flagged as requiring special consideration.



Question 3

What is the typical timeline between an account being triggered for review and the actual shut off?



Risk Class*	Reminder Notice Mailed	Disconnection Notice ** Mailed	Automated Phone Call Attempt*** (Residential)	Disconnection Order	Disconnection by Field Service Personnel	Auto Move-out
Low	10-days in arrears (25 days after bill) Arrears \$300 - \$499	40-days in arrears (55 days after bill) Arrears >\$500	48-days in arrears (63 days after bill) Arrears >\$500	55-days in arrears (70 days after bill) Arrears >\$500	Anytime after disconnection order	7-days after a disconnection of service
Medium	10-days in arrears (25 days after bill) Arrears \$300 - \$499	10-days in arrears (25 days after bill) Arrears >\$500	18-days in arrears (33 days after bill)	25-days in arrears (40 days after bill) Arrears >\$500	Anytime after disconnection order	7-days after a disconnection of service
High						
Very High						

Note: August 2022 Enhancement to increase number of Reminder Notices by adding a Reminder notice tier at the Disconnection Notice and Disconnection Order Step. If past due balance between Dunning Threshold & Disconnection Threshold, Reminder Notice will be mailed instead of Disconnection Notice, and no Disconnection Order will be worked.



Question *What internal staff and controls are involved?*

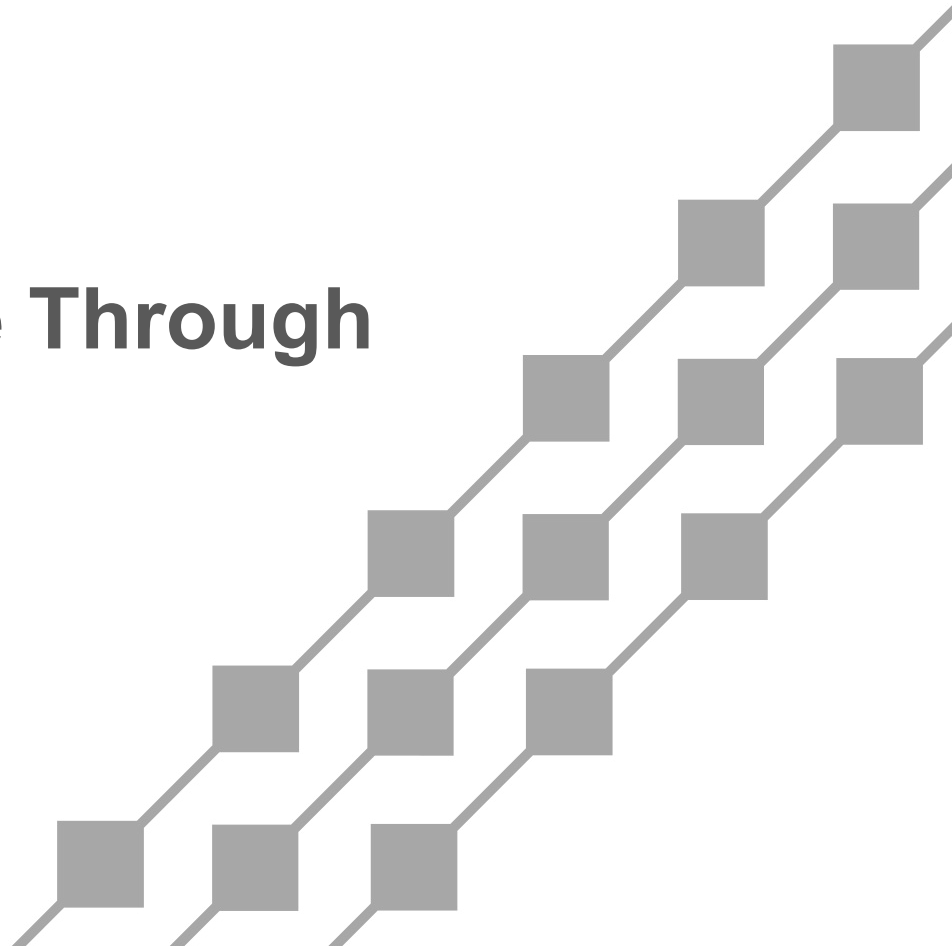
3

Revenue Management Credit	Customer Relations	Field Service	Customer Ombudsman
<ul style="list-style-type: none">• Customer outreach to customers with special circumstances, including Life Support, Special Medical Needs, Critical Care customers• Manages overall delinquency & bad debt, exception programs	<ul style="list-style-type: none">• Responds to customer inquiries via phone, chat, email• Refers customers to assistance agencies, take pledges (H-HEAP, etc.)• Helps customers understand how to prevent disconnection and what is needed to reconnect service	<ul style="list-style-type: none">• Screens disconnection orders to ensure criteria is met prior to actual disconnection• Visits Life Support, Special Medical Needs, and Critical Care customers as needed	<ul style="list-style-type: none">• Responds to customer escalated informal and formal inquiries & complaints• Resolves urgent and complex situations and expedites referrals to assistance agencies

