

Operating budget proviso regarding utility arrearages

Section 128 (199), 2022 Supplemental Operating Budget

\$100,000,000 of the coronavirus state fiscal recovery fund federal appropriation is provided solely for grants for public and private water, sewer, garbage, electric, and natural gas utilities to address low-income customer arrearages compounded by the COVID-19 20 pandemic and the related economic downturn that were accrued between March 1, 2020, and December 31, 2021.

(a) By May 27, 2022, each utility that wishes to participate, must opt-in to the grant program by providing the department the following information:

- (i) Current arrearage balances for residential customers as of March 31, 2022; and
- (ii) Available information on arrearage balances of low-income customers, including customers who received assistance from the low-income home energy assistance program, low-income water assistance program, or ratepayer-funded assistance programs between April 1, 2020, and March 31, 2022, as of March 31, 2022. If a utility does not have access to information regarding customer participation in these programs, the department must distribute funding to the community action program serving the same service area as the utility instead of the utility.

(b) In determining the amount of funding each utility may receive, the department must consider:

- (i) Each participating utility's proportion of the aggregate amount of arrearages among all participating utilities;
- (ii) Utility service areas that are situated in locations experiencing disproportionate environmental health disparities;
- (iii) American community survey poverty data; and
- (iv) Whether the utility has leveraged other fund sources to reduce customer arrearages.

(c) The department may retain up to one percent of the funding provided in this subsection to administer the program.

(d) Each utility shall disburse funds directly to customer accounts by December 31, 2022. Funding shall only be distributed to customers that have participated in the low-income home energy assistance program, low-income water assistance program, or ratepayer-funded assistance programs.

(e) Utilities may, but are not required to, work with other utilities or use community action agencies to administer these funds following the eligibility criteria for the low-income home energy assistance program and the low-income household water assistance program.

(f) By March 1, 2023, each utility who opted into the grant program must report to the department, utilities and transportation commission, and state auditor on how the funds were utilized and how many customers were supported.

(g) Utilities may account for and recover in rates administrative costs associated with the disbursement of funds provided in this subsection.

[View the full 2022 operating budget proviso here.](#)