ORDER

This is the Commission’s Order regarding the accounting treatment of utility costs incurred due to and during declared public health emergency for COVID-19.

Background

On March 12, 2020, Governor Evers issued Executive Order #72,1 declaring a public health emergency in response to the COVID-19 Coronavirus.2 On March 22, 2020, Governor Evers exercised his authority under Wis. Stat. § 323.12(4)(d) and issued Emergency Order #11, temporarily suspending certain provisions of Wis. Admin. Code chs. PSC 113, 134, and 185 relating to service rules for electric, natural gas, and water public utilities.3 In addition to these actions, the Commission has also initiated an investigation on its own motion in docket 5-UI-120 to ensure safe, reliable, and affordable utility service during the declared public health emergency.

As more fully set forth in Emergency Order #11 and actions taken and to be taken by the Commission in docket 5-UI-120, these actions require public utilities to waive late fees, temporarily suspends disconnections (other than those needed for safety reasons), enables customers who are unable to make a cash deposit to obtain residential service, ensures that

2 COVID-19 is a virus that has not previously infected humans. On March 11, 2020, the World Health Organization officially declared COVID-19 a pandemic.
deferred payment agreements are available not only to residential customers but also to commercial, farm, and industrial customers, and streamlines the process for customers to apply for utility service. Such actions, and other activities that utilities may need to take during this declared public health emergency may result in expenditures and/or foregone revenues to the utility.

**Opinion**

The Commission has jurisdiction under Wis. Stat. §§ 196.02, 196.06, 196.37, and 196.395 to issue an Order authorizing deferred accounting treatment. Wisconsin Stat. § 196.70 also authorizes the Commission to temporarily alter or amend any existing rates, schedules, or orders when the Commission deems it “necessary to prevent injury to the business or interest of the people or any public utility in case of any emergency to be judged of by the [C]ommission…” In making such alterations, the Commission has discretion to adopt requirements that are greater, lesser, or different from the requirements otherwise applicable under the administrative code, based upon considerations relating to “exceptional or unusual situations.” Wis. Admin Code §§ PSC 113.01(2), 134.01(2), and 185.11(4). The Commission is exercising that discretion in docket 5-UI-120.

When determining whether authorization of deferral accounting treatment is appropriate, prior Commission orders have adopted and applied Staff Accounting Statement of Policy 94-01, and those orders set forth the criteria for evaluating the use of the deferral accounting method. The criteria to be considered are: 1) the amount is outside the control of the utility; 2) the expenditure is unusual (e.g. nontypical, noncustomary) and infrequently recurring; 3) the immediate recognition of the expenditure causes the utility serious financial
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harm; and 4) the immediate recognition of the expenditure causes significant ratepayer impact. These criteria can be considered individually or together with other criteria.

The declaration of a public health emergency is an exceptional and unusual situation. Access to safe, reliable, and affordable utility service is essential to maintain public health and safety during this emergency. As a result, the Governor and this Commission have taken steps to ensure continuation of and enhanced access to such services during the declared public health emergency. Responding to these directives and other activities that utilities may need to take during this declared public health emergency may result in the incurrence of expenditures and/or foregone revenue which are outside of the utility’s control. The Commission finds that such expenditures and/or foregone revenue are unusual and infrequently occurring, and could cause the utility financial harm or distort the current year’s income.

Therefore, all electric, gas, steam, and water public utilities are authorized to defer expenditures incurred by the utility resulting from its compliance with Emergency Order #11, orders by the Commission in docket 5-UI-120, and as otherwise required to ensure the provision of safe, reliable and affordable access to utility services during the declared public health emergency for COVID-19. The Commission will review whether continuation or modification to the accounting treatment of such expenditures is warranted after receipt and

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4 The Commission recognizes that there may be foregone revenues. After receipt and review of comments from the utilities pursuant to the Commission’s Notice of Investigation and Request for Comment issued simultaneously with this Order, the Commission will address that issue in a future supplemental order in this docket.

5 To the extent a utility elects, in response to the declared public health emergency, to waive credit card processing fees as provided in docket 5-UI-120, the deferral shall include such expenditures, along with other expenditures attributable to actions taken in response to Emergency Order #11 and as directed by the Commission in docket 5-UI-120.
review of comments pursuant to the Commission’s Notice of Investigation and Request for Comment issued simultaneously with this Order.

Utilities shall track the costs which are the subject of this deferral. The Commission will provide further direction and guidance on tracking and reporting such costs to the Commission after receipt and review of comments pursuant to the Commission’s Notice of Investigation and Request for Comment issued simultaneously with this Order.

This deferral shall continue until a future Commission order on this topic or future rate case proceeding. This deferral authorization is for accounting purposes only and does not bind the Commission to any specific treatment for this item in any future proceeding involving rates or other matters before the Commission.

Dated at Madison, Wisconsin, the 24th day of March, 2020.

By the Commission:

Steffany Powell Coker
Secretary to the Commission

SPC: DL:01727278

See attached Notice of Rights
NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE PARTY TO BE NAMED AS RESPONDENT

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an untimely petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision. The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

6 See Currier v. Wisconsin Dep’t of Revenue, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.