

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

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

**NORTH SHORE GAS COMPANY AND THE PEOPLES GAS LIGHT AND COKE  
COMPANY'S INITIAL COMMENTS TO NOTICE OF INQUIRY**

**I. INTRODUCTION**

North Shore Gas Company (NSG or “North Shore”) and The Peoples Gas Light and Coke Company (PGL or “Peoples Gas”) (collectively, "NSG-PGL") appreciate the opportunity to respond to the Notice of Inquiry (NOI) regarding electric and natural gas service affordability issued by the Illinois Commerce Commission (ICC or Commission) on March 18, 2020. NSG-PGL welcomes the opportunity to provide the requested information and look forward to discussing affordability issues as this notice of inquiry progresses.

A discussion on affordability is framed by the Public Utilities Act and the rules and practices applicable to the customer-utility relationship. The customer-utility relationship for the application for service, billing, deposits, payments, payment arrangements, disconnection, reconnection and complaints is largely governed by administrative rules set forth in 83 Ill. Admn. Code §280 (“Part 280”).<sup>1</sup> Further, Part 280 provides specific rules to assist Low Income Customers<sup>2</sup> including more generous

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<sup>1</sup> Note that 83 Ill. Admn. Code §501 (“Part 501”), also indicates requirements as to metering, adjustments for meter error, customer information and certain standards of services. Further, each utility’s tariffs generally describe the rules and procedures applicable to a customer’s service.

<sup>2</sup> Part 280.20 defines Low Income Customer as those residential customers that meet the income criteria under the Energy Assistance Act (305 ILCS 20/6) and are therefore qualified for LIHEAP grants and the LIHEAP administrator has notified the utility of the customer’s low income status.

payment arrangements, no assessment of late payment charges and reduced deposit requirements.<sup>3</sup> Part 280 was last revised by the Commission in its final order in Docket 06-0703 and was fully implemented by the utilities by May 1, 2016. The thorough and complete examination of the rule took nearly ten years and involved input from all the key stakeholders. NSG-PGL believe that Part 280, as approved by the Commission four years ago, is an effective and efficient rule governing the customer-utility transactions.

A gas utility's collection practices for customers with past due balances is also directed by Section 19-145(c) of the Public Utilities Act (220 ILCS 5/19-145(c)). For those gas utilities with rider-based recovery of uncollectibles costs, certain requirements as to prudent collection practices are imposed. In order to minimize uncollectibles, a utility identifies customers with late payments, conduct outreach to those customers to obtain payment, provide options to those customers including payment plans and information on assistance programs, serve and execute on disconnection notices and pursue additional collections activities. 220 ILCS 5/19-145(c). In each year's uncollectibles reconciliation proceeding, NSG-PGL describe their credit and collections practices. These credit and collection plans for prudently minimizing uncollectibles across residential and commercial also have an impact on affordability.

Lastly, in response to the COVID-19 Public Health Emergency, the Commission opened a docket to support those customers facing utility service challenges. As shown by the leadership, in the Commission's final order in Docket 20-0309, approved on June

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<sup>3</sup> See Part 280.45, Part 280.65 and 280.125 describing more generous terms relative to other residential customers for Low Income Customers for deposits, late payment fees and deferred payment arrangements, respectively.

18, 2020, allowed for temporary changes to certain provisions of Part 280 to assist utility customers who are facing financial hardship including customer classifications, disconnections, reconnection of service, deposit assessment, assessment of late payment fees, and deferred payment arrangements. Further, a new Bill Payment Assistance Program was created to assist certain Low Income Customers and, in some cases, moderate income customers with outstanding arrearages. These changes were agreed to by the utilities and consumer parties, in order to help mitigate utility-related customer challenges during the pandemic.

NSG-PGL supports the Commission's review of the affordability and current rules and programs. We look forward not only to participating in the NOI to provide the Commission with requested information, but also to learning from other stakeholders on how programs and processes for customer affordability can be improved.

The NSG-PGL response is organized into two responsive sections. First section includes North Shore Gas Company responses. The second section includes The Peoples Gas Light and Coke Company responses. While in many cases the responses are identical, the information as to particular metrics and historical data between the two utilities differs. Please note that given the customer information system modification in 2017, only post-April 2017 data is presented for responses for A.1. and A.2.

## **Section I – North Shore Gas**

### **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;
  - b. the number of residential customer accounts there were disconnected during 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.

**RESPONSE:**

See Appendix A.1.

2. Please provide the following information. 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 recommendation 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 Differed 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 month 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 and 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?

**RESPONSE:**

See Appendix A.2. for a.-g.

h. The NSG-PGL customer information system has zip code level data. NSG-PGL customer information system does not present this data in a “mapping format.”

**B. Credit and Collections Practices**

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

**RESPONSE:**

North Shore implements collection practices and procedures in accordance with the requirements of Part 280. Further those practices and procedures are consistent with the consistent with the six enumerated criteria set forth in Section 19-145(c) of the Act including:

- (1) identifying customers with late payments;
- (2) contacting the customers in an effort to obtain payment;
- (3) providing delinquent customers with information about possible options, including payment plans and assistance programs;
- (4) serving disconnection notices;
- (5) implementing disconnections based on the level of uncollectibles; and
- (6) pursuing collection activities based on the level of uncollectibles.

Late Payment Fees

North Shore tracks customer bill issuances and due dates to assess if late fees are to be assessed pursuant to Part 280.60(d)(2) and North Shore’s tariffs. North Shore does not assess late fees on Low Income Customers pursuant to Part 280.65(a).

Customer Contacts

North Shore policy for communications to customers includes:

- Bill Messages describing payment plans,
- Auto-Dialer Messages - Reminder messages informing customers, as applicable, that a payment was due or past-due, or that disconnection is imminent. The messages also remind customers of the availability of payment plans and heating assistance.
- Disconnect Notices - Consistent with Commission requirements, North Shore mails these notices separate from a bill.

- Field Notifications - These notifications take the form of field postings or company agent visits for disconnection.
- Collection Talk-Off - This means that company agents remind customers calling the call center regarding past due bills, reviewing payment program options and offering to take payments.
- Out-Bound Live Agent Calls - North Shore uses outbound calls on a limited basis to remind customers of the information described above in the explanation of auto-dialer messages.
- Post Cards – Post cards are mailed to customers in arrears to remind them of company-sponsored events and Low Income Home Energy Assistance Program (“LIHEAP”) availability in preparation for winter.

