

**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**

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

**MIDAMERICAN ENERGY COMPANY’S RESPONSE TO NOTICE OF INQUIRY**

**A. Information and Reporting**

Responses to questions 1 and 2 are included in the attached spreadsheet labeled Attachment A.

**B. Credit and Collection Practices**

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

**Response:**

MidAmerican Energy’s overall credit and collection practices comply with 83 Ill. Adm. Code Part 280, which governs eligibility for service, deposits, billing, payments, refunds and disconnection of service.

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

**Response:**

Due to COVID-19, MidAmerican made numerous changes to its collection practices. All modifications to procedures are documented and available to employees for reference.

On March 18, 2020, the Illinois Commerce Commission issued an emergency interim order in Docket 20-0309. MidAmerican complied with the order by immediately ceasing all disconnection for non-payment; suspended all late payment fees; and designed more flexible credit and collection procedures.

At the request of the Commission, MidAmerican extended the moratorium on disconnections for non-payment until July 1, 2020, and has since agreed to extend the moratorium for LIHEAP customers until March 31, 2021.

MidAmerican resumed assessing late payment fees on August 3, 2020.

In its proposed second interim order in Docket 20-0309 that was issued on April 20, 2020, the commission found that MidAmerican had complied with the directives in the Commission's March 18, 2020, order.

MidAmerican implemented more flexible utility credit and collection procedures, which included revisions to DPAs and increased customer education to inform customers of the availability of payment assistance.

MidAmerican does not assess a deposit for new residential customers or for slow payment history. MidAmerican is also not collecting deposits from existing business customers with slow payment history. Any residential customer who has paid a deposit can request the deposit be applied to their past due amount if the customer indicates they were financially impacted by COVID-19.

MidAmerican is allowing customers to use their budget deferred balance towards past due bills or to be used as their required down payment for a DPA. The customer can remain on the budget billing, however, the monthly budget amount may be adjusted.

MidAmerican has relaxed its DPA policy during COVID by offering residential customers an original DPA up to 18 months with 10% of the account balance as a down payment. A customer who defaults a payment agreement but has not been disconnected for non-payment can reinstate their agreement by paying all missed payments.

DPAs have been made available to non-residential customers. A non-residential customer can enter into a 3 month DPA with no down payment required; a 4-6 month DPA with 10% of the account balance paid upfront; and a 7 – 9 month DPA with 20% of the account balance paid upfront. A non-residential customer who defaults their DPA but has not been disconnected for non-payment can reinstate their DPA by paying missed payments.

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

**Response:**

There are no plans to retain the temporary, more flexible collection practices permanently. MidAmerican routinely reviews customer ideas and complaints as well as internal processes to identify areas for improvement.

**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:**

**Response:**

Before customer experience associates begin working with customers they are trained over an 8-week period in a classroom setting. Following this, they are in a training bay area for an additional 8 weeks where they work with a seasoned mentor and daily work is closely monitored. Online procedures are available to all associates.

**a) Determining consumers' ability to pay their bills and challenges for consumers in doing so:**

New customer experience associates receive specific training on working with customers who are unable to pay their bills and various options available. They are also familiarized with the community action agencies role and when to encourage customers to seek assistance. All associates receive credit specific training twice each year.

**b) Eligibility for public or private bill assistance:**

Customer experience associates are trained to encourage any customer that has a past due balance to apply for assistance at their local community action agency. The community action agency manages MidAmerican's customer contribution fund (I CARE) and is currently managing the bill payment assistance program created as a result of COVID.

**c) Referrals to assistance programs and community services:**

MidAmerican personnel are trained to refer customers to their local community action agency. The community action agencies are trained to assess a customer's needs and can coordinate assistance beyond utility assistance for long term success.

**d) Consumer communication impediment**

MidAmerican has a comprehensive customer communication plan that reaches out to customers via multiple channels. During the period when collection activity had ceased completely MidAmerican implemented a consumer education plan that included letters, emails, press releases, website messaging, bill messages and phone calls.

MidAmerican only has one community action agency in its Illinois service territory. MidAmerican had one-on-one conversations with the community services coordinator to ensure their agency had the information necessary to communicate effectively with clients.

For MidAmerican customers who may have a communication impediment because their primary language is not English, MidAmerican has Spanish speaking associates available to assist. In addition, a multi-language translator service is available, where the customer experience associate calls the interpreter and conducts a three-way call with the customer.

