

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission :
On Its Own Motion :
 :
In the Matter of Moratorium on :
Disconnection of Utility Services during : **20-0309**
the Public Health Emergency Declared :
on March 9, 2020 pursuant to Sections 4 :
and 7 of the Illinois Emergency :
Management Agency Act. :

ORDER

By the Commission:

I. BACKGROUND

In an Emergency Interim Order entered on March 18, 2020, the Illinois Commerce Commission (“Commission”) imposed a moratorium on the disconnection of utility services and the imposition of late fees by electric, natural gas, and water and sewer utilities subject to the Commission’s jurisdiction during the public health emergency declared by Governor JB Pritzker on March 9, 2020 as a result of the COVID-19 pandemic. In the same Order, the Commission directed the subject utilities to formulate and follow, on a temporary basis, more flexible credit and collection procedures and to submit those plans to the Commission for its consideration and approval. By these means, customer access to essential utility services could be improved throughout the public health emergency. The initial proclamation of emergency was in effect through April 30, 2020. The Governor has since issued subsequent proclamations of emergency, which have effectively extended the period of the emergency until June 28, 2020.

The parties to this proceeding have been engaged in productive discussions on ways in which to reach agreement and expeditiously resolve the issues presented in the docket. These discussions have now resulted in two Stipulations, which have received the unanimous support of the parties to each Stipulation and Staff of the Commission (“Staff”). Together, the parties to the two Stipulations, and the parties that do not object, comprise all of the parties that have appeared in the docket.

For ease of reference, the two Stipulations divide the utility parties into groups, based essentially upon the size of the utilities that are parties to each. The large utilities are Aqua Illinois, Inc. (“Aqua”), Illinois-American Water Company (“Illinois-American”), Utility Services of Illinois, Inc. (“Utility Services”), Ameren Illinois Company d/b/a Ameren Illinois (“Ameren Illinois”) (subject to differing Stipulated terms in its respective capacities as a gas utility and electric utility), Northern Illinois Gas Company d/b/a Nicor Gas

Company (“Nicor Gas”), North Shore Gas Company (“North Shore”), The Peoples Gas Light & Coke Company (“Peoples Gas”), and Commonwealth Edison Company (“ComEd”) (collectively referred to as the “Large Utility Group”). The Joint Consumer Parties consist of the Office of the Attorney General on behalf of the People of the State of Illinois (“AG”), the City of Chicago (as to the commitments of the City, Peoples Gas, and ComEd), Community Organizing and Family Issues (“COFI”), the Citizens Utility Board (“CUB”), Legal Aid Society of Metropolitan Family Services, and Allen Cherry. With Staff, the parties to the first Stipulation have entered into the Stipulation “as a means to provide specific consumer protections and regulatory clarity on the issues in this Proceeding during a time of great uncertainty.” First Stipulation at ¶ 1. On June 10, 2020, Staff filed the Stipulation on e-docket as Exhibit A to its Unopposed Motion for Entry and Approval of Stipulation. This Stipulation will be referred to hereafter as the Large Utility Stipulation.

The parties to the second Stipulation are the following: Consumers Gas Company (“Consumers Gas”), Illinois Gas Company (“IGC”), Liberty Utilities (Midstates Natural Gas) Corp. (“Liberty”), MidAmerican Energy Company (“MEC”), and Mt. Carmel Public Utility Company (“Mt. Carmel”), as well as each of the previously-identified Joint Consumer Parties, and Staff. These parties likewise enter into the Stipulation “as a means to provide specific consumer protections and regulatory clarity on the issues in this Proceeding during a time of great uncertainty.” Second Stipulation at ¶ 1. On June 17, 2020, Staff filed this Stipulation on e-docket as Exhibit A to its Unopposed Motion for Entry and Approval of Stipulation. This Stipulation will be referred to hereafter as the Small Utility Stipulation.