#### Information on Payment Programs and Assistance

North Shore’s policy is to provide information on a variety of payment options and assistance programs including deferred payment options, minimum payment options, and medical payment options. North Shore also informs customers of the Share the Warmth program, LIHEAP and reconnection opportunities under Part 280.180 through a variety of communication channels.

#### Minimization of Uncollectibles by serving disconnection notices

North Shore services disconnection notices to customers delinquent on their bills pursuant to Part 280.130. Prior to the disconnection process and during the time period when letters of disconnection were sent, North Shore engages in a variety of actions to try to ensure that customers are not disconnected, including, as discussed above, reminder letters and calls to encourage payment. Further, North Shore provides information to customers through a variety of channels to encourage customers to contact the utility if they needed assistance. North Shore sends disconnection letters with the ultimate disconnection of service as an additional attempt to prompt payment.

#### Implementing Disconnection based on the level of Uncollectibles

It is North Shore’s policy to implement collection schedules and collection activities based on certain predetermined criteria. These criteria include:

- Amount of account receivable
- Age of account receivable
- Time of year
- Last payment date
- Last payment amount
- Payment type
- Type of premises

- Meter location
- Customer term
- Payment plan eligibility.

Pursuing collection activities based on the level of uncollectibles

North Shore pursues minimization and collection of uncollectibles through additional activities to including:

- Outbound calls to encourage customers to apply for LIHEAP when funding was available.
- Sponsoring community events in the neighborhoods where customers learned about energy conservation, received conservation kits, and could apply for LIHEAP and Share the Warmth in one location;
- Billing and collecting deposits to offset the impact of uncollectibles;
- Using the services of three primary collection agencies to collect final receivables before they were written off; and
- Using the services of four additional collection agencies that continued to pursue the debt post-write off.

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

**RESPONSE:**

Our collection practices are consistent with Part 280 and the discussion in B.1.

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

**RESPONSE:**

See response to F.1.

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 for assistance programs and community services
  - d. consumer communication impediments.

**RESPONSE:**

The Customer Service Performance Effectiveness team for North Shore Gas develops and delivers a variety of training opportunities for CSRs to help respond to consumers with billing issues and provide them with resources and available assistance programs. The team develops training based on standard processes, to provide consistent instruction on the Company's policies and procedures.

After basic foundational training, CSRs are trained on topics related to credit challenges, how to respond to high bill inquiries, and resources on energy efficiency programs. CSRs are trained to recognize when consumers may have challenges paying their bills and how to identify the automated collections processes in place in the Customer Information System (CIS). CSRs are also trained on establishing short-term agreements. Financial Assistance programs available to Illinois consumers, notably the Low Income Home Energy Assistance Program, Share the Warmth, and Percentage of Income Protection Plan, are also covered. CSRs are taught where to locate resources to direct consumers needing assistance, at [northshoregasdelivery.com](http://northshoregasdelivery.com), on the [Residential > Financial and energy assistance page](#).

CSRs are trained to recognize when consumers are eligible to keep gas service on with the Minimum Payment Option program. CSRs are also taught to recognize pending disconnection for non-payment service orders and how to best advise consumers to keep their gas service connected. Once service is disconnected, CSRs are instructed on the process to follow to reconnect service for consumers. Medical Certificate reconnections are incorporated in this training.

Throughout all of the training previously outlined, CSRs have opportunities to practice in the CIS training environment, locate information available to consumers on the Company's web site, handle customer inquiries through mock calls and listen to experienced CSRs take live customer calls. The individual training modules are also covered under the Company's Quality Assurance process, which encourages standards for interacting with all consumers in a respectful and empathic manner. To help CSRs communicate with Spanish-speaking consumers, many Company procedures have scripting translated into Spanish. For consumers who speak a different language, language line services are available.

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:**

North Shore offers multiple methods of submitting payment including: via mail, online Credit Card payments, Automatic Payment Plans from bank accounts, paper-free billing, Authorized Agents, and online payments via electronic billing. Customers are also able to set up and schedule payments using the North Shore's website and recently introduced smart phone app.

To assist customers in managing their monthly expenses North Shore offers a Budget Plan to levelize customers' payments. The customer is given a flat amount to pay each month. That amount is equal to 1/12th of the next year's calculated bills based on the previous year's usage. The amount is adjusted during the next 12 months to limit the customer over- and under-paying for their actual usage. These adjustments allow customers to retain the most money throughout the year and limits large lump sum payments at the end of the year.

Outside of the more flexible payment arrangements enacted as a result of the Commission's final order in Docket 20-0309, North Shore offers a variety of deferred payment arrangements for customers that have fallen behind on their bills.

- Residential Deferred Payment Arrangement
  - Down payment of 25%
  - Length of the arrangement is a minimum of 4 months and maximum of 12 months
  - Reinstatement terms
- Winter Rule deferred payment arrangements are available from December 1 through March 31 for Residential Heating and Commercial with Living Quarters Heating customers.
  - Down payment of 10%
  - Length of the payment arrangement is a minimum of 4 months and cannot extend beyond the following November
- Medical Certificate deferred payment arrangements ("Medical Payment Arrangements") are available to residential customers who provide documentation as defined in ICC 280.
  - No down payment is required
  - Length of the arrangement is 12 months
- Low Income Deferred Payment Arrangements are available to residential customers designated at low income as defined in Part 280.
  - Down payment of 20%

- Length of the agreement is a minimum of 6 months and a maximum of 12 months
  - No late payment charges are applied to low income customers
- Commercial Deferred Payment Arrangements are available for non-residential customers.
  - Down payment of 60%
  - Length of the agreement is a maximum length of 6 months
- Back Billing Deferred Payment Arrangements are available to customers when a gas usage adjustment due to unbilled or incorrectly billed service subject to Part 280.110
  - No down payment is required
  - The length of the agreement matches the number of months of adjusted bills
  - No late payment charges are applied
- STAR Deferred Payment Arrangements are available to customers that have not successfully completed a standard payment agreement in the past 12 months. Customers agree to have payments automatically deducted from a credit card, debit card, or bank account.
  - Down payment for residential account is 25%
  - Down payment for commercial account is 60%
  - The length of the agreements is a minimum of 2 months with a maximum of 12 months.

A customer is eligible for reinstatement of a payment arrangement provided the customer agrees to pay the amount they would have paid if the arrangement had not canceled. The reinstatement amount must be satisfied prior to reinstating either payment arrangement type.

A customer can renegotiate the terms of a payment agreement if the customer shows a change in financial or economic circumstances. Renegotiation is available while the current payment arrangement is active.