**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.**

**Response:**

MidAmerican conducted a customer education plan in May and June to encourage customers to pay what they could and seek assistance. The campaign ended when MidAmerican resumed collection action in July. MidAmerican's current collection activity includes payment reminder letters, text and email alerts, disconnect notices and phone calls.

MidAmerican's credit practices are outlined in 2) above.

**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.**

**Response:**

MidAmerican's community action agency, Project NOW, is managing a bill assistance program on behalf of MidAmerican. Customers impacted by COVID-19 who are at or below 200% of the Federal Poverty Level are eligible for assistance. Project NOW is using bill assistance program funds in conjunction with other available funding, which may include funds from MidAmerican's customer contribution program.

MidAmerican does not participate in the PIPP program, nor does it offer discount rates. Consumer education, additional shutoff protections and customer payment plans are described in responses above.

MidAmerican does offer a limited flexible bill due date program. MidAmerican's ability to offer flexible due dates is limited due to the fact that they use an automated meter reading system, which requires defined meter reading routes and scheduled read dates.

**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?**

**Response:**

**a) Affordability** – Within one's financial means.

**b) Low-Income** – A household income that is defined by the federal government as at or below the Federal poverty level.

**c) Critical Medical Needs Customers** – A permanent resident of a household who has a severe health condition and is dependent on electricity or natural gas to operate life support equipment. Qualifying life support equipment includes an infant apnea monitor, IV pump, home dialysis, ventilator/respirator, Oxygen Concentrator, BIPAP machine (Bi-level positive airway pressure), C-pap (continuous positive airway pressure) machine for someone under the age of 18, LVAD (left Ventricular Assist Device) and any other device deemed critical by the Illinois Department of Human Services.

**d) Delinquency** – A debt for which a payment is beyond the bill due date.

**e) Disconnection** – Act of turning gas and/or electric service off at a premises.

**f) Displacement** – A resident is displaced when service has been disconnected for non-payment and they are unable to pay, enter into a DPA or obtain assistance for reconnection within five calendar days of the disconnection.

**g) Reconnection** – Act of turning gas and/or electric service on for the same customer at a premises that has been disconnected.

**h) Vulnerable Customers** – Customers who, due to their personal circumstance, are especially susceptible to detriment.

## **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?**

### **Response:**

The low income home energy assistance program (LIHEAP) helps eligible low income households with home energy services, and is typically paid during the heating season. When available, LIHEAP cooling assistance grants have been awarded. Households eligible for LIHEAP cannot have service interrupted during the winter moratorium period.

I CARE is the MidAmerican customer contribution program that provides utility grants up to \$500 per eligible household.

In an effort to assist customers during the pandemic, MidAmerican contributed \$275,000 to the local community action agency in Illinois to provide utility assistance grants up to \$500 per eligible household.

**2) What changes could make the programs more effective?**

### **Response:**

These assistance programs have proven effective and the effectiveness was confirmed by the community action agency in MidAmerican's service territory.

**3) Identify appropriate criteria for evaluating program effectiveness.**

### **Response:**

- Reduction in disconnections for non-payment
- Reduction in average past due amounts per customer
- DPAs with lower monthly installment amounts
- Fewer DPA defaults

**4) What portion of the eligible population is served by existing assistance programs?**

### **Response:**

MidAmerican does not track this.

**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?**

**Response:**

MidAmerican does not track this.

**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?**

**Response:**

None that we are aware of.

**F. Credit and Collections Practices**

**1) Please identify and describe best collection practices and how existing collection practices can be improved.**

**Response:**

The extensive workshops held in Illinois resulted in a balanced set of customer service rules and requirements.

**2) Please identify and describe any concerns regarding privacy associated with collecting, storing and/or sharing of consumer information.**

**Response:**

MidAmerican is ISO 27001 compliant and takes every precaution to ensure that customer information is kept secure. MidAmerican is opposed to sharing personal information and obtaining or storing information, not required as a condition of providing gas and/or electric service.

**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:**

**Response:**

**a) Communications/Outreach**

MidAmerican has a comprehensive customer communication plan that reaches out to customers via multiple channels. During the period when collection activity had ceased completely MidAmerican implemented a consumer education plan that included letters, emails, press releases, website messaging, bill messages and phone calls.

MidAmerican only has one community action agency in its Illinois service territory. MidAmerican had one-on-one conversations with the community services coordinator to ensure their agency had the information necessary to communicate effectively with clients.