II. STIPULATIONS

As stated in the Large Utility Stipulation, the parties agree that this proceeding may be resolved and concluded by agreement, the terms of which the Large Utility Stipulation Parties have set forth in the Large Utility Stipulation. A copy of the Large Utility Stipulation is attached to this Order as Appendix A. The Stipulation describes in detail the undertakings and commitments of the Large Utilities with regard to the continued provision of utility services during the Large Utility Stipulated Moratorium Period. In the Large Utility Stipulation, the Stipulation Parties agree that each Stipulation Utility has complied with the directives in the Emergency Interim Order. In provisions applicable to all the Large Utilities, the Large Utility Stipulation includes provisions and requirements relating to utility credit and collections procedures, including a continuation of the moratorium on disconnections for nonpayment and the imposition of late fees, required communications to residential customers regarding payment assistance and reconnection, the waiver of reconnection fees, deferred payment arrangements, deposit requirements for new customers, and credit reporting.

For Water Utilities and Gas Utilities specifically, the Large Utility Stipulation contains provisions addressing costs incurred by those utilities as a result of the COVID-19 pandemic, the use of special purpose riders to recover those costs, and the Commission’s future review of the prudence and reasonableness of that spending. The Large Utility Stipulation also requires the Water and Gas Utilities to develop bill payment assistance programs for eligible customers. Finally, for the Electric Formula Rate Utilities, the Large Utility Stipulation contains provisions applicable to COVID-19 costs and the

recovery of those costs through their formula rates and changes to certain accounting practices. The Stipulation also requires the Electric Formula Rate Utilities to create bill payment assistance programs. Additional information regarding the utilities' bill assistance payment programs is found in the addenda to the Large Utility Stipulation.

Staff submitted the Verified Statement of Richard W. Bridal II. Mr. Bridal, the Director of the Commission's Financial Analysis Division, states that he took part in the discussions and negotiations leading up to the Large Utility Stipulation and has reviewed and is familiar with the Large Utility Stipulation. Mr. Bridal offers his opinion that, if the Large Utility Stipulation is adopted, each utility that is a party to the Stipulation will offer revised credit and collection policies and procedures that are more flexible than the minimum provided for in 83 Ill. Adm. Code 280 ("Part 280"), in compliance with the Emergency Interim Order. Mr. Bridal also offers his opinion that the methodologies each utility will use to recover costs associated with the COVID-19 health emergency, with implementation of the moratorium on disconnection and with implementation of the revised, more flexible credit and collection policies and procedures, are just and reasonable and consistent with the requirements of the Public Utilities Act ("Act").

As is the case with the Large Utility Stipulation, the parties to the Small Utility Stipulation agree that this proceeding may be resolved and concluded by agreement, the terms of which the Stipulation Parties have set forth in the Stipulation. A copy of the Small Utility Stipulation is attached to this Order as Appendix B. Also, the Small Utility Stipulation describes in detail the undertakings and commitments of the Small Utilities with regard to the continued provision of utility services during the Small Utility Stipulated Moratorium Period. In provisions applicable to all the Stipulation Utilities, the Stipulation includes provisions and requirements relating to utility credit and collections procedures, including a continuation of the moratorium on disconnections for nonpayment and the imposition of late fees, required communications to customers regarding payment assistance and reconnection, the waiver of reconnection fees, deferred payment arrangements, deposit requirements for new customers, and credit reporting.

The Small Utility Stipulation contains provisions addressing costs incurred by those utilities as a result of the COVID-19 pandemic, the use of special purpose riders or accounting deferrals to recover those costs, and the Commission's future review of the prudence and reasonableness of that spending. The Stipulation also requires those utilities electing to employ special purpose riders for cost recovery to develop bill payment assistance programs for eligible customers. Copies of the utilities' bill assistance payment programs are included as addenda to the Stipulation.

Staff also submitted Mr. Bridal's Supplemental Verified Statement of Richard W. Bridal II. Mr. Bridal states that he took part in the discussions and negotiations leading up to the Small Utility Stipulation and has reviewed and is familiar with the Small Utility Stipulation. Mr. Bridal offers his opinion that, if the Small Utility Stipulation is adopted, each utility that is a party to the Stipulation will offer revised credit and collection policies and procedures that are more flexible than the minimum provided for in Part 280, in compliance with the Emergency Interim Order. Mr. Bridal also offers his opinion that the methodologies each utility will use to recover costs associated with the COVID-19 health emergency, with implementation of the moratorium on disconnection and with

implementation of the revised, more flexible credit and collection policies and procedures, are just and reasonable and consistent with the requirements of the Act.

