

# **FPSC COVID Workshop**

## **Tampa Electric and Peoples Gas**

July 29, 2020

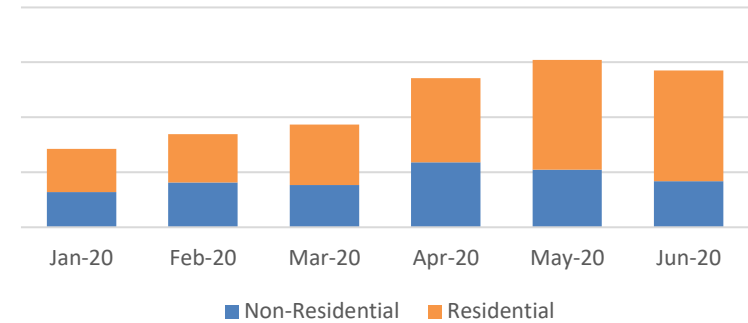
# Customer Accounts Receivable Information

- Dunning
  - In response to the COVID-19 pandemic, Tampa Electric and Peoples Gas announced in March 2020 that disconnections for nonpayment were being suspended.
  - We have encouraged customers to seek assistance and establish payment arrangements to avoid accumulating large balances during this time of not disconnecting for nonpayment.
  - In June 2020, we announced that suspension of disconnects for non-payment was being extended through the end of July.
  - We will continue to work with customers in the coming weeks as we plan to resume disconnections in September.
- Accounts in arrears
  - For Tampa Electric, the total arrears balances have increased by 53% since March 2020. The total arrears balance as a percentage of AR is 25% compared to 13% this time last year.
  - For Peoples Gas, the total arrears balances have increased by 27% since March 2020. The total arrears balance as a percentage of AR is 30% compared to 17% this time last year.
  - Currently, we have ~92K active contracts past due as of the end of June 2020 for Tampa Electric and ~34K active contracts past due as of the end of June 2020 for Peoples Gas.
- Bad debt expense
  - Normally, bad debt is .19% for Tampa Electric and .36% for Peoples Gas. In June 2020, Tampa Electric used a bad debt percentage of 0.40% and Peoples Gas used a bad debt percentage of 0.75%.

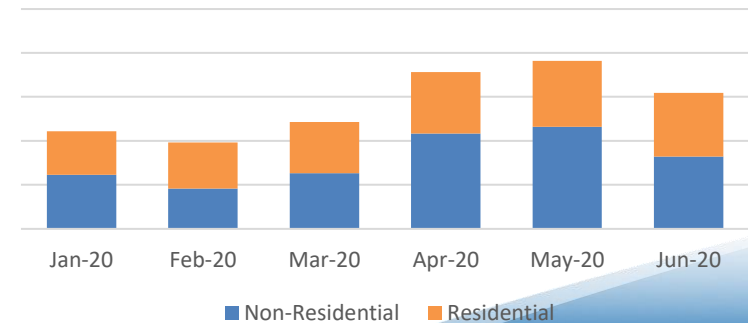
# Customer Accounts Receivable Information

	2020 YTD	2019 YTD	Change
TEC Bad Debt Expense	0.40%	0.19%	0.21%
PGS Bad Debt Expense	0.75%	0.36%	0.39%
TEC Arrears	25%	13%	12%
PGS Arrears	30%	17%	13%

Tampa Electric Arrears



Peoples Gas Arrears



# Assistance to Customers

- Communication
  - We have worked to increase the number of touchpoints per customer with the goal of providing as many opportunities as possible to resolve past due balances. Starting in June, we have completed several rounds of targeted communications to customers with a past due balance and offering our assistance in the form of interest-free flexible payment extensions and customer assistance resources.
  - Our COVID-19 communication has also included energy-efficiency tips, scam warnings, convenient self-service digitalization tools and services, and our support of local non-profits for COVID-19 relief.
- Payment Arrangements
  - We have modified our payment arrangement guidelines to be more flexible and better meet the needs of customers' personal situations. For residential customers, we are asking for an initial down payment of 10% - 30% of the balance owed with the remainder paid monthly via 3-9 month extended payment timelines
- Tampa Electric Midcourse Fuel Credit and Fuel Rate Reduction
  - In March 2020, Tampa Electric requested a mid-course reduction to its fuel and capacity cost recovery factors. In light of the pandemic, the company proposed to accelerate the return of the projected fuel over-recovery to customers with a fuel credit during the months of June through August 2020 and lower fuel factors for the period June through December 2020. The capacity factors also reflect a credit for the months of June through December 2020. The Commission approved the request on April 28, 2020

# Assistance to Customers

- Charitable Assistance

- Share Program: The Salvation Army administers this program which provides assistance to electric and gas customers to help with their utility bills. Contributions are made by customers, company employees and the company itself. The volume of giving and, in turn, assistance has been so great that we have taken extra steps to help the Salvation Army with the application and assistance process. On a special note, a commercial customer, vendor and community partner in the bay area pledged \$50,000 to the Share Program.
- Other payment assistance: The company is partnering with the Tampa Bay Lightning to assist with customers' bills for electric and gas.
- Other community organizations: The company contributed \$500,000 to various community groups that assist customers in other ways, such as food and personal needs.

- Governmental Assistance

- LiHEAP and EHEAP: Federal funds are available to provide assistance to low income and elderly customers of electric and gas companies. The company has greatly increased its facilitation of the application for and delivery of these federal dollars.
- CARES Act: The company is partnering with local governments who have received federal dollars through the CARES Act to help customers pay electric and gas bills. We are involved in helping with the application for and delivery of these assistance dollars.

# Assistance to the Company

## CARES Act Assistance

- Tax provisions available in the CARES Act
  - In the bill passed, there is an opportunity to delay the payment of the employer share of payroll taxes to the federal government. Tampa Electric and Peoples Gas have implemented this provision. This provision is meant to provide companies temporary liquidity relief in the form of payroll tax deferral. The provision is a deferral benefit which moves the timing of the cash payments. The companies will defer the 2020 payments, with 50% due 12/31/2021 and the remaining 50% due 12/31/2022.
  - Also in the bill is an opportunity to apply for an employee retention credit. If the company can take advantage of the credit, the impact could be in the range of \$500K-\$1M. This provision is a refundable payroll tax credit for 50% of wages (capped at \$10,000 wages per employee so \$5,000 max credit per employee) for wages paid to employees in a situation where employees continue to be paid but are not able to perform their work duties due to the COVID-19 pandemic. The companies are still evaluating our potential to implement the employee retention credit. We are waiting for additional IRS guidance as it is not clear whether essential businesses will ultimately be able to claim this credit.