

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	:	
On Its Own Motion	:	
	:	20-NOI-01
Notice of Inquiry Regarding	:	
Energy Affordability	:	
	:	

NOTICE OF INQUIRY

**I. Background**

In the Energy Assistance Act, the Illinois General Assembly found:

the health, welfare, and prosperity of the people of the State of Illinois require that all citizens receive essential levels of heat and electric service regardless of economic circumstance

and

low-income households are unable to afford essential utility services and other necessities, such as food, shelter, and medical care; the health and safety of those who are unable to afford essential utility services suffer when monthly payments for these services exceed a reasonable percentage of the customer's household income; costs of collecting past due bills and uncollectible balances are reflected in rates paid by all ratepayers; society benefits if essential utility services are affordable and arrearages and disconnections are minimized for those most in need.

*305 ILCS 20/2(a)(1) and (5)*. The Public Utilities Act provides that:

It is therefore declared to be the policy of the State that public utilities shall continue to be regulated effectively and comprehensively. It is further declared that the goals and objectives of such regulation shall be to ensure ... (d) Equity: the fair treatment of consumers and investors in order that ... (viii) the rates for utility services are affordable and therefore preserve the availability of such services to all citizens.

*220 ILCS 5/1-102*. The Commission's rules governing service to consumers are intended:

to ensure that essential utility services are provided to and maintained for the People of the State of Illinois under reasonable terms and conditions, and to establish fair and equitable procedures governing eligibility for service, deposits, billing, payments, refunds and disconnection for gas, electric, water and sanitary sewer utilities that take into account the duty of the utility, customer, applicant and occupant to demonstrate good faith and fair dealing.

*83 Ill. Admin. Code 280.5.*

Recent resolutions adopted by the National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Utility Consumer Advocates (NASUCA) recognize, among other things, that despite protracted and ongoing efforts to provide financial and other support to customers, “many utility customers have chronic difficulties paying their utilities in full, which can result in disconnection of service by the utility for nonpayment.” NARUC and NASUCA resolved:

...that States should consider requiring utilities to (1) collect monthly data that tracks uncollectables [sic], number of payment arrangements, number of payment arrangement defaults, number of revised payment arrangements, disconnections, reconnections, duration and frequency of disconnections and other relevant data points; (2) make the data publicly available on a monthly basis, delineated by general residential customers and those receiving low-income assistance; and (3) file the data with state public utility commissions to be published on the public utility commission’s website so that policy makers might have access to sufficient, objective and granular data for forming public policy aimed at protecting the public health, safety and welfare.

*Resolution of Best Practices in Data Collection and Reporting for Utility Services Delinquencies in Payments and Disconnections of Service, adopted by NASUCA November 18, 2019 and adopted by the NARUC Board of Directors, November 19, 2019.*

Consistent with the findings of the Illinois General Assembly, the Commission is interested in examining the concerns expressed in the NARUC and NASUCA resolution,

understanding how the recommendations contained in the NARUC and NASUCA resolution comport with existing rules and regulations, understanding the Commission's ability to effectuate the recommendations under existing rules and regulations, and understanding the potential effects of implementing such recommendations. More broadly, the Commission is interested in evaluating what information is available regarding the affordability of utility services, what the current state of the affordability of utility services is, and the impact on affordability of current programs and measures.

Accordingly, the Commission initiates this Notice of Inquiry ("NOI") as a vehicle for gathering information on these matters.

## **II. Applicable Law – NOI**

The Commission's rules with respect to NOIs are found in 2 Ill. Adm. Code 1700, Subpart D. As per Section 1700.330, this Notice of Inquiry proceeding is not a rulemaking, and the information gathered may or may not form the basis for the initiation of rulemaking or for other purposes at a later date. 2 Ill. Adm. Code § 1700.330.

## **III. NOI Manager**

Section 1700.310 of the Commission's NOI rules requires the designation of an NOI Manager to conduct discussions as are necessary to address the issues raised in the Commission's directive for an NOI. The NOI Manager in this case will be Jim Zolnierek. For correspondence, please note:

### Mailing Address:

Jim Zolnierek  
Illinois Commerce Commission  
527 E. Capitol Ave.  
Springfield, IL 62701

Telephone: 217-785-5278  
e-mail: Jim.Zolnierrek@illinois.gov

#### **IV. NOI Questions and Issues**

The following questions are divided between questions directed at utilities and questions directed at all interested parties including utilities. This division is designed to make responding easier by directing interested parties to the questions that they are most likely to be able to answer. The division is not intended to limit any party's ability to respond to any of the questions posed. Parties are encouraged to respond to all questions that they can answer.

