

Massaro, Luly (PUC)

From: Forgue, Julia <jforgue@CityofNewport.com>
Sent: Monday, July 6, 2020 4:36 PM
To: Massaro, Luly (PUC)
Cc: Yost Jr., William
Subject: [EXTERNAL] : Dkt 5022- Requested Information
Attachments: June Delinquent Notice - 6-3-20.docx

Luly,

The following are Newport Water's responses to the following questions:

- 1) *Have collections have dropped off for residential and non-residential customers over the past fifteen weeks compared to prior months and prior years?*

There was a drop off in collections in the month of March which was not caught up in subsequent periods. April, May, and June collections were comparable to the similar periods last year but the March shortfall was never caught up.

However there has been a drop off in sales to non-residential customers since March. Non-residential sales are down about 33% compared to previous years. Residential and wholesale sales are up somewhat. The increase in residential and wholesale sales does not offset the decrease in non-residential. As we see it the problem arising with the non-residential rate 10% greater than the residential rate and almost twice the wholesale rate. So while overall sales are down somewhat we are also selling less water as projected at the higher retail rate.

- 2) *If so, please quantify the extent of the reduction.*

While collections are comparable to prior periods, there has been an increase in delinquent dollars of approximately \$100,000 from March that was never caught up.

- 3) *What effect has any such reduction had on the utility's cash flow?*

In February the NWD implemented essential only purchasing controls and delayed capital projects in order to alleviate cash flow demands. In April NWD suspended funding the restricted capital bank account in order to help cash flow.

- 4) *Has the Utility been unable to meet its obligation or expect to be unable to meet its obligations in the next two weeks if it cannot commence termination of service as a collection option?*

Because NWD curtailed spending and funding the capital restricted bank account it has been able to keep up to date with its accounts payable obligations and should be able to meet its obligations in the next two weeks without termination of service as a collection option.

The concern is that non-residential consumption has dropped off since the spring. Much of the non-residential revenue is generated during the summer tourist season. If our non-residential customers that depend on the seasonality allow balances to increase with no penalty, NWD is concerned not being able to recover the revenue when the season is over.

5) *Provide any information on plans for termination of service for nonpayment absent an extension of this order.*

Newport Water continues to reach out to our customers that are in arrears to encourage contacting us to setup payment plans. Our efforts have primarily been by Notices added to the monthly bills including advising that interest has temporarily stopped accruing as of May 1st and that there is a moratorium on terminations. In June we issued individual Delinquent Notices to our customers that had balances 90+ days and those customers with a balance 60 days past due. A copy of the Delinquent Notice is attached. The notice did not generate the anticipated response for setting up payment plans. Approximately 100 accounts were targeted and from that 27 made payments in full; 3 payment plans; and 8 made random payments on past due balance without contacting Newport Water.

We plan to review the past due accounts as of July and issue "2nd Delinquent Notices" to accounts targeted in June for which we were not contacted.

Newport Water's concern is that several customers ignore our offers for assistance while past due balances increase. While interest and credit card fees are suspended until September it would be helpful to use termination for non-payment as a tool with our collections for customers that have been non-responsive.

Julia A. Fogue, PE
Director of Utilities
City of Newport
70 Halsey Street
Newport, RI 02840
401-845-5600

June 15, 2020

Owner's Name
Address
City, State Zip

RE: DELINQUENT NOTICE

Account Number _____
Service Location _____
Past Due Amount _____

Dear OWNER'S Name,

Our records indicate that your account referenced above is past due and we have not heard from you to review options for a payment plan. As a reminder payment is due within 30 days from the billing date.

If the past due payment has been paid, please disregard this notice and thank you for your payment.

Please note, the Department of Utilities' COVID -19 related assistance includes a moratorium on termination of service due to non -payment; temporary suspension of interest accruing as of May 1, 2020; and credit card transaction fees are temporarily suspended as of June 1, 2020. Customers are encouraged to pay their Utility Bill to the extent they have the financial ability. If you are experiencing hardship due to the COVID-19 outbreak please contact our office so that we can work with you to set up a payment plan. The payment plan will extend the due dates of your past due balance and avoid a higher balance due later which may become more difficult to manage.

A payment plan on file will avoid a Shutoff Notice being issued when the moratorium on service terminations is lifted. The temporary suspension of interest charges and credit card fees will be reevaluated in September 2020.

To discuss setting up a Payment Plan please contact our Customer Service department at 401-845-5600 or by email at utilitybilling@cityofnewport.com.

Credit card payments can be made online at www.cityofnewport.com . Payments can also be mailed or placed in the drop box located at the bottom of the stairs of the Bull Street entrance to Newport City Hall.

Sincerely,

William Yost, Jr
Deputy Utility Director - Finance