The system will automatically stop Dunning if adequate payment, notice of payment from authorized payment vendors, payment plan or lock in place.



Part III: Customer Experience Through Disconnection



Question

1

When a customer's account is flagged for disconnection, what channels are they notified through (e.g. phone, letter, email)? How many times is contact made prior to shut off?

Urgent Reminder and Disconnection Notices are sent via mail. Thereafter an automated courtesy call is attempted. Upon review of the account, Field Service or Credit Specialist may contact the customer depending on the circumstance.



Question 2 *What information is provided in the disconnection notices? Are there resources included such as LIHEAP or other methods of emergency relief?*

Urgent Past Due Reminder

Aloha,

This is a reminder that our records indicate your account is past due and in need of prompt attention. We ask that you make payment to avoid collections activities that include late fees and disconnection for nonpayment.

You currently owe a total amount of **\$492.61**, of which **\$492.61** is past due. Please do one of the following on or before **OCT 18, 2024**: Make a payment of at least **\$492.61** or commit to a new payment plan for the total balance due. Go to hawaiianelectric.com/paymentarrangement to submit your new payment plan request. If you have already made payment, we appreciate that you have taken steps to keep your account in good standing.

Customers who maintain good standing on a payment plan are not subject to disconnection and late fees. See the back of this notice or go to hawaiianelectric.com/paymentoptions for information on how to make a payment.

If you are having difficulty paying your bill due to financial hardship, we encourage you to seek government and nonprofit agency assistance. For more information go to hawaiianelectric.com/help.

To help manage energy costs, Hawai'i Energy is a trusted resource for tips and rebates to help offset the costs of energy-saving equipment and services. Visit hawaiienergy.com/tips for more information.

Please contact us right away so that we can work with you to keep you connected.

Mahalo for your prompt attention to this matter.

Payment Arrangements



Payment Options



Financial Assistance



Hawai'i Energy

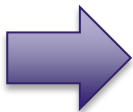


Question 2 cont'd

Final Notice Before Disconnection

This final notice, mailed on OCT 10, 2024, is to inform you that you owe a total amount of **\$521.46**, of which **\$521.46** is past due. If payment of at least **\$521.46** is not received on or before **OCT 18, 2024**, your electric service will be subject to disconnection without further notice.

Financial Assistance



If you are experiencing financial hardship, we encourage you to seek government and nonprofit agency assistance. Visit hawaiianelectric.com/help for more information.

If we do not hear from you and your service is disconnected, you will be required to pay all amounts due on your account, a cash deposit and a service establishment charge before service is reconnected. **Service reconnections are scheduled the following business day.** If you pay by check, credit card and/or online through your bank and your payment is returned to us, your service will be subject to disconnection without further notice.

Please note that if you pay your electric bill after the due date, you may be required to re-establish your credit by paying a deposit equal to the total of the highest two consecutive monthly bills within the last 12 months. If you already have an existing deposit but it is less than this amount, you will be billed for the additional amount.

Important Points:

- Payment can be made at any Western Union agent location, with no service fee. Pay online via Paymentus at hawaiianelectric.com/paynow using Paypal, Venmo, Apple Pay, Google Pay, credit or debit card, electronic checking or savings, or call Paymentus at 1-888-826-5006. Service fee applies.
- Please note your past due balance may include previous unpaid bills for which you have already received a disconnection notification. This notice does not extend any payment deadline set in any prior notification. Your electric service will be subject to disconnection without further notice if any previous unpaid bill remains unpaid by the date set in the prior notice.

Payment Options



Mahalo for your prompt attention to this matter.

Question 2 cont'd

Are there resources included such as LIHEAP or other methods of emergency relief?



In addition to links for financial assistance on the Urgent Past Due Reminder and Final Notice Before Disconnection, a LIHEAP/H-HEAP reminder is displayed on all bills annually in May prior to June enrollment and an article in the Company's newsletter, Ho`okuai.