##### **Public Utilities**

Public utilities are requested to respond to the following questions with information relevant to the services and products that each such utility provides:

##### **A. Information and Reporting**

1. Please provide the following information.<sup>1</sup> Please provide the information by month and calendar year for periods beginning with January 1, 2013 and through December 31, 2019. If the information is not available, please address the feasibility of providing the information and include any recommendations regarding the format and other relevant parameters related to filing the information.
  - a. the number of residential customer accounts that were disconnected during the period for non-payment and that remained disconnected (displacement) during the entire period;
  - b. the number of residential customer accounts that were disconnected during

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<sup>1</sup> If information is currently reported to the Commission in another report, please identify the report and the entity to which it is reported (e.g., Chief Clerk's Office, Director of the Financial Analysis Division, etc.).

the period and reconnected within 12 months;

- c. the number of residential customer accounts that received service and had past due balances;
  - d. the number of residential customer accounts that were on deferred payment arrangements;
  - e. the number of residential customer accounts that were on an arrearage reduction program;
  - f. the number of residential customer accounts for which the utility required a deposit and the average size of residential deposits;
  - g. the number of residential customer accounts that provided a medical certificate in response to a disconnection notice;
  - h. the amount of payment and the number of residential customer accounts that received bill payment assistance, including but not limited to low-income energy assistance programs such as the Low-Income Home Energy Assistance Program (LIHEAP), state programs such as the Percentage of Income Payment Program (PIPP), utility programs, and social service programs such as Catholic Charities, Salvation Army or other charitable service organizations.
2. Please provide the following information.<sup>2</sup> Please provide this information by census block, census block group, census tract, zip code, zip code plus four and/or as many categories as you have available. Please provide the information both by month and calendar year for periods beginning with January 1, 2013 and through

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<sup>2</sup> If information is currently reported to the Commission in another report, please identify the report and the entity to which it is reported (e.g., Chief Clerk's Office, Director of the Financial Analysis Division, etc.).

December 31, 2019. If the information is not available, please address the feasibility of providing the information and include any recommendations regarding the format and other relevant parameters related to filing the information.

- a. Number of accounts that received:
  - a. LIHEAP –Direct Vendor Payment
  - b. LIHEAP Reconnection/Emergency Assistance
  - c. Participated in PIPP
- b. Number of accounts that entered into a Deferred Payment Agreement (DPA) and:
  - a. Average arrearage amount
  - b. Average monthly installment payment amount
  - c. Average length of DPA
  - d. Number of DPAs by length of DPA (number of months)
  - e. Number of DPA defaults
  - f. Number of DPA reinstatements
  - g. Number of DPA renegotiations
  - h. Number of DPA successfully completed
  - i. Number of accounts that received energy service from an independent (natural gas or electricity) provider.
- c. Number of accounts that were involuntarily disconnected for non-payment, including the number of such accounts that received energy service from a competitive retail (natural gas or electricity) provider.
- d. Number of accounts that were involuntarily disconnected during the period

and that also had been disconnected previously within 24 months for non-payment.

- e. Number of accounts that were involuntarily disconnected for furnace red-tag.
- f. Number of accounts that were on an arrearage reduction program.
- g. Number of chapter 7 or chapter 13 bankruptcies notices received where the utility is listed as a creditor.
- h. Is the above information by census block, census block group, census tract, zip code, or zip code plus four available electronically for mapping purposes? If not, why not and how can mapping be enabled with the information maintained by the utility?

#### B. Credit and Collections Practices

- 1) Please identify and describe formal, written, and informal collection practice procedures.
- 2) If actual collection practices are different from formal or written procedures, explain the rationale for the modification.
- 3) Identify how you can improve your existing collection practices and any plans for doing so.
- 4) Please identify and describe the training for utility representatives who interact with consumers (Customer Services Representatives or CSRs) and the tools available for consumers who have billing issues, such as:
  - a) determining consumers' ability to pay their bills and challenges for consumers in doing so

- b) eligibility for public or private bill assistance
  - c) referrals to assistance programs and community services
  - d) consumer communication impediments.
- 5) Please identify and describe tools used to encourage payment, including but not limited to detailed terms of deferred payment arrangements (including length of pay-back period and amount of payments), waiver of fees, and other discretionary accommodations.
- 6) Please identify and describe tools to reduce delinquencies and disconnections, including new or expanded bill affordability programs such as percentage of income payment plans, discount rates, consumer education, expanding existing shutoff protections, customer payment plans, and flexible bill due dates.

**All Interested Persons**

Public utilities, interested persons and entities are requested to respond to the following questions and issues:

C. Definitions

- 1) How should the following terms be defined? Are there federal or other state standards or guidelines that more clearly define these terms?
- a) Affordability
  - b) Low-Income
  - c) Critical Medical Needs Customers
  - d) Delinquency
  - e) Disconnection



- f) Displacement
  - g) Reconnection
  - h) Vulnerable Customers
- 2) Are there other undefined terms that are critical to understanding utility service affordability and/or the ability of customers to receive essential levels of electric, natural gas, water and sewer services and, if so, how should such terms be defined?