To encourage use of deferred payment arrangements North Shore periodically conducts live agent call campaigns to connect with customers that are in arrears.

Additionally, North Shore conducts occasional automated dialing campaigns to encourage customers to apply for low income assistance.

As part of our internal collections North Shore automatically calls customers that are late on a payment with a reminder that a payment is due. Customers also receive a bill message when they have arrears. Customers that have fallen multiple bills behind receive an ever increasing number of

reminders that can eventually lead to disconnection. See the details of our Collection Schedule.

At various times throughout the year North Shore will conduct campaigns of agents making live calls to customers in arrears. During these calls customers are encouraged to make payments, start a payment arrangement and/or given appropriate contact information to apply for Low Income Assistance.

If a customer receives a disconnection notice, that notice includes a Minimum Payment Option amount (MPO). The MPO amount is a percentage of the customer's arrears. By paying the MPO amount the customer can delay disconnection for one billing period or more. The offered MPO amount is based on the following percentages by month:

- 30% April billing cycle
- 40% May billing cycle
- 50% June billing cycle
- 60% July billing cycle
- 60% August billing cycle
- 60% September billing cycle
- 60% October billing cycle
- 30% November billing cycle

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:**

North Shore uses a variety of positive and negative incentives to reduce delinquencies and disconnections. North Shore Gas offers a low income assistance program titled Share the Warmth. North Shore also offers a Budget Billing plan to give customers more predictability in planning monthly expenses. Additionally the Company offers deferred payment agreements and proactively reaches out to customers to offer assistance programs. If customers do fall behind on payments North Shore has an active collections program to dis-incentivize late payments. The collections program includes assessment of late payment charges, warning bill messages, outreach via phone calls and letters, and ultimately disconnection of service. Further, the Commission's leadership in final order in Docket 20-0309, resulted in temporary, but significant modification to assist customers during the COVID-19 pandemic.

Share the Warmth is a company and customer funded low income assistance program. Qualified customers, those making 200% Federal Poverty Level or less, are eligible to receive up to \$200 in bill credit once per calendar year. Each month's bill includes information where to apply for Share the Warmth and LIHEAP. The information is in English and Spanish. Additionally the North Shore advertises in local media that these programs are available and where to apply. The Company's web site also has links to assist customers in contacting the administering agencies.

To assist customers in planning their expenses North Shore offers a Budget Billing plan to levelize monthly payments. Additionally, the Company offers an Automatic Payment Plan (also known as a bank draft) that automatically receives payments from a bank account designated by the customer. This program ensures payment is made on time and the customer will not incur late payment charges. Each month's bill messaging presents these programs.

Regardless of method of payment, customers are afforded a three-day grace period after the printed bill due date. If full payment is made before the end of that grace period customers will not incur late payment charges and any deferred payment arrangements in effect will remain active. Additionally, residential customers can qualify for a preferred due date, with an additional 10 days, as described in Part 280.70. See additional information on credit rule and procedures in the response to B.1.

North Shore offers multiple types of deferred payment arrangements to assist customers with arrears. The types and terms are itemized in the response to B.5.

North Shore regularly communicates with our customers regarding their bills, how to apply for financial assistance and how to reduce monthly bill amounts. Throughout the year the Company will deliver:

- Customer Connection newsletter stories including: Financial assistance, Energy Efficiency Program, Payment Plans (inserted in residential and small commercial bills)
- Customer Connection e-newsletter stories including: Financial assistance, Energy Efficiency Program, Payment Plans (emailed to customers who have provided an email address to us)
- Radio and print campaigns regarding Financial assistance
- Social media posts regarding Financial assistance, the Energy Efficiency Program, Payment Plans

- Website banners with messages on: Financial assistance, Energy Efficiency Program, Payment Plans
- Resource fairs in conjunction with the North Shore's community relations team with messages and education on : Financial assistance, Energy Efficiency Program, Payment Plans
- Use of targeted phone messages to direct customers towards financial assistance.

### **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

#### **RESPONSE:**

- a. Affordability.

The Public Utilities Act (PUA) and the Energy Assistance Act (EAA) do not define "affordability," though both Acts reference the term in numerous sections. In the PUA those sections include:

- 220 ILCS 5/102(d)(viii)
- 220 ILCS 5/4-304(4)
- 220 ILCS 5/5-111(a)
- 220 ILCS 5/8-208
- 220 ILCS 5/13-102(a)
- 220 ILCS 5/13-103(a)
- 220 ILCS 5/13-301(1)(d), (2)(c)
- 220 ILCS 5/16-101A(a),(c),(d)
- 220 ILCS 5/16-111.5(d)(4), (j)
- 220 ILCS 5/16-111.5A(f)(5)
- 220 ILCS 5/19-130
- 220 ILCS 5/20-110
- 220 ILCS 5/20-120

In the EAA those sections include:

- 305 ILCS 20/2(a)(5), (b)(1)
- 305 ILCS 20/4(a)
- 305 ILCS 20/18(a)(1)

Affordability is one of several relevant objectives listed in Section 1-102 of the PUA that the Commission must consider in its "effective" and "comprehensive" regulation of public utilities. See 220 ILCS 5/1-102(a)-(d). The PUA also requires that utility service be "adequate, efficient, reliable and environmentally safe and which, consistent with these obligations, constitute the least-cost means of meeting the utility's service obligations." 220 ILCS 5/8-401. As such, the Commission may find that an appropriate consideration of affordability varies depending on the circumstances and relative weight of the other Section 1-102 and Section 8-401 factors.

The Energy Assistance Act appears to use "reasonable percentage of the customer's income" as a metric for affordability. See 305 ILCS 20/2(a)(5). Accordingly, the EAA establishes several comprehensive energy assistance programs, such as the low income heating assistance program (LIHEAP), the percentage of income payment program (PIPP) and the Illinois Home Weatherization Assistance Program (IHWAP), as a means of ensuring that low-income customers have access to utility services.