**b) CSR tools to identify consumer budget needs/challenges**

MidAmerican does not believe that it is the responsibility of the utility provider to determine a customer's personal financial abilities.

**c) Encouraging payment**

MidAmerican conducted a customer education plan in May and June to encourage customers to pay what they could and seek assistance. The campaign ended when MidAmerican resumed collection action in July. MidAmerican's current collection activity includes payment reminder letters, text and email alerts, disconnect notices and phone calls.

New customer experience associates receive specific training on working with customers who are unable to pay their bills and various options available. They are also familiarized with the community action agencies role and when to encourage customers to seek assistance. All associates receive credit specific training twice each year.

**d) Referrals to Community Services**

Every customer who indicates they are having difficulty paying are referred to local community action agencies.

**e) Privacy and Consumer concerns about sharing data**

MidAmerican is ISO 27001 compliant and takes every precaution to ensure that customer information is kept secure. MidAmerican is opposed to sharing personal information and obtaining or storing information, not required as a condition of providing gas and/or electric service.

**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?**

**Response:**

MidAmerican Energy's 2020-2023 Energy Efficiency Plan was designed to offer a variety of energy efficiency programs to all customers at a reasonable cost. These programs help customers manage their energy consumption and bills. The table below provides details about the programs available for Illinois residential homeowners, renters and landlords.

Program	Program Description
<b>Residential</b>	
Residential Equipment	This program provides rebates to encourage customers and landlords to purchase high-efficiency heating and cooling equipment in new and existing homes.
Residential Assessment	This program provides an interactive online energy assessment and energy savings suggestions, and offers an energy efficiency kit upon completion of the online assessment.
Residential Load Management	This program provides financial incentives to customers that allow MidAmerican to control participating customers' central air conditioning systems on summer peak days.
Residential Behavioral	This program is designed to encourage energy savings through behavioral modification. The program provides customers with Home Energy Reports that contain personalized information about their energy use and provide helpful ways to make their homes more efficient. The Residential Behavioral program empowers customers to better understand their energy usage and act on this knowledge, resulting in changed customer behavior.
Residential Low Income	This program provides financial incentives and education to encourage energy efficiency adoption in existing low-income housing. The program includes statewide weatherization for single family homes on the Weatherization Assistance Program and weatherization for Community Action Partner agency-owned multifamily homes.
Residential Appliance Recycling	This program offers financial incentives to customers and landlords to stop using old, inefficient residential-sized refrigerators and freezers and helps them dispose of the old units in an environmentally responsible manner.

In 2020, MidAmerican Energy is anticipating to spend 95 percent of its approved budgets related to energy efficiency improvements and services being provided to Illinois customers.

**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?**

**Response:**

Each year, MidAmerican Energy is required to file an Energy Efficiency Annual Reconciliation Report with the Illinois Commerce Commission which provides details related to the

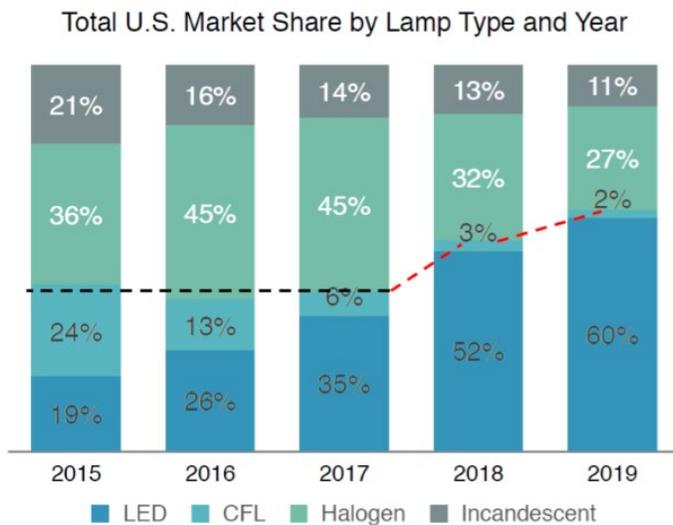
effectiveness of its energy efficiency programs in assisting customers in reducing their energy consumption through the rebates and services offer through these programs. Additionally, independent third-party evaluation, measurement and verification (EM&V) of MidAmerican’s energy efficiency programs is completed at least once during the five-years of each plan. This EM&V work includes comprehensive process and impact evaluations for all of MidAmerican’s energy efficiency and demand response programs and substantial data collection from customers related to their interaction or lack of interaction with MidAmerican’s energy efficiency programs. The evaluation activities result in program-level reports. Each program-level report documents program design and sources for claimed (ex-ante) impact results, methods for determining verified (ex-post) estimates, verified and net savings, and recommendations for measure- and program-level savings adjustments and process adjustments. All program-level reports are shared with Illinois Commerce Commission staff and can be provided as part of this Notice of Inquiry, if deemed necessary.