John A. Customer	Account Number: 201012345678 Invoice Number: 61234567	Service Address: Page 1 of 3 1524 Aloha St Contract: 31234567
ACCOUNT SUMMARY (See Bill Detail section for more information)	MESSAGES	
Service Period 04/25/24 - 05/23/24 Previous Balance \$227.43 Payments \$227.43- OUTSTANDING BALANCE \$0.00 Current Charges \$314.03 Current Charges \$314.03 TOTAL AMOUNT DUE 06/14/2024 \$314.03	The Hawai'i Home Energy Assistance Program (H-HEAP) assists households in need with electricity costs. Energy Credit applications accepted in June. For info go to hawaiianelectric.com/hheap.	
BILL PERIOD		
R Residential Service Signed NEM Contract ADVANCED METER #	USAGE TYPE	FROM 04/25/24 TO 05/23/24 29 DAYS USAGE




Question 2 cont'd

Are materials available in multiple languages?

Community Partner Toolkit

Payment Assistance Flyer and Payment Arrangement Form



Disconnection moratorium ends 10/17/23 for customers on Maui
Hawaiian Electric is here to keep you connected


Time to take action
The moratorium on disconnections for nonpayment ends Oct. 17, 2023 for customers on Maui. If your account is past due, now is the time to choose a payment schedule that meets your needs. Customers on a payment plan are not subject to our disconnection process. Sign up now for an interest-free payment arrangement. Go to hawaiianelectric.com/paymentarrangement to review options – ranging from five to six months – and submit a request.

Plan ahead
Depending on your balance, the installment amount will differ for each customer. If your past due amount is small, then the installment amount can be a small fraction of your normal bill. However, if you have not paid any bills in over six months, your bill could more than double.

**What happens if I cannot pay?
If you do not pay the amount due while on a payment plan, it may trigger collection activity and your service may be disconnected. Please contact us right away if you need assistance or to make an adjustment to your arrangement. We are here to help.**

For illustrative purposes, here's an EXAMPLE of how a 6-month payment option works:
One-sixth of the past due balance must be paid every month over six months – in addition to your current charges. On the first month of your installment plan, your Amount Due will include your current charges + 1/6 of your outstanding balance.
Let's say you have an outstanding balance of \$600.
• Divide the balance by number of months in payment plan: \$600 divided by 6 = \$100
• If your current charge is \$150, you'll owe \$150 + \$100. Total amount due will be \$250.
• You'll need to pay the additional 1/6 outstanding balance, plus current charges, for six consecutive months.

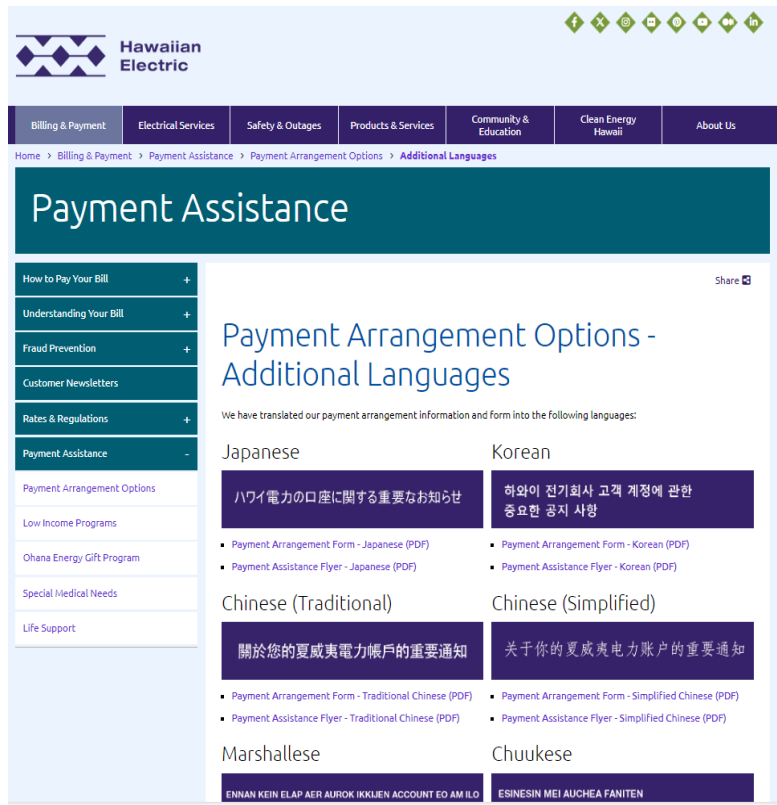
**Is there any available assistance?
We encourage you to seek government and nonprofit agency assistance. While Hawaiian Electric does not administer these programs, we work with them. See a listing of resources at hawaiianelectric.com/assistance.**