III. COMMISSION ANALYSIS AND CONCLUSION

The Commission finds that the terms of each of the Stipulations are reasonable and that they provide an appropriate resolution for this docket. The Commission has the authority to adopt a settlement proposal that has the unanimous support of the parties and is otherwise appropriate. See *Bus. and Prof'l People for the Pub. Interest v. Ill. Commerce Comm'n*, 136 Ill. 2d 192, 216-17 (1989). Here, the Commission is adopting two settlement proposals that, taken together, have the unanimous support of, or are not opposed by, all of the parties that have appeared, and resolve all contested issues between and among the parties to each Stipulation; the Illinois Industrial Energy Consumers ("IIEC") do not oppose either Stipulation. While certain very small utilities are not parties to either Stipulation, the very small utilities in question are also not bound by either Stipulation. The very small utilities in question are in all cases water utilities serving fewer than 250 customers; together, these utilities serve approximately 600 customers. Further, none of the very small utilities in question have appeared in this proceeding, and thus none are parties to it. In addition, the Commission gives substantial weight to Mr. Bridal's opinion that the terms of each Stipulation comply with the Emergency Interim Order and the Act and are otherwise just and reasonable. Mr. Bridal further states that Staff has prepared tariffs which incorporate terms and conditions in compliance with the Emergency Interim Order and conveyed these tariffs to the very small utilities for these utilities to execute and return. Accordingly, the Commission approves and adopts the terms of each Stipulation, as attached to this Order, as a settlement of this docket when taken together.

IV. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) the Commission has jurisdiction over the parties to this proceeding and the subject matter of this proceeding;
- (2) the findings of fact and the conclusions of law set forth in the prefatory portion of this Order are supported by the record and are adopted as findings of fact and conclusions of law;
- (3) through the two Stipulations, the respondent utilities have agreed to various commitments and undertakings with regard to the continuation of utility services, the recovery of associated costs, customer assistance, and other pertinent matters related to the provision of essential utility services during the present public health emergency;
- (4) the parties have agreed to accept or have not objected to each Stipulation as a resolution of the matters involved in this docket;
- (5) the utilities to the Stipulations are authorized to file, on less than forty-five (45) days' notice, tariffs that are necessary to effectuate the terms of the Stipulation applicable to the utility;

- (6) the two Stipulations, taken together, have the unanimous support of, or are not opposed by, all of the parties that have appeared and resolve all contested issues between and among the parties to each Stipulation; and
- (7) the terms and conditions of each Stipulation agreed upon by the parties are reasonable and an appropriate resolution of this docket, in light of the present health emergency.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the Stipulations as reflected in the attached Appendices A and B are hereby adopted as the full and complete resolution of this docket.

IT IS FURTHER ORDERED that the utilities that are party to the Stipulations may file, on less than forty-five (45) days' notice, tariffs that are necessary to effectuate the terms of the Stipulation applicable to the utility.

IT IS FURTHER ORDERED that if Staff believes that any of the stipulating utilities have failed to comply with any of the terms and conditions of the Stipulation applicable to that utility, Staff may request that the Commission reopen this docket to make a determination whether the utility has failed to comply with the applicable Stipulation, seek such other or further relief before the Commission that is warranted and appropriate, and request or recommend to the Commission that it enforce the applicable Stipulation as authorized by law.

IT IS FURTHER ORDERED that any motions, petitions, objections, or other matters in this proceeding that remain outstanding are hereby disposed of consistent with the conclusions herein.

IT IS FURTHER ORDERED that pursuant to Section 10-113(a) of the Public Utilities Act and 83 Ill. Adm. Code 200.880, any application for rehearing shall be filed within 30 days after service of the Order on the party.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 18th day of June, 2020.

(SIGNED) CARRIE ZALEWSKI

Chairman