

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission
On Its Own Motion

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20-NOI-01

Notice of Inquiry Regarding
Energy Affordability

INITIAL COMMENTS OF LIBERTY MIDSTATES

Liberty Utilities (Midstates Natural Gas) Corp. (“*Liberty Midstates*” or the “*Company*”) submits these initial comments to the Illinois Commerce Commission (“*Commission*”) in response to its Notice of Inquiry in this docket. As a hometown company, Liberty Midstates understands the communities in which we serve. Our slogan is “Local and Responsive. We Care. Liberty Midstates lives in and supports the communities we serve. We deliver safe and reliable service with care and integrity.”

Consistent with this focus and commitment, Liberty Midstates is concerned about the affordability of our service and the natural gas commodity we provide to our customers. We make a consistent practice of working with customers who are experiencing a hardship paying for essential services. When all of us were hit with the COVID-19 Pandemic we ceased disconnections and made other commitments to ease the burden on our customers before the Commission issued its interim order. And in response to that order, and in the proceeding that followed, we took strong positions to help our customers weather this emergency. This included a moratorium on disconnections for residential customers through March 31, 2021.

Liberty Midstates provides customers with information on payment assistance. In response to the pandemic Liberty Utilities has implemented the following policies that can be found on our website:

Disconnections, Fees, and Special Payment Arrangements Update

As our state moves toward re-opening businesses and resuming normal operations, we have extended our suspension of disconnections for nonpayment until at least March 31, 2021 for Illinois customers. In doing so we are concerned that some customers may accrue a large unpaid balance that could be difficult to pay when collection activities resume. Here are some important things you should know:

- A. Our primary goal is to work with you to avoid unmanageable bills, service disconnection, or additional fees.
- B. We have expanded our Special Payment Arrangement (SPA) programs for residential customers to allow for additional time, up to 24 months, to spread out past due balances and make payments more manageable.
 - 1. If your financial situation changes such that you default on your SPA, you will have the opportunity to re-establish your SPA with the same terms and conditions as your original.
 - 2. Deferred payment deposits are capped at 10%.
- C. Most residential fees and certain other financial requirements will be waived until further notice. These fees include:
 - 1) Late payment fees
 - 2) Returned check charges
 - 3) Service reconnection fees during regular working hours on the next business day
 - 4) Late payment or slow payment deposits
 - 5) Extended winter deferred payment arrangements and winter deposit rules

- D. If you have previously been disconnected for non-payment and you have not reconnected your service, please contact us to discuss your reconnection options.
- E. We are monitoring various agencies who may be able to provide financial assistance for some portion of your bill so call us to learn more.
- F. Our representatives stand ready to help develop a plan that works best for you, but it is critical you call us as soon as possible at 855-872-3242 to make arrangements for your account before bills become unmanageable. Once we resume disconnections, we expect our call volume to increase significantly. This may result in longer wait times. Thank you in advance for your patience.

We offer additional flexibility for our low-income customers and customers who certify financial hardship as set forth in our commitments in Docket 20-0309.

Liberty Midstates recently announced the Illinois Bill Payment Assistance Program. This program was created to provide eligible residential customers with relief from high gas utility debt incurred as a result of financial hardship caused or heightened by the COVID-19 pandemic.

Liberty Midstates looks forward to working with the Commission and other stakeholders in this inquiry into affordability of utility service in Illinois. In support of this inquiry we provide the following information in response to the Commission's questions in Section IV of the NOI (references to questions are to parts of Section IV) directed to public utilities:

PUBLIC UTILITIES

A. Information and Reporting

- 1. Please provide the following information. 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;***

Liberty Midstates Response: Please see Exhibit A.1.a.pdf.

- b. the number of residential customer accounts that were disconnected during the period and reconnected within 12 months;***

Liberty Midstates Response: Please see Exhibit A.1.b.pdf.

- c. the number of residential customer accounts that received service and had past due balances;***

Liberty Midstates Response: Please see Exhibit A.1.c.pdf.

- d. the number of residential customer accounts that were on deferred payment arrangements;***

Liberty Midstates Response: Please see Exhibit A.1.d.pdf.

- e. the number of residential customer accounts that were on an arrearage reduction program;***

Liberty Midstates Response: The Company did not have an arrearage reduction program during the data collection timeframe.

- f. the number of residential customer accounts for which the utility required a deposit and the average size of residential deposits;***

Liberty Midstates Response: Liberty Midstates does not require a deposit for new customers. Existing or reconnected customer deposit amounts are based on a customer usage history and low income status. Please see Exhibit A.1.f.pdf.

- g. the number of residential customer accounts that provided a medical certificate in response to a disconnection notice;***

Liberty Midstates Response: Please see Exhibit A.1.g.pdf.

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.

Liberty Midstates Response: Please see Exhibit A.1.h.pdf.

2. 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 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.

For all of the questions in part 2 of the NOI, Liberty Midstates does not have systems that make data readily available by census block, census block group, census tract, zip code, or zip code plus four. Our operational systems do not capture the necessary data for mapping at the levels requested. In order to map the data, extensive revisions and/or coding updates will be necessary. Changing our systems to permit reporting on this basis would require extensive IT programming resources and costs. It would also take considerable time to perform these changes. We do not believe it is feasible to undertake such a project, particularly where the costs would be borne by our relatively small Illinois customer base. This is particularly true where the benefit would be minimal—we are a part of the communities we serve and we know our customers and are able to work with them using our current systems.

a. Number of accounts that received:

- a. LIHEAP –Direct Vendor Payment**
- b. LIHEAP Reconnection/Emergency Assistance**
- c. Participated in PIPP**

Liberty Midstates Response: Please see our general response to question A.2.