 hawaiianelectric.com/paymentarrangement

Available in 8 Other Languages

- ◆ Japanese – [Flyer](#) | [Form](#)
 - ◆ Chinese – [Flyer](#) | [Form](#)
 - ◆ Korean – [Flyer](#) | [Form](#)
 - ◆ Ilocano – [Flyer](#) | [Form](#)
 - ◆ Vietnamese – [Flyer](#) | [Form](#)
 - ◆ Marshallese – [Flyer](#) | [Form](#)
 - ◆ Chuukese – [Flyer](#) | [Form](#)
 - ◆ Hawaiian – [Flyer](#) | [Form](#)
- [Access All Languages](#)

[Back to Toolkit Home](#) [®]



 **Hawaiian Electric**

Home > Billing & Payment > Payment Assistance > Payment Arrangement Options > **Additional Languages**

Payment Assistance

How to Pay Your Bill +
Understanding Your Bill +
Fraud Prevention +
Customer Newsletters
Rates & Regulations +
Payment Assistance -

Payment Arrangement Options
Low Income Programs
Ohana Energy Gift Program
Special Medical Needs
Life Support

Share

Payment Arrangement Options - Additional Languages

We have translated our payment arrangement information and form into the following languages:

<p>Japanese</p> <p>ハワイ電力の口座に関する重要なお知らせ</p> <ul style="list-style-type: none"> Payment Arrangement Form - Japanese (PDF) Payment Assistance Flyer - Japanese (PDF) 	<p>Korean</p> <p>하와이 전기회사 고객 계정에 관한 중요한 공지 사항</p> <ul style="list-style-type: none"> Payment Arrangement Form - Korean (PDF) Payment Assistance Flyer - Korean (PDF)
<p>Chinese (Traditional)</p> <p>關於您的夏威夷電力帳戶的重要通知</p> <ul style="list-style-type: none"> Payment Arrangement Form - Traditional Chinese (PDF) Payment Assistance Flyer - Traditional Chinese (PDF) 	<p>Chinese (Simplified)</p> <p>关于你的夏威夷电力账户的重要通知</p> <ul style="list-style-type: none"> Payment Arrangement Form - Simplified Chinese (PDF) Payment Assistance Flyer - Simplified Chinese (PDF)
<p>Marshallese</p> <p>ENNAN KEIN ELAP AER AUROK IKKIJEN ACCOUNT EO AM ILO</p>	<p>Chuukese</p> <p>ESINESIN MEI AUCHEA FANITEN</p>

Question *How long does a customer have to make a payment between notice and disconnection?*

3

Varies depending on customer risk class. It can be as short as 25 days after bill due date and 55 days for lower risk class customers. All have at least 15 days between disconnection notice and order.



Do they need to pay down their entire outstanding balance or only a portion of it?

General rule per Rule No. 5.B.1, is all amounts owing must be paid before reconnection. However, if customer is unable to meet this, internal guidelines provide for attempting to connect customers with available assistance and also evaluating extenuating circumstances that may support more flexible terms, including payment arrangements, especially if the customer was a low-risk class customer per our internal system or if it is the first disconnection for non-payment. Company personnel are encouraged to escalate any unusual circumstances to their lead or supervisor by providing the facts, reasoning, and requested terms.



What are their methods of making a payment (e.g. online, in-person, mail-in)?

Mail-in, Company website, Third-party vendors (including in-person, online & various electronic payment methods via credit, debit card or ach, PayPal, Venmo, ApplePay, etc.), Company drop box.



Question
4

Once a shut off occurs, are customers automatically enrolled in arrearage management programs?



No. There are no automated arrearage management programs.

Are there payment plans available or do they have to pay the entire past-due amount?



As previously noted, the general rule is all amounts owing must be paid before reconnection. However, internal guidelines provide for attempting to connect customers with available assistance and also evaluating extenuating circumstances that may support more flexible terms, including payment arrangements, especially if the customer was a low-risk class customer per our internal system or if it is the first disconnection for non-payment. Company personnel are encouraged to escalate any unusual circumstances to their lead or supervisor by providing the facts, reasoning, and requested terms.



Questions 5 & 6

Is there a fee for reconnection, and if so, how much is it?

Per Rule No. 7E, the fee is \$20 for next day and an additional \$25 for same day service.



