

Governor Establishes Criteria to Resume Utility Cutoffs November

Municipal utilities may resume service cutoffs for nonpayment effective November 6, 2020, under [Governor Andy Beshear's Executive Order 2020-881](#), issued October 19, 2020. However, municipal utilities must follow certain criteria before service cutoffs can resume.

Pursuant to the order, residential customers with arrearages over \$25 that accrued between May 8, 2020, and October 25, 2020, are automatically subject to a repayment plan. Automatic repayment plans must run at least six months and provide equal payments over the course of the plan. Municipal utilities are not required to enroll customers with arrearages of \$25 or less in an automatic payment plan provided that those customers will not be subject to cutoff and will be allowed to enter into a repayment plan under the same terms at their request.

Utilities must notify customers subject to automatic repayment plans with the following: total arrearages, terms of the payment plan, how to submit payment and sources of potential assistance. Existing repayment plans are not impacted by the executive order; however, customers who default on existing repayment plans must be placed into an automatic repayment plan that meets the above criteria.

Municipal utilities must work with customers who request alternative repayment plans. These plans must weigh the customer's circumstances against the utility's income and cash flow.

Beginning November 6, 2020, customers who pay their monthly usage bill and monthly payment obligation under the repayment plan are considered "on-time." Utilities may cut off service to customers who fail to maintain "on-time" status after November 6, 2020, but utilities should work with them to maintain service if possible.

Nothing in the executive order disqualifies anyone for payment assistance. Customers enrolled in an automatic or agreed-upon repayment program that extends for six months after November 6, 2020, will be considered subject to cutoff for the purpose of applying for payment assistance.

The governor created a new payment assistance program using \$15 million in Coronavirus Aid, Relief and Economic Security (CARES) Act funds. Customers can apply to the Healthy at Home Utility Relief fund for past due balances, and the program directly pays utilities. Other noted assistance programs listed in the executive order include:

- The Team Kentucky Fund
- Salvation Army
- United Way
- Catholic Charities
- The One Louisville COVID-19 Response Fund in Jefferson County
- The Association of Community Ministries in Jefferson County
- The Financial Assistance Program of the Louisville Metro Department of Community Based Services
- The Emergency Financial Assistance Program of the Lexington-Fayette Urban Government Division of Community Services
- The Kentucky Low Income Home Energy Assistance Program
- Home energy assistance programs administered by Community Action Kentucky
- Federal Emergency Management Agency Individuals and Households Assistance Program
- Kentucky American Water Help to Others (H2O) Program

The Kentucky Municipal Utilities Association created a model press release and notice to customers subject to automatic repayment plans that comply with the executive order's notice requirements. (Model Press Release; Model Notice) Each document contains bold, underlined language that indicates where a municipal utility should enter individualized information.

For any questions related to this article, please contact the Municipal Law Department at (859) 977-3700.

[Sample Letter to Resume Utility Disconnects](#)

[Sample News Release Utility Cutoffs](#)