For (c), PIPP does not apply to Liberty Midstates customers.

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.**

Liberty Midstates Response: Please see our general response to question A.2.

For (i), we have no DPAs with accounts that received energy service from an independent 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.

Liberty Midstates Response: Please see our general response to question A.2.

For aggregate data for all Illinois customers, please see Exhibit A.1.a.pdf.

d. Number of accounts that were involuntarily disconnected during the period and that also had been disconnected previously within 24 months for non-payment.

Liberty Midstates Response: Please see our general response to question A.2.

For aggregate data for all Illinois customers, please see Exhibit A.1.a.pdf.

e. Number of accounts that were involuntarily disconnected for furnace red-tag.

Liberty Midstates Response: Data is not available.

f. Number of accounts that were on an arrearage reduction program.

Liberty Midstates Response: The Company did not have an arrearage reduction program during the 2013-2019 time period.

g. Number of chapter 7 or chapter 13 bankruptcies notices received where the utility is listed as a creditor.

Liberty Midstates Response: Please see our general response to question A.2.

For aggregate data for all Illinois customers, please see Exhibit A.2.g.pdf.

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?

Liberty Midstates Response: Please see our general response to question A.2.

B. Credit and Collections Practices

1) Please identify and describe formal, written, and informal collection practice procedures.

Liberty Midstates Response: Please see Exhibit B.1.pdf.

2) If actual collection practices are different from formal or written procedures, explain the rationale for the modification.

Liberty Midstates Response: We follow the procedures set forth in Exhibit B.1.

3) Identify how you can improve your existing collection practices and any plans for doing so.

Liberty Midstates Response: We review our practices on a regular basis and update them as necessary.

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.

Liberty Midstates Response: Customer Service Representatives (CSRs) receive scripted training that takes place in a classroom setting and on the job. When a customer expresses inability to pay, the CSRs are trained to ask, "How much are you able to pay?" and then quote a minimum payment amount around that customer's needs. CSRs refer customers to local EA agencies by county as listed on Liberty Utilities website. (See Exhibit B.4b Natural Gas Financial Help.pdf). Consumers are able to contact Liberty Utilities via phone (1-855-872-3242), in person, or via website for assistance. We normally also offer walk-in locations which many of our customers prefer, allowing in-person communication. However these locations are currently closed due to COVID-19.

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.

Liberty Midstates Response: We offer deferred payments to our customers primarily pursuant to Section 4.6 of our tariff. As detailed in that section, we offer deferred payment arrangements to residential customers that have not failed to complete a previous deferred payment arrangement during the last twelve months. Pay-back periods range from a minimum of four months (six months for a low-income customer) to a maximum of twelve months. Payments include a down payment and then equal installments during the term of the deferred payment arrangement. These arrangements also comply with our Part 280 obligations regarding low-income customers and former residential customers seeking reconnection for the winter season.

Terms and conditions of the deferred payment arrangements are individualized and take into account the size of the past due account, the participant's ability to pay, the participant's payment history, the reasons for the outstanding indebtedness and other relevant factors relating to the circumstances of the participant's service. We provide a written statement of the arrangement to the customer that is binding upon us and the customer. Renegotiation is permitted as required by the Commission's rules, including for low-income customers.

In response to the COVID-19 pandemic, we expanded the offering of deferred payment arrangements to include non-residential customers and extended the maximum period to twenty-four months for residential customers. We also extended the more flexible winter deferred payment assistance and deposit rules through March 31, 2021.

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.*

Liberty Midstates Response: CSRs refer customers to local EA agencies by county as listed on our website (see <https://illinois.libertyutilities.com/virden/residential/my-account/my-bill/natural-gas-financial-programs.html>).

For qualified residential customers, the Community Energy Assistance Program is available. Liberty Utilities customers can help the elderly, disabled, and families stay warm during the winter months by donating to the community energy assistance program.

For residential customers with overdue balances, depending on their eligibility, the company may be able to offer a credit extension or special payment agreement. The company will also work with the customer to avoid late payment charges.

In connection with COVID-19 we offer a bill payment assistance program and other flexible credit and collection terms as detailed in our responses in Docket No. 20-0309.

We offer shutoff protections as provided for in Part 280 of the Commission's rules. In response to COVID-19 we have expanded those protections significantly as set forth in our responses to Docket No. 20-0309, and in particular we have committed to a moratorium on residential disconnections through March 31, 2019.

Our deferred payment arrangements are described in response to question B(6). As noted, those arrangements have been expanded to include deferred payment arrangements of up to 24 months for residential customers.

Questions to All Interested Persons

The Company looks forward to reviewing parties' responses to the Commission's questions directed at all interested persons and seeking ways to make utility services more affordable. We believe that most of the issues raised in this part of the NOI are addressed for Liberty Midstates by its responses set forth earlier.

Again, we appreciate the opportunity to participate in this proceeding.

Respectfully submitted,

LIBERTY UTILITIES (MIDSTATES NATURAL GAS) CORP.

Dated: September 30, 2020