Does this need to be paid upfront, or can it be tagged onto the total amount they owe and paid back over time?

As previously noted, the general rule is all amounts owing must be paid before reconnection (Rule No. 5B). However, internal guidelines provide for attempting to connect customers with available assistance and also evaluating extenuating circumstances that may support more flexible terms, including payment arrangements or billing reconnection fees, especially if the customer was a low-risk class customer per our internal system or if it is the first disconnection for non-payment. Company personnel are encouraged to escalate any unusual circumstances to their lead or supervisor by providing the facts, reasoning, and requested terms.

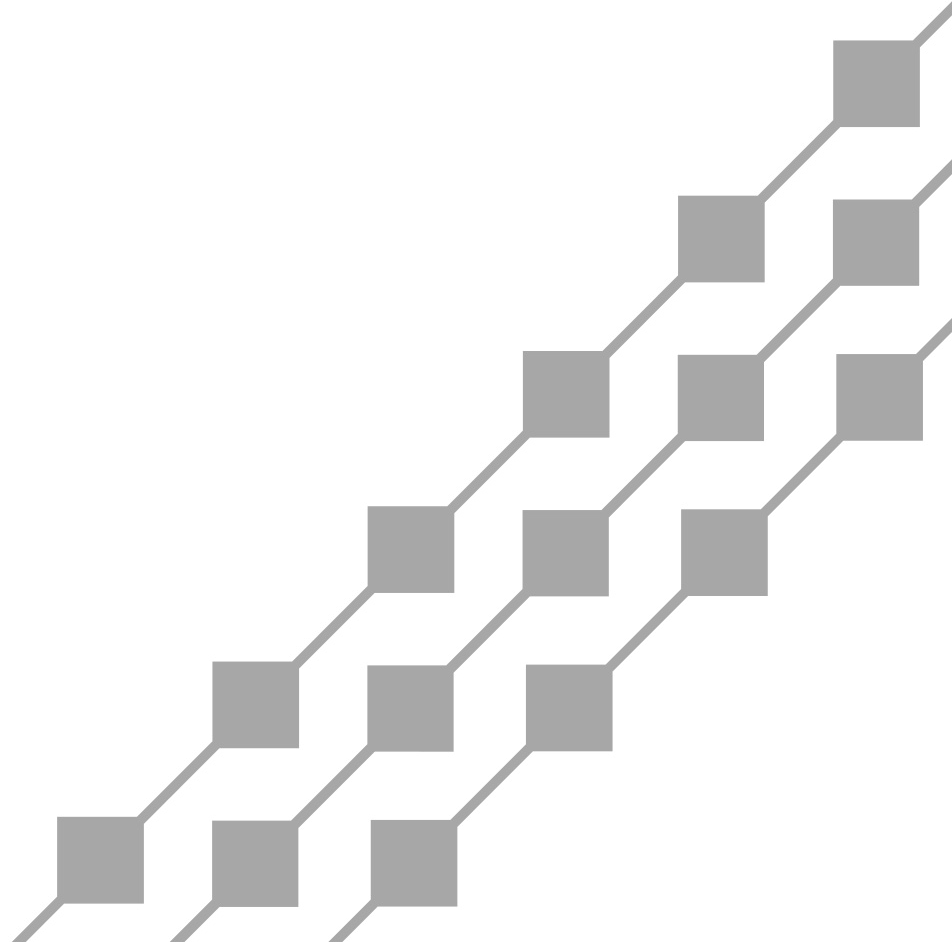


How soon after a customer makes required payments does reconnection occur?

Same day or next day service



Part IV: Closing Thoughts



Coordinated Community Partnership & Education

Disconnection can be avoided when Customers *proactively* take advantage of Company, Community and Government Resources.

*It takes ALL PARTIES to develop a funded framework to **promote programs and encourage** customers to reach out and take advantage of:*

- ◆ Billing & Payment Options, Payment Plans to meet their needs
- ◆ Financial Assistance both short and long-term
- ◆ My Energy Use Portal & Energy Efficiency Programs for long term reduction of bill
- ◆ Any other educational programs offered by community partners on household budgets, financial security, etc.