**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?**

**Response:**

a) According to the Consortium for Retail Energy Efficiency Data (CREED), Incandescent lamps account for 11 percent of U.S. market share in 2019.



The most current MidAmerican Energy evaluation report for Upstream Retail Lighting (2016) found that 31 percent of customers surveyed still used incandescent bulbs.

Table 4-5. Bulbs Purchased in the Past Six Months\*

Bulb Type	Overall	Own <sup>a</sup>	Rent <sup>b</sup>	Single Family <sup>c</sup>	Multifamily <sup>d</sup>
Respondents (n)	274	228	48	244	23
CFL	45%	44%	46%	43%	52%
LED	41%	44% <sup>b</sup>	29% <sup>a</sup>	43% <sup>d</sup>	22% <sup>c</sup>
Incandescent	31%	31%	33%	31%	26%
Halogen	19%	19%	19%	20%	13%
Other	3%	3%	2%	3%	0%

Source: Residential Nonparticipant Telephone Survey 2016, LT6.

\*Multiple responses allowed.

b) MidAmerican does not have any Illinois specific information related to the number of customers that have advanced thermostats. However, the Massachusetts Residential Baseline Study from April 2019, shows a 16 percent saturation of internet-connected thermostats.

c) Existing technology alone cannot increase affordability and or the ability of customers to receive essential levels of electric services. Encouraging landlords and property owners to upgrade residential units to the highest level of efficient equipment rather than the least cost equipment is essential to affordability for renters especially when subsidized rent payments are being received by landlords and property owners. The types of existing technologies that would help with improving affordability for renters include; but are not limited to:

- HVAC
- Lighting equipment
- Building insulation
- Duct sealing
- Air-sealing and infiltration reduction measures
- Smart thermostats

**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?**

**Response:**

Energy efficiency programs offered across the country are effective in helping the affordability and/or the ability of customers to receive essential levels of electric services. However, regulatory restrictions, legislation as well as overall costs to delivery programs may unintentionally impact the overall effectiveness of programs by requiring most programs to be cost-effective and to provide energy savings. Energy efficiency programs that address high energy burdens can also provide benefits beyond energy savings, including education and employment opportunities, economic development, and improved public health, but very few jurisdictions allow rate-payer funded programs to effectively recognize these benefits.

**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?**

**Response:**

MidAmerican's low income program in Illinois is a partnership with Project NOW, the Community Action Agency in our Illinois service territory. There are two components to this program; Statewide Weatherization and a Multifamily Weatherization Partnership. The Statewide Weatherization program provides funding to Project NOW to supplement weatherization programs funded by the Federal Weatherization Assistance Program. The Multifamily Weatherization Partnership program provides funding to Project NOW to assist in the weatherization of their agency-owned multifamily units.

MidAmerican Energy does not have information regarding the effectiveness of the Federal Weatherization Assistance Program.

The Project NOW units that have participated in the Multifamily Weatherization Partnership program have reported that the energy efficient equipment installed did help to lower their energy costs.

**6) Identify obstacles faced by low-income consumers that prevent them from participating in weatherization programs?**

**Response:**

The Statewide Weatherization program is dependent on the Federal Weatherization Assistance Program. The Federal program does not provide enough funding to assist with the weatherization of all low income families on the Weatherization Assistance list. Additionally, the money MidAmerican provides as supplement to the Federal program can only be used for energy efficient equipment. Often the major cost to weatherize homes is related to health and safety which is not funded by MidAmerican.

**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?**

**Response:**

Any changes to the Statewide Weatherization program would have to be initiated at the Federal level. MidAmerican continues to work with Project NOW to provide weatherization opportunities outside of the Federal program. The Multifamily Weatherization Partnership was developed for this specific purpose.

**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?**

**Response:**

MidAmerican has a community solar program available in Illinois (tariff rate NMS). While the program is available, it requires a solar developer to establish one in our service territory, and there are none currently.

**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?**

**Response:**

None that MidAmerican is aware of.

Dated: September 30, 2020

Respectfully submitted,

MIDAMERICAN ENERGY COMPANY

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