

**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott, Deputy Chief Financial Officer

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Past due amounts for utility customers eligible for disconnection; disconnection reinstatement plans; and utility assistance under ARPA

**SUMMARY:**

Briefing on past due amounts for utility customers eligible for disconnection at CPS Energy and SAWS, proposed disconnection reinstatement plans, and eligibility of utility assistance under ARPA

**BACKGROUND INFORMATION:**

In early 2020, the outbreak of COVID-19 spread quickly across the globe. On March 11, 2020, the World Health Organization declared a global pandemic. On March 23, 2020, the Mayor and the Bexar County Judge issued declarations ordering non-essential businesses to close and residents to remain at home except for limited purposes for a period beginning March 25, 2020.

Responding to the economic uncertainties faced by their customers, in March 2020, both CPS Energy and SAWS suspended service disconnections and late fees. The stay-at-home order began to lift incrementally starting mid-May 2020. Since the suspension of disconnections, past due accounts receivables at CPS Energy and SAWS have increased and represent a growing portion of total accounts receivable.

The following table presents the number of accounts and past due amounts for utility customers eligible for disconnection as of May 31, 2021 for both CPS Energy and SAWS.

<b>Accounts Eligible for Disconnection as of May 31, 2021</b>		
	<b>Count</b>	<b>Amount Past Due</b>
<b>CPS Energy</b>	77,452	\$72,622,156
<b>SAWS</b>	86,220	\$31,702,074
<b>Total</b>	<b>163,672</b>	<b>\$104,324,230</b>

Both CPS Energy and SAWS have established timelines for the resumption of disconnections and are further developing opportunities to assist customers with past due amounts. In March of 2021 Congress passed the American Rescue Plan Act (ARPA). This legislation recognizes the fiscal impact that local governments like San Antonio have been experiencing and allow for entities to

provide government services to the extent of revenue loss, respond to the negative impact of COVID-19 and other qualified expenditure categories. Additionally, the City has been reviewing the eligibility under ARPA of providing utility assistance to CPS Energy and SAWS customers with past due balances that have been impacted by COVID. Interpretation and clarity of the initial interim rules continues as staff meets with legal, consultants and attends training provided by US Treasury as late as this week. Staff has reviewed the interim rules to determine the best approach to ensure eligibility, administrative ease for all parties and to meet the reporting requirements.

Staff will provide a briefing on these topics.

**RECOMMENDATION:**

This briefing is for informational purposes only.