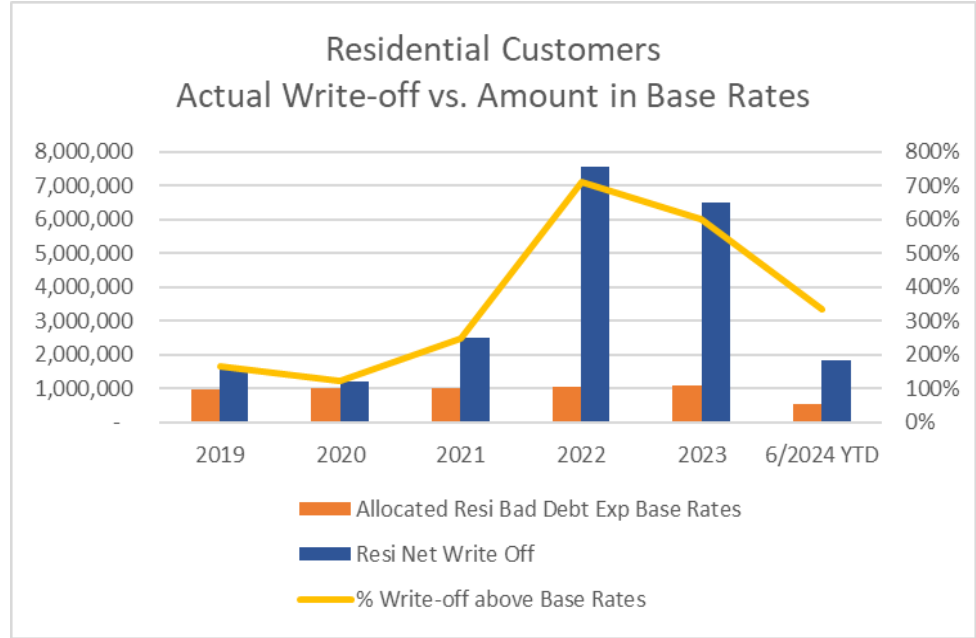


Proposed Remedy

Balancing Customer Needs with Financial Impact to All Customers



Reasonable Bad Debt Expense Target based on sliding scale



- Improving Company's financial health benefits all customers
- Higher write-offs shifts other key strategic priority work
- Propose actual rolling 12-month write-off rate to be adjusted in the annual RBA



Key Takeaways



Helping customers stay connected is the priority

Customers have many tools & resources available



Disconnection Moratoria results in temporary increase in arrears, write-offs & disconnections

Community Partnerships & Education are key to disconnection prevention





Mahalo!

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PUBLIC UTILITIES

COMMISSION

F-315270

2022-0250

The foregoing document was electronically filed with the State of Hawaii Public Utilities Commission's Case and Document Management System (CDMS).



October 21, 2024

The Honorable Chair and Members of the
Hawai'i Public Utilities Commission
465 South King Street
Kekuanaoa Building, Room 103
Honolulu, Hawaii 96813

RE: Docket No. 2022-0250
Instituting a Proceeding to Investigate Energy Equity
Kaua'i Island Utility Cooperative's Member Disconnections Presentation

Dear Commissioners:

Kaua'i Island Utility Cooperative respectfully submits a copy of its presentation on existing disconnection practices for the Commission's upcoming meeting scheduled for Tuesday, October 22, 2024, from 9:30 am to 12:00 pm via WebEx.

Should you have any questions, please do not hesitate to contact me at (808) 246-8274 or etsuda@kiuc.coop.

Sincerely,

/s/ Erin Tsuda

Erin Tsuda
Finance Manager

Enclosure

c: Service List

Hawai'i Public Utilities Commission

Member Disconnections

October 22, 2024





Part I: --- Overview of Disconnection Data

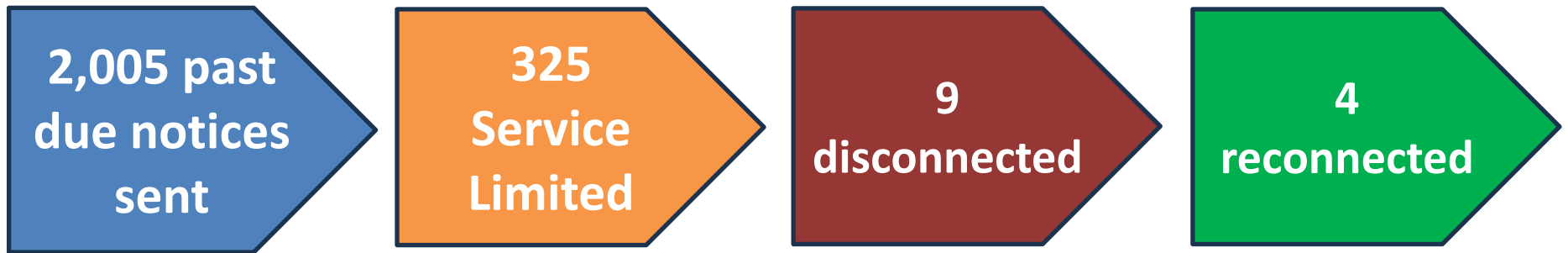
DISCONNECTION STATISTICS: 2020-2024

Year	Past Due Notices Generated*	Disconnections Completed**	Accounts Reopened**
2024 YTD	17,933	62	16
2023	22,731	120	55
2022	22,652	123	54
2021	25,795	73	35
2020	17,202	18	3
TOTAL	106,313	396	163