D. Information Collection and Reporting

- 1) Please identify any changes that could be made to current information reporting requirements that would better inform the Commission regarding service affordability and/or the ability of customers to receive essential levels of utility services including the entities that should be required to provide the information. In your response please also address the format of such information collection, the authority for compelling the production of such information, and how the information should be publicly reported.
- 2) Please identify any additional information that might be collected that would better inform the Commission regarding service affordability and/or the ability of customers to receive essential levels of utility services including the entities that should be required to provide the information. In your response please also address the format of such information collection, the authority for compelling the production of such information, and how the information should be publicly reported.

E. Assistance Programs

- 1) What assistance programs are available to residential customers that help them pay for utility service and receive a continuous supply of essential utility services and how effective are these programs?
- 2) What changes could make the programs more effective?
- 3) Identify appropriate criteria for evaluating program effectiveness.
- 4) What portion of the eligible population is served by existing assistance programs?
- 5) What outside sources of funding other than the identified assistance programs do residential customers use to pay past due utility bills, such as tax refunds, credit cards or personal loans?
- 6) Are there programs not currently available in Illinois, including programs adopted in other states, that could increase affordability and/or the ability of customers to receive essential levels of electric, natural gas, water and sewer services?

F. Credit and Collections Practices

- 1) Please identify and describe best collection practices and how existing collection practices can be improved.
- 2) Please identify and describe any concerns regarding privacy associated with collecting, storing and/or sharing of consumer information.
- 3) Within the following subjects as they relate to affordability, please identify and describe practices/concepts that are currently working well, areas that can be improved and ideas/plans for improvement:
  - a) Communications/Outreach
  - b) CSR tools to identify consumer budget needs/challenges
  - c) Encouraging payment

- d) Referrals to Community Services
- e) Privacy and Consumer concerns about sharing data

G. Energy Efficiency Measures

- 1) What current utility energy efficiency programs aimed at increasing the affordability and/or the ability of customers to receive essential levels of electric services are available and how effective are they?
- 2) What energy efficiency information, surveys or other data are available that address the effect of utility energy efficiency program participation on affordability and/or the ability of customers to receive essential levels of electric services?
- 3) With respect to energy efficiency technology penetration:
  - a) How many customers continue to use incandescent light bulbs?
  - b) How many customers have advanced thermostats?
  - c) What existing energy efficiency technologies, if more widely deployed, can increase affordability and/or the ability of customers to receive essential levels of electric services?
- 4) What changes could be made to utility energy efficiency programs to make them more effective at increasing the affordability and/or the ability of customers to receive essential levels of electric services?
- 5) How effective are weatherization programs currently available to customers at increasing affordability and/or the ability of customers to receive essential levels of electric and natural gas services?
- 6) Identify obstacles faced by low-income consumers that prevent them from participating in weatherization programs?

- 7) What changes could be made to weatherization programs to make them more effective at increasing the affordability and/or the ability of customers to receive essential levels of electric services?

#### H. Distributed and Community Solar

- 1) What distributed and community solar programs are currently available to customers that increase affordability and/or the ability of customers to receive essential levels of electric services, how effective are the programs at achieving these objectives, and what changes could make the programs more effective?
- 2) Are there programs not currently available in Illinois, including programs adopted in other states, that could increase affordability and/or the ability of customers to receive essential levels of electric services?

#### V. **Form and Content of Documents Distributed in this NOI**

Consistent with Section 1700.350 of the Commission's NOI rules:

- a) An original and three copies of all comments, reply comments, and other documents should be submitted to the Chief Clerk of the Commission on or before the date stated in the NOI. The distribution of such copies will be as follows:
  - 1) Chief Clerk — Springfield
  - 2) Chicago Office
  - 3) Office of Chairman & Commissioners — Chicago
- b) In addition to providing comments and other documents set forth above, interested persons and entities are requested to e-mail the same in electronic form (preferably Adobe pdf) to [Jim.Zolnierrek@illinois.gov](mailto:Jim.Zolnierrek@illinois.gov). The NOI Manager will take steps to ensure that copies of all documents filed in the proceeding are posted to the Commission's web site, [www.icc.illinois.gov](http://www.icc.illinois.gov).

- c) Copies of all documents filed in the proceeding will be available for public inspection at the Chief Clerk's office in Springfield and the Commission's Chicago office.
- d) A copy of the list of participants may be acquired from the NOI Manager.

## **VI. Schedule**

The schedule for this NOI shall be as follows, unless altered by the NOI Manager with adequate public notice provided:

- Submission of initial comments (pursuant to 2 Ill. Adm. Code 1700.340 (b)): 60 days from the date the Governor of Illinois announces the end of the COVID-19 state of public health emergency.
- Submission of reply comments (pursuant to 2 Ill. Adm. Code 1700.340 (c)): 30 days upon submission of the initial comments.

The Commission anticipates that additional rounds of comments might be of benefit and therefore authorizes the NOI Manager to schedule further rounds, with adequate public notice provided, if he believes that additional comments would be helpful.

Participants are encouraged by the Commission to share their data and other information pertinent to the issues to be addressed in this NOI with other participants, if requested.

Initiated this 18th day of March, 2020.

(SIGNED) CARRIE ZALEWSKI

Chairman