In the context of this NOI regarding financial support for customers with difficulties paying for utility service, a definition of "affordability" may include:

- (1) Ensuring that essential levels of utility service are available to all customers, with payments for such service not to exceed a reasonable percentage of the customer's household income per Section 2(a) of the Energy Assistance Act; and
- (2) Balancing the costs associated with a utility's obligation to provide adequate, efficient, reliable and environmentally safe service per Section 8-401 of the PUA.

b. Low-Income

Low Income Customer is adequately defined under the PUA. Per Part 280.20:

"Low Income Customer" means a residential customer who has qualified under the income criteria of Section 6 of the Energy Assistance Act of 1989 [305 ILCS 20/6]." A customer receives certain benefits under Part 280 when the LIHEAP administrator notifies that customer's utility of the

customer's low income status. Historically, Low Income Customers are those customers with a federal poverty line (FPL) income of 150% or lower. More recently, LIHEAP qualification has increased to 200% of FPL.

c. Critical Medical Needs Customers

The PUA and Part 280 do not have a definition of "Critical Medical Needs Customers." However, Part 280.160 does, for certified cases of medical necessity provide for a temporary suspension of disconnection activity for non-payment and the ability of a customer that receives certification under that section to set up a payment plan. Certification for medical necessity requires identification of the patient and the place of residence and a statement from a certifying party that disconnection will aggravate an existing medical emergency or create a medical emergency for a patient.

d. Delinquency

The PUA and Part 280 do not have a definition of "Delinquency." A customer could be considered "delinquent" for failure to timely pay an outstanding bill from a public utility. Part 280.60 and Part 280.130 adequately address instances when a customer fails to pay an outstanding bill by assessment of late payment fees and, if an outstanding balance is not paid, disconnection of service.

e. Disconnection

Part 280.130 provides for the disconnection of service. As a practical matter, disconnection of utility service occurs when the utility has either temporarily or permanently suspended service to a customer's premise due to one of the conditions indicated in Part 280.130(b).

f. Displacement

Neither the PUA nor Part 280 provides a definition of displacement.

g. Reconnection

Part 280.170(k) provides for the "timely" reconnection of disconnected service. Generally, reconnection of service occurs at a premise after a customer remedies the reason for disconnection or otherwise provides a medical certification.

#### h. Vulnerable Customers

Neither the PUA nor Part 280 provides a definition of “Vulnerable Customers.” Similarly, the Energy Assistance Act does not provide a definition of “Vulnerable Customers.” However, Part 280 and the Energy Assistance Act provide numerous references to Low Income Customers for specific application of elements of Part 280 as to deposits, late payment charges, winter reconnection and deferred payment arrangements. Further, Low Income Customers are able to access energy assistance funding such as LIHEAP, PIPP, and IHWAP programs. Additionally, Low Income Customers and premises housing Low Income Customers are frequently eligible for reduced cost/no cost energy efficiency measures in utility energy efficiency programs.

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?

**RESPONSE:**

Part 280 provides customers and utilities comprehensive guidance on the provision of utility service to customers including preferential treatment for Low Income Customers relative to other customers in terms of deposits, deferred payment arrangements, winter reconnections and late payment fees.

#### **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.

**RESPONSE:**

Part 280.180(h) provides the Commission information as to the numbers of disconnections and reconnections for utility service and deposits. Further, pursuant to Appendix 1 of the Commission’s final order in Docket 20-0309, each large utility provides zip code level data on disconnection, deferred

payment arrangements, deposits, medical payment arrangements, and deposits to the Commission on a monthly basis.

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.

**RESPONSE:**

North Shore believes the current level of reporting required under Part 280 is sufficient.

**E. Assistance Programs**

1. What assistance programs are available to residential customers that help them pay for utility service and received a continuous supply of essential utility services and how effective are these programs?

**RESPONSE:**

LIHEAP – Low Income Energy Assistance Program

The State of Illinois run assistance program that provides customers with a once a year grant to help customers afford their utility bills. It is currently eligible to customers with a household income at or below 150% of the federal poverty level. Starting with Program Year 2021 the income threshold will be increased to 200% of the federal poverty level.

Statistics for the period 07/01/2018 and 06/30/2019:

- 2,227 customers received DVP grants totaling \$1,009,000
- 65 customers also received RA grants totaling \$40,000
- 0 LIHEAP recipients were disconnected within 12 months of receiving LIHEAP.
- 8 Disconnect notices were sent to 8 unique customers within 12 months of receiving LIHEAP.

PIPP – Percentage Income Payment Plan

The State of Illinois run Percentage of Income Payment Plan assistance program. It provides customers with monthly assistance with current bill and

allows customers to earn grants to reduce and ultimately eliminate arrears. It is currently eligible to customers with a household income at or below 150% of the federal poverty level. Starting with Program Year 2021 the income threshold will be increased to 200% of the federal poverty level.

Statistics for the period 07/01/2018 and 06/30/2019:

- 171 customers were enrolled on PIPP at some point during the year
- PIPP customers received \$86,000 in monthly pledges
- PIPP customers had \$7,000 of arrears forgiven.
- In 2019 \$236,000 of Arrearage Reduction funds were unused and returned to the state.

#### STW – Share the Warmth Program

A program designed by North Shore Gas to assist customers in paying their bills. Qualified customers can receive one grant per calendar year. Grants are capped at \$200. It is currently eligible to customers with a household income at or below 200% of the federal poverty level.

Statistics for the period 07/01/2018 and 06/30/2019:

- 279 people received \$55,000

2. What changes could make the programs more effective?

#### **RESPONSE:**

##### LIHEAP – Low Income Energy Assistance Program

- Increase dollar amount paid per grant level.
- Raise income eligibility level. This increase in the federal poverty level up to 200% has been implemented this year.
- Find new groups to reach out and educate about the program.

##### PIPP – Percentage Income Payment Plan

- Increase dollar amount paid per grant level. This has been proposed to the Department of Commerce and Economic Opportunity in several instances.
- Increase funding of program to allow more people to enroll.
- Increase admin fees to allow Local Area Agency (LAA)s to handle larger portfolio.

- Raise income eligibility level. This increase in the federal poverty level up to 200% has been implemented this year.
- Find new groups to reach out and educate about the program.

### General

1. Better evaluation by the LAA intake workers to identify whether a customer would be best helped by PIPP or LIHEAP.
  - Many PIPP customers could receive more money if they were to use LIHEAP.
  - Many LIHEAP customers cannot get on PIPP because enrollment has maxed out but would get more benefit with the arrearage forgiveness available on PIPP.
  
3. Identify appropriate criteria for evaluating program effectiveness.

### **RESPONSE:**

#### LIHEAP – Low Income Energy Assistance Program

- Number of customers receiving Direct Vendor Payment (DVP) grants.
- The amount of DVP grants distributed.
- Number of customers reconnected with Reconnection Assistance (RA) grants.
- Number of LIHEAP recipients disconnected within 12 months of receipt of grant.
- Number of LIHEAP recipients in danger of disconnection within 12 months of receipt of grant.