* From monthly AR report: 2020 includes only May - December; 2024 includes January - September

** From Cutoff Summary Report - Summary of Monthly Activity: 2020 includes entire year; 2024 includes January – September; No disconnections completed March 2020-July 2021

DISCONNECTION STATISTICS: January 2024



DISCONNECTION STATISTICS: 2019-2024

How many more customers are flagged as being at risk of disconnection?

Everyone at risk of service interruption because they've missed their due date is notified via their monthly bill

Is there any notable demographic data not covered by the RMI report?

KIUC does not track demographic data of its members

ANNUAL ARREARS STATISTICS

Year	Total Arrears
2024	\$6,583,490
2023	\$10,180,275
2022	\$8,999,753
2021	\$12,225,025
2020	\$5,557,276
TOTAL	\$43,545,819

2020 includes only May – December

2024 includes January - September

We estimate the average of bad debt writeoffs to be between \$5,000-\$6,000 per month.

COVID-19 STATISTICS

How many customers would have been disconnected during the Covid-19 pandemic if a disconnection moratorium were not in place?

2,084 member accounts were eligible for disconnection between March 2020 and June 2021

How many paid down their arrears before disconnections were resumed?

From March 2021 – December 2021, 557 members signed up for payment arrangement plans

Between August 2021 – December 2021, 73 residential accounts were disconnected for non-payment (35 were reopened)

COST OF MANAGING ARREARS/DISCONNECTIONS

How much do disconnection procedures and arrears management programs cost the utility administratively?

We estimate roughly \$75,000 to \$100,000 per year in staff time is attributable to managing past due collections, service limitation and disconnection activities



Part II: **Internal Disconnection** **Triggers and** **Administrative Process**

TRIGGERS FOR DISCONNECTION

- Governed by Tariff No. 1 Rule 7 – Establishment, Termination and Reconnection of Service
- Service Limitation/Disconnection process is triggered by non-payment of bill of \$200 or more after 25 days

WHAT IS SERVICE LIMITATION?

When your payment is past due, service limiting is meant to give you additional time to make a payment before your service is disconnected. The service limiter provides **approximately 600 watts** to your home which is usually enough to run your refrigerator and a couple lights. Attempts to exceed the 600 watts will trip the limiter, blocking all power to your home.

DISCONNECTION TIMELINE

\$200 or more past due

Day 1	Day 27-33	Day 41-47	Day 48-55	Day 63-70	Day 90-96
Bill mailed, payment due within 25 days.	New bill mailed, includes past due notification and final limit/disconnection warning. Amount due within 14 days.	Residential service limited for 7 days.	Service disconnected and final bill sent.	Inactive letter sent.	Accounts with an outstanding balance will be referred to a collection agency or balances may be transferred to an active account.

ADDITIONAL QUESTIONS

Are there cases where two households with the same arrears may result in different outcomes? What factors does the utility consider?

Outcomes are consistent based on member actions once past due notification is made

- ❖ *Service interruption avoided if full payment received, or Payment Arrangement Plan executed*
- ❖ *Service interruption experienced if no payment made*

Exception: Elderly or Disabled per Tariff Rule No. 7, D. 3.

ADDITIONAL QUESTIONS

How does the utility ensure that the affected customer is not part of a group protected from disconnections?

Members registered as “Elderly or Disabled” are provided additional notifications (door hanger and phone call) prior to service limitation

Per KIUC Tariff Rule No. 7, D. 3.

ADDITIONAL QUESTIONS

What is the typical timeline between an account being triggered for review and the actual shut off? What internal staff and controls are involved?

Day 25: Notification of Past Due Balance on bill

Day 41: Service Limitation

Day 48: Disconnection



Part III: --- Customer Experience Through Disconnection

MEMBER NOTIFICATIONS

Prominent notification on member's bill for past due balance:

- ✓ *Amount past due*
- ✓ *Payment due date*
- ✓ *Warning of potential service limiting or disconnection (if \$200 or more past due)*

MEMBER NOTIFICATIONS

Less than \$200 past due

*** PAST DUE NOTICE ***

Your account has a balance forward that is past due and must be paid in full by 07/09/2024. See information on the back of this bill.

