



MEMORANDUM

TO: Steve Adler, Mayor of Austin

CC: Spencer Cronk, City Manager
Rodney Gonzales, Assistant City Manager

FROM: Rondella Hawkins, Telecommunications and Regulatory Affairs Officer *Rondella Hawkins*

DATE: May 7, 2020

SUBJECT: **Non-COA Utilities COVID-19 Relief Measures (Ordinance No. 20200409-083)**

On April 9, 2020, the Austin City Council approved Ordinance No. 20200409-083 authorizing the City Manager to work with other utilities providing service to City residents to facilitate their development and implementation of pandemic-related assistance programs. This memo provides an update regarding measures non-City of Austin utilities are taking for customers who are suffering financial hardship due to the coronavirus pandemic.

I. Electric Utilities and Cooperatives

Austin Energy serves the vast majority of City of Austin residents as well as customers outside the City of Austin. There are three other electric providers who serve Austin residents: electric cooperatives Bluebonnet and Pedernales, and investor-owned utility Oncor.

a. Bluebonnet Electric Cooperative

The Bluebonnet Electric Cooperative Board of Directors met on April 21 and approved a member/owner support package of approximately \$7.5 million planned for 2020. The package includes:

- Capital credits paid early to all members - \$4.2 million,
- Funding to agencies that support our members with bill assistance,
- Contributions to food banks across the Bluebonnet territory,
- Late fees waived,
- Payment arrangements and deferrals, and
- No disconnections for nonpayment.

In addition to this support package, Bluebonnet reduced its rates by \$4.8 million annually prior to the beginning of this year.

b. Pedernales Electric Cooperative (PEC)

The PEC Board adopted a Resolution on Friday, April 17, 2020 addressing COVID-19 response and assistance for members. It includes expanded use of the PEC Member Assistance Program, suspension of disconnects and use of deposits, and a planned rate reduction as summarized below.

Expanded use of the PEC Member Assistance Program:

The PEC Member Assistance Program is the primary method of residential member assistance, which provides assistance to members at or below 250% of the poverty level, and the Board approved the use of the funds available for economic development for a new program granting assistance to small businesses for their electric bills.

Disconnects and Deposits:

PEC waived disconnects and associated fees for 60 days after the state-wide stay-at-home order is lifted. PEC will apply deposits to member accounts.

Rates:

PEC has scheduled a \$6 million rate reduction that takes effect on June 1, 2020.

c. Oncor Electric Delivery

Oncor is a regulated Retail Electric Provider and does not have customer assistance programs. Under a new program called the COVID-19 Electricity Relief Program, the Public Utility Commission ordered Retail Electric Providers to immediately offer a deferred payment plan to any residential customer who requests one, suspend disconnections for residential customers who have been added to the state's unemployment and low-income list due to the effects of COVID-19 until July 17, 2020, and suspend late fees to residential customers until May 15, 2020.

Oncor has not adopted any special rates or discounts in response to COVID-19.

II. Private Natural Gas Utility Distribution Companies

Three natural gas utilities serve City of Austin residents: Atmos Energy, CenterPoint, and Texas Gas Service.

a. Atmos Energy – Mid-Texas Division

Customer Assistance Programs:

Atmos customers may seek financial assistance for payments through the Sharing the Warmth Program through the Catholic Charities in Travis and Williamson Counties and the Travis County Health and Human Services.

Disconnects and deposits:

As of March 15, 2020, Atmos has temporarily suspended disconnections for non-payment. Customers may participate in average billing.

Rates:

Atmos has delayed implementation of their annual Gas Reliability Infrastructure Program rate increase until September 1, 2020.

b. CenterPoint Energy – South Texas Division

Customer Assistance Programs:

The CenterPoint Energy Foundation will contribute \$1.5 million to nonprofit organizations, agencies and causes that are committed to supporting those who have been disproportionately impacted by COVID-19. CenterPoint Energy's COVID-19 Relief Fund will include \$1 million in direct contributions, as well as up to \$500,000 in matching gifts for employees' contributions to qualifying 501(c)3 organizations. - See more at: <https://www.centerpointenergy.com/en-us/business/in-your-community/giving-back?sa=tx#sthash.VXicBQIR.dpuf>

Organizations that are interested in applying for a CenterPoint Energy COVID-19 Relief Fund grant should visit <https://www.cybergrants.com/centerpoint/CovidResponse> - See more at: <https://www.centerpointenergy.com/en-us/business/in-your-community/giving-back?sa=tx#sthash.VXicBQIR.hg4hYo2.dpuf>

Disconnects and deposits:

Temporarily suspended disconnects due to non-payment.

Rates: No reduction in rates. In fact, CenterPoint filed for its Gas Reliability Infrastructure Program interim rate adjustment which will result in rate increase of \$1.55 per residential customer per month. City suspended effective date until June 18, 2020.

c. Texas Gas Service (TGS)

Customer Assistance Programs:

The ONE Gas Foundation has donated \$250,000 to non-profit organizations in Oklahoma, Kansas and Texas to provide emergency relief assistance impacted by COVID-19. Donated funds in Austin will be available through the Austin Community Foundation.

Additionally, financial assistance may be available to eligible low-income households through the Share the Warmth Program, administered by Travis County Health and Human Services, which is funded through federal grants, TGS customer contributions and TGS matching funds.

Disconnects and deposits:

Temporarily suspended disconnections for non-payment.

TGS may participate in average billing.

Rates:

TGS has postponed the effective date of their full rate case increase until September 1, 2020. Negotiations on a settlement are underway to reduce the customer impact.