#### PIPP – Percentage Income Payment Plan

- Number of customers enrolled on PIPP.
- Amount of monthly pledges customers receive.
- Amount of arrearage forgiven.
- Arrearage forgiveness dollars not used and returned to the State of Illinois
- Number of customers dropped for non-payment. This is available from the Department of Commerce and Economic Opportunity.

#### Share The Warmth

North Shore Gas' Share the Warmth program has been effective in reaching eligible customers. Statistics were provided in the response to E.1.

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

**RESPONSE:**

We do not track income levels of customers and therefore cannot define the eligible population.

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:**

North Shore Gas does not know the funding sources customers use to pay their utility bills. See B.5. for payment options available to customers.

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:**

Based upon our review, assistance programs offered in Illinois are similar to those offered in other states served by WEC utilities – Wisconsin, Michigan, and Minnesota.

**F. Credit and Collections Practices**

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

**RESPONSE:**

North Shore Credit and Collections Department is responsible for implementing credit and collection policies, administering processes for disconnection of service for non-payment, and taking related actions associated with customer accounts. This includes on-going compliance with the Part 280 governing eligibility for service, deposits, billing, payments, refunds, and disconnection of service. These policies and process may not be arbitrarily modified and are subject to the Commission's oversight. Ensuring compliance with Part 280 is both a regulatory requirement and a best practice across the industry.

In addition to compliance with Part 280, North Shore's Credit and Collections Department prudently and reasonably implemented practices and processes to pursue the minimization and collection of uncollectibles, consistent with the six enumerated criteria set forth in Section 19-145(c) of the PUA:

- 1) Identifying customers with late payments;
- 2) Contacting the customers in an effort to obtain payment;
- 3) Providing delinquent customers with information about possible options, including payment plans and assistance programs;
- 4) Serving disconnection notices;
- 5) Implementing disconnections based on the level of uncollectibles; and
- 6) Pursuing collection activities based on the level of uncollectibles.

All of the aforementioned actions can be considered as prudent practices as defined by the Illinois Commerce Commission. The prudence of North Shore's practices pursuant to Section 19-145 are reviewed by the Commission in an annual reconciliation for Rider UEA (Uncollectible Expense Adjustment).

Further, North Shore, as part of its membership and participation in trade associations and industry groups, participate in discussions on industry trends and the development of new policies. This participation industry creates learning opportunities on what other utilities are doing and evaluating our own capabilities against our peers. Several of North Shore's operational tactics such as behavioral scoring, risk based collection activity, customer segmentation, customer authentication prior to granting service, collection agency strategy, along other programs and processes are considered leading practices within the utility industry.

Currently the winter moratorium represents 25% of the calendar year and 72% of the typical annual consumption for a residential customer. The PUA and Part 280 unintentionally create dynamics that makes it favorable for customers to completely avoid making any payments during the winter disconnection moratorium. As a result, certain customers may dig themselves into a financial hole that they will struggle to get out of for the remainder of the year, potentially leading to disconnection and loss of service.

Additionally, once a service has been disconnected for non-payment, we still experience a significant number of households attempting to avoid paying the bill. Part 280.210 "Payment Avoidance by Location" is an

insufficient deterrent for resolving this phenomena. Reducing fraud is a way to keep costs down for our customer base and if the objective is to keep service affordable then we should revisit how we can improve this scenario.

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

**RESPONSE:**

North Shore actively maintains policies and procedures to protect customer information.

The WEC Energy Group Use of Customer Information Policy and the Information Security Policy provide specific guidance on the collecting, storing and sharing of customer information. Additionally:

Collection of Customer Information

Information collected from customers for the purpose of creating a customer account are entered into the customer information system (CIS) by customer service agents. Personally Identifiable Information (Social Security Numbers, Driver's License Numbers, etc.) are collected by these agents, however, when the agent saves the data, it is stored in a truncated format, no longer accessible by the agent.

Storing of Customer Information

Customer information stored in the CIS is restricted by user profiles. Access to the system must be requested and approved by data owners. User profiles restrict the viewing capabilities of the user. With the exception of the Credit and Collections team, very few individuals have access to view full Social Security Numbers, Driver's License Numbers or Bank Account Numbers and other Collection related activity. As part of the North Shore and Peoples Gas CIS upgrade in 2017, significant upgrades to data security were to reflect best practices in the industry.

Sharing of Customer Information

Customers who call to inquire about their accounts must be authenticated as the Customer of Record or approved as an Associated Customer before any information about the account is shared. Third parties who request access to a customer's data (i.e. Energy Assistance agencies) are required to obtain a signed release from the customer before any information is shared with them. Third parties with access to customer data through collections activity (collections agencies) are vetted and monitored through WEC Energy Group's Third Party Vendor Management process, which

includes annual reviews of agency controls and required training on protection of customer data. At this time, WEC Energy Group does not share customer data with any of the three major Collections Bureaus.

3. Within the following subjects as they related to affordability, please identify and describe practices/concepts that are currently working well, areas that can be improved and ideas/plans for improvement:
  - a. Communication/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

**RESPONSE:**

North Shore employs several practices that function well. These include:

- a. In late winter and/or early spring North Shore reaches out to past LIHEAP recipients and potential new LIHEAP recipients with an automated phone message. The call is made to any customer that has received LIHEAP grants in the past two program years but has not applied in the current program year.
- b. CSR's have the ability to utilize the company's Online Encyclopedia (OLE) that houses all of the company's offerings for dealing with customers that are having budget challenges. The OLE describes the program for the agent and provides them with guidance on how to implement it on the customer's account should the customer opt for the offering during their conversation with our representative. Additionally, Peoples Gas provides a listing and description of the aforementioned programs on our company website. Therefore, the agent has the ability to direct the customer to our website should the customer require supplemental information about the program prior to making a decision. Should the customer elect one of these programs at a later date, many are available to be set up through one of our self-serve channels in order to optimize customer convenience.

Similarly, with OLE and our company website, the Peoples Gas agents have information about our energy efficiency programs and opportunities for our customers. In addition to information on our website, the agent can direct the customer to many of our self-serve tools such as Energy Analysis, Interactive Home, and Natural Gas Appliance Calculator, where the customer can explore the impacts of

their use and associated costs.

One of the areas where we would be able to improve is to offer real time information on consumers' consumption so they would be able to make demand side decisions that fit their budget. Having more immediate access to pricing, billing, and usage would provide consumers with the necessary information required to make an informed decision about energy spending habits. As AMI continues to be deployed throughout our service territory, its technology will enable the foundations for such advancements.

- c. North Shore makes an automated, friendly reminder call to customers who have missed a payment but are not in danger of disconnection. Additionally there is a bill message reminding customers to make a payment.

North Shore will also perform live-agent phone calls to customers who are in arrears. The call is used to encourage the customer to make a payment or begin a deferred payment arrangement. Energy assistance programs may also be discussed.

North Shore Gas sends letters to residential customers who qualify for winter restoration based on Part 280.180. The letter encourages customers to call for restoration and begin a deferred payment arrangement.

North Shore also sends disconnection letters and makes automated phone calls to customers who are in danger of disconnection per Part 280.130. This process is outlined in the response to B.1.

- d. In addition to the outreach identified in F.3.a, North Shore also conducts customer outreach via an automated phone message in the 4<sup>th</sup> quarter of the year to any customer who is qualified as Low Income and the Low Income designation is set to expire. This outreach encourages customers to apply for assistance at their Local Area Agency.
- e. See response to F.2.

## **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:**

Not applicable to NSG-PGL.

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:**

Not applicable to NSG-PGL.

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. Not applicable.
- b. In the period beginning with June 1, 2015, and continuing through March 16, 2020, the North Shore Gas Energy Efficiency Program delivered advanced thermostats to 8,414 unique customers.
- c. Not applicable.

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:**

Not applicable.

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:**

The majority of Income Qualified (IQ) weatherization programs are free of cost with the overall premise of the weatherization program being to reduce customers’ energy usage and improve their home comfort. As data is not available to verify cost reduction, we referenced independent program evaluation results related to customer perceptions to address the question of how effective weatherization programs are in increasing affordability. The CY2018 Evaluation Report for Income Eligible Single Family Retrofits Program as prepared by Navigant dated May 10, 2019, shows that customers’ main motivation to participate was to save energy. The evaluation summary also reports that customers were highly satisfied with the outcome of their program participation. From this reporting, it may be concluded that the weatherization program does reduce energy usage.

Images 1, 2, and 3 below are from the CY2018 Evaluation Report for Income Eligible Single Family Retrofits Program as prepared by Navigant dated May 10, 2019.

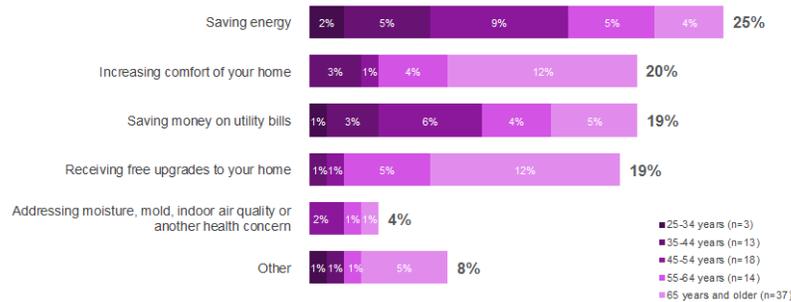
**Image 1:** Evaluation Report Page 15 – responses from occupants of single family homes who received energy and health and safety upgrades through the Chicago Bungalow Association component of the program.

**3. What influenced your decision to participate in the program?**

(n=94)

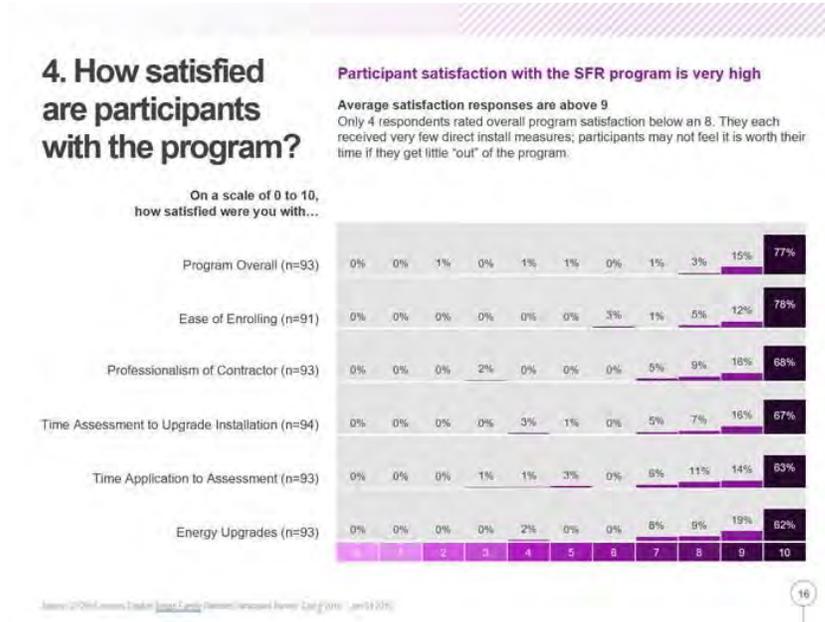
Saving energy and increasing home comfort appear to be more important influencers than financial considerations for more than half of respondents.

- The 25-44 age bracket was more likely to be motivated by energy savings
- The 55 and up age bracket is more likely to be motivated by saving money and increasing home comfort
- Men were ~2.5 times more likely to cite an indoor air quality issue
- Women were 3 times more likely to mention increased home comfort



Source: CY2018 Income Eligible Single Family Retrofits Participant Survey, Dec 4 2018 – Jan 31 2019

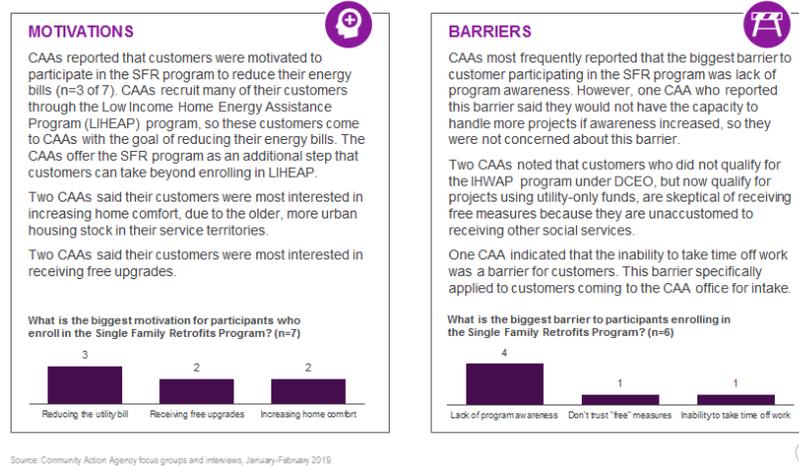
**Image 2:** Evaluation Report Page 16 – responses from occupants of single family homes who received energy and health and safety upgrades through the Chicago Bungalow Association component of the program.



**Image 3:** Evaluation Report Page 34 – responses from focus group with Community Action Agencies that completed single family retrofit projects.

## 1. What are customer motivations and barriers to participating in the program?

### Single Family Projects



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

**RESPONSE:**

Obstacles that low-income customers may face that could prevent them from program participation fall into a few categories. The weatherization program has requirements specifying that residences must be owner-occupied and meet standards that show the building envelope is in good repair. Further, customers in the territory may have a lack of awareness of the program. Geographic barriers built into the program may also limit access of the program to some customers. Further details on these obstacles are outlined in the table below.

<b>Obstacle</b>	<b>Description</b>
Owner-occupancy requirements	Most program offerings only serve homeowners and or customers who live in multi-unit buildings. Customers are disqualified from participating in the program if a building isn't owner-occupied.
Building envelope in poor repair	Prior to participation, a customer's building envelope must be in satisfactory condition for them to be eligible for the weatherization program offering. Repairs may include costly items such as a new roof or fixing a leak.
Knowledge of existing programs	Comprehensive outreach and awareness initiatives are vital to reaching all Income Qualified ("IQ") customers.
Customer skepticism	The notion that the utility would provide improvements at no-cost seems too good to be true to many potential customers. These customers lack awareness that they are paying into an energy efficiency fund through their utility bill. The result is that customers may show hesitance to participate.
Geographic barriers	Some IQ program availability is determined by zip code or specific area ranges, which limits customers that reside outside of those select geographical regions.

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:**

Not applicable.

**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 they programs at achieving these objections, and what changes could make the programs more effective?

**RESPONSE:**

Not applicable.

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:**

Not applicable.

## **Section II – Peoples Gas**

### **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;
  - b. the number of residential customer accounts there were disconnected during 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.

**RESPONSE:**

See Appendix A.1.

2. Please provide the following information. 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 recommendation regarding the format and other relevant parameters related to filing the information.

- a. Number of accounts that received:
  1. LIHEAP – Direct Vendor Payment
  2. LIHEAP Reconnection/Emergency Assistance
  3. Participated in PIPP
- b. Number of accounts that entered into a Differed Payment Agreement (DPA) and:
  1. Average arrearage amount
  2. Average monthly installment payment amount
  3. Average length of DPA
  4. Number of DPAs by length of DPA (number of months)
  5. Number of DPA defaults
  6. Number of DPA reinstatements
  7. Number of DPA renegotiations
  8. Number of DPA successfully completed
  9. 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 month 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 and 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?

**RESPONSE:**

See Appendix A.2. for a.-g.

h. Our system has zip code level data. NSG-PGL customer information system does not present this data in a “mapping format.”

## **B. Credit and Collections Practices**

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

Peoples Gas implements collection practices and procedures in accordance with the requirements of Part 280. Further those practices and procedures are consistent with the consistent with the six enumerated criteria set forth in Section 19-145(c) of the Act including:

- a. identifying customers with late payments;
- b. contacting the customers in an effort to obtain payment;
- c. providing delinquent customers with information about possible options, including payment plans and assistance programs;
- d. serving disconnection notices
- e. implementing disconnections based on the level of uncollectibles; and
- f. pursuing collection activities based on the level of uncollectibles.

### **RESPONSE:**

#### Late Payment Fees

Peoples Gas tracks customer bill issuances and due dates to assess if late fees are to be assessed pursuant to Part 280.60(d)(2) and Peoples Gas's tariffs. Peoples Gas does not assess late fees on Low Income Customers pursuant to Part 280.65(a).

#### Customer Contacts

Peoples Gas policy for communications to customers includes:

- Bill Messages describing payment plans,
- Auto-Dialer Messages - Reminder messages informing customers, as applicable, that a payment was due or past-due, or that disconnection is imminent. The messages also remind customers of the availability of payment plans and heating assistance.
- Disconnect Notices - Consistent with Commission requirements, Peoples Gas mails these notices separate from a bill.
- Field Notifications - These notifications take the form of field postings or company agent visits for disconnection.
- Collection Talk-Off - This means that company agents remind customers calling the call center regarding past due bills, reviewing payment program options and offering to take payments.
- Out-Bound Live Agent Calls - Peoples Gas uses outbound calls on a limited basis to remind customers of the information described above in the explanation of auto-dialer messages.

- Post Cards – Post cards are mailed to customers in arrears to remind them of company-sponsored events and Low Income Home Energy Assistance Program (“LIHEAP”) availability in preparation for winter.

#### Information on Payment Programs and Assistance

Peoples Gas’s policy is to provide information on a variety of payment options and assistance programs including deferred payment options, minimum payment options, and medical payment options. Peoples Gas also informs customers of the Share the Warmth program, LIHEAP and reconnection opportunities under Part 280.180 through a variety of communication channels.

#### Minimization of Uncollectibles by serving disconnection notices

Peoples Gas services disconnection notices to customers delinquent on their bills pursuant to Part 280.130. Prior to the disconnection process and during the time period when letters of disconnection were sent, Peoples Gas engages in a variety of actions to try to ensure that customers are not disconnected, including, as discussed above, reminder letters and calls to encourage payment. Further, Peoples Gas provides information to customers through a variety of channels to encourage customers to contact the utility if they needed assistance. Peoples Gas sends disconnection letters with the ultimate disconnection of service as an additional attempt to prompt payment.

#### Implementing Disconnection based on the level of Uncollectibles.

It is Peoples Gas’s policy to implement collection schedules and collection activities based on certain predetermined criteria. These criteria include:

- Amount of account receivable
- Age of account receivable
- Time of year
- Last payment date
- Last payment amount
- Payment type
- Type of premises
- Meter location
- Customer term
- Payment plan eligibility.

#### Pursing collection activities based on the level of uncollectibles

Peoples Gas pursues minimization and collection of uncollectibles through additional activities to including:

- Outbound calls to encourage customers to apply for LIHEAP when funding was available.
  - Sponsoring community events in the neighborhoods where customers learned about energy conservation, received conservation kits, and could apply for LIHEAP and Share the Warmth in one location;
  - Billing and collecting deposits to offset the impact of uncollectibles;
  - Using the services of three primary collection agencies to collect final receivables before they were written off; and
  - Using the services of four additional collection agencies that continued to pursue the debt post-write off.
2. If actual collection practices are different from formal or written procedures, explain the rationale for the modification.

**RESPONSE:**

Our collection practices are consistent with our formal written procedures as described in B.1.

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

**RESPONSE:**

See response to PGL F.1.

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 for assistance programs and community services
  - d. consumer communication impediments.

**RESPONSE:**

The Customer Service Performance Effectiveness team for Peoples Gas develops and delivers a variety of training opportunities for CSRs to help respond to consumers with billing issues and provide them with resources and available assistance programs. The team develops training based on standard processes, to provide consistent instruction on the Company's

policies and procedures.

After basic foundational training, CSRs are trained on topics related to credit challenges, how to respond to high bill inquiries, and resources on energy efficiency programs. CSRs are trained to recognize when consumers may have challenges paying their bills and how to identify the automated collections processes in place in the Customer Information System (CIS). CSRs are also trained on establishing short-term agreements. Financial Assistance programs available to Illinois consumers, notably the Low Income Home Energy Assistance Program, Share the Warmth, and Percentage of Income Protection Plan, are also covered. CSRs are taught where to locate resources to direct consumers needing assistance, at [peoplesgasdelivery.com](http://peoplesgasdelivery.com), on the [Residential > Financial and energy assistance page](#).

CSRs are trained to recognize when consumers are eligible to keep gas service on with the Minimum Payment Option program. CSRs are also taught to recognize pending disconnection for non-payment service orders and how to best advise consumers to keep their gas service connected. Once service is disconnected, CSRs are instructed on the process to follow to reconnect service for consumers. Medical Certificate reconnections are incorporated in this training.

Throughout all of the training previously outlined, CSRs have opportunities to practice in the CIS training environment, locate information available to consumers on the Company's web site, handle customer inquiries through mock calls and listen to experienced CSRs take live customer calls. The individual training modules are also covered under the Company's Quality Assurance process, which encourages standards for interacting with all consumers in a respectful and empathic manner. To help CSRs communicate with Spanish-speaking consumers, many Company procedures have scripting translated into Spanish. For consumers who speak a different language, language line services are available.

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:**

Peoples Gas offers multiple methods of submitting payment including: via mail, online Credit Card payments, Automatic Payment Plans from bank

accounts, paper-free billing, Authorized Agents, and online payments via electronic billing. Customers are also able to set up and schedule payments using the Peoples Gas's website and recently introduced smart phone app.

To assist customers in managing their monthly expenses Peoples Gas offers a Budget Plan to levelize customers' payments. The customer is given a flat amount to pay each month. That amount is equal to 1/12th of the next year's calculated bills based on the previous year's usage. The amount is adjusted during the next 12 months to limit the customer over- and under-paying for their actual usage. These adjustments allow customers to retain the most money throughout the year and limits large lump sum payments at the end of the year.

Outside of the more flexible payment arrangements enacted as a result of the Commission's final order in Docket 20-0309, Peoples Gas offers a variety of deferred payment arrangements for customers that have fallen behind on their bills.

- Residential Deferred Payment Arrangement:
  - Down payment of 25%
  - Length of the arrangement is a minimum of 4 months and maximum of 12 months
  - Reinstatement terms
  
- Winter Rule deferred payment arrangements are available from December 1 through March 31 for Residential Heating and Commercial with Living Quarters Heating customers.
  - Down payment of 10%
  - Length of the payment arrangement is a minimum of 4 months and cannot extend beyond the following November
  
- Medical Certificate deferred payment arrangements ("Medical Payment Arrangements") are available to residential customers who provide documentation as defined in ICC 280.
  - No down payment is required
  - Length of the arrangement is 12 months
  
- Low Income Deferred Payment Arrangements are available to residential customers designated at low income as defined in Part 280.
  - Down payment of 20%
  - Length of the agreement is a minimum of 6 months and a maximum of 12 months
  - No late payment charges are applied to low income customers

- Commercial Deferred Payment Arrangements are available for non-residential customers.
  - Down payment of 60%
  - Length of the agreement has a maximum length of 6 months
- Back Billing Deferred Payment Arrangements are available to customers when a gas usage adjustment due to unbilled or incorrectly billed service subject to Part 280.110
  - No down payment is required
  - The length of the agreement matches the number of months of adjusted bills
  - No late payment charges are applied
  -
- STAR Deferred Payment Arrangements are available to customers that have not successfully completed a standard payment agreement in the past 12 months. Customers agree to have payments automatically deducted from a credit card, debit card, or bank account.
  - Down payment for residential account is 25%
  - Down payment for commercial account is 60%
  - The length of the agreements is a minimum of 2 months with a maximum of 12 months.

A customer is eligible for reinstatement of a payment arrangement provided the customer agrees to pay the amount they would have paid if the arrangement had not canceled. The reinstatement amount must be satisfied prior to reinstating either payment arrangement type.

A customer can renegotiate the terms of a payment agreement if the customer shows a change in financial or economic circumstances. Renegotiation is available while the current payment arrangement is active.

To encourage use of deferred payment arrangements Peoples Gas periodically conducts live agent call campaigns to connect with customers that are in arrears.

Additionally, Peoples Gas conducts occasional automated dialing campaigns to encourage customers to apply for low income assistance.

As part of our internal collections Peoples Gas automatically calls customers that are late on a payment with a reminder that a payment is due. Customers also receive a bill message when they have arrears. Customers that have fallen multiple bills behind receive an ever increasing number of

reminders that can eventually lead to disconnection. See the details of our Collection Schedule.

At various times throughout the year Peoples Gas will conduct campaigns of agents making live calls to customers in arrears. During these calls customers are encouraged to make payments, start a payment arrangement and/or given appropriate contact information to apply for Low Income Assistance.

If a customer receives a disconnection notice the notice includes a Minimum Payment Option amount (MPO). The MPO amount is a percentage of the customer's arrears. By paying the MPO amount the customer can delay disconnection for one billing period or more. The offered MPO amount is based on the following percentages by month:

- 30% April billing cycle
- 40% May billing cycle
- 50% June billing cycle
- 60% July billing cycle
- 60% August billing cycle
- 60% September billing cycle
- 60% October billing cycle
- 30% November billing cycle

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:**

Peoples Gas uses a variety of positive and negative incentives to reduce delinquencies and disconnections. Peoples Gas offers a low income assistance program called Share the Warmth. Peoples Gas also offers a Budget Billing plan to give customers more predictability in planning monthly expenses. Additionally