Billing Date	06/25/2024
Account Number	1234001
Service Period	05/22/2024-06/21/2024

Service Summary

Previous Balance	\$68.78
No Payment Received	\$0.00
Balance Forward Due By 07/09/2024	\$68.78
Current Charges Due By 07/20/2024	\$53.25
Total Amount Due	\$122.03

\$200 or more past due

*** FINAL NOTICE ***

DISCONNECTION WARNING

Your account has a balance forward that is past due and must be paid in full by 07/09/2024 **TO AVOID HAVING YOUR SERVICE LIMITED OR DISCONNECTED**. See information on the back of this bill.

Billing Date	06/25/2024
Account Number	12340001
Service Period	05/22/2024-06/21/2024

Service Summary

Previous Balance	\$227.77
Payment(s) Received	<i>Thank you!</i> \$0.00
Balance Forward Due By 07/09/2024	\$227.77
Current Charges Due By 07/20/2024	\$154.89
Total Amount Due	\$382.66

BRINGING AN ACCOUNT CURRENT

How long does a customer have to make a payment between notice and disconnection? Do they need to pay down their entire outstanding balance or only a portion of it? What are their methods of making a payment (e.g. online, in-person, mail-in)?

Member has 14 days from notification of past due balance of \$200 or more to make payment and avoid Service Limitation

Full payment is due to avoid Limitation or Disconnection; Payment Arrangement Plan (PAP) is possible before service limitation takes effect

Payment options include on-line, phone, drop box, automatic bill pay, self-service kiosk. Mail-in is possible however service will not be restored until payment is received

BRINGING AN ACCOUNT CURRENT

Once a shut off occurs, are customers automatically enrolled in arrearage management programs? Are there payment plans available or do they have to pay the entire past-due amount?

*Payment Arrangement Plans (PAP) are available upon member request **prior to** Service Limitation*

Once Service Limitation or Disconnection occurs the past due balance must be paid in full

RECONNECTION

Is there a fee for reconnection, and if so, how much is it? Does this need to be paid upfront, or can it be tagged onto the total amount they owe and paid back over time?

***Service Limitation:** A reconnection fee of either \$20 (for reconnection during normal working hours) or \$40 (for reconnection after normal working hours) is assessed (KIUC Tariff Rule No. 7 C. 1.)*

***Disconnection:** A reconnection fee (same as above) and deposit “...not be less than \$10.00 nor more in amount than the maximum estimated charge for service for two consecutive months, or as may reasonably be required by the Company” is assessed (KIUC Tariff Rule No. 6 A.)*

Must be paid in full to restore service

RECONNECTION

How soon after a customer makes required payments does reconnection occur?

Reconnection can occur on the same day of payment if received prior to 3:00 pm

PAYMENT ASSISTANCE PROGRAMS & OTHER SUPPORT

1. Up to three-month payment arrangement plans
2. KEO Low Income Assistance Program (*funded by KIUC Charitable Foundation*)
3. Catholic Charities Hawaii Utility Assistance Program (*funded by KIUC Charitable Foundation*)
4. Hawaii Home Energy Assistance Program (H-HEAP, formerly LIHEAP)
5. Energy audits, efficiency retrofits
6. Rebate programs



Part IV: --- Closing Thoughts

CHALLENGES AND POTENTIAL REMEDIES

What are the most challenging and costly aspects of residential customer disconnection due to inability to pay to the utility?

The personnel costs are significant when a Field Services Representative (FSR) must go into the field to place service limiter collar on non-standard meters, and then go out again to remove it once the account is paid up.

There are safety concerns whenever KIUC personnel is out in the field.

The same concerns apply for FSRs going into the field to place door hangers for elderly and special needs who are at risk of service limitation.

Uncollected revenues are approximately \$60,000 - \$72,000 annually

CHALLENGES AND POTENTIAL REMEDIES

How would you propose to fix the most challenging and costly aspects of residential customer disconnection, regulatory or otherwise?

As more members transition to standard meters it will reduce personnel costs and improve employee safety.

Mahalo!



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PUBLIC UTILITIES

COMMISSION

F-315267

2022-0250

The foregoing document was electronically filed with the State of Hawaii Public Utilities Commission's Case and Document Management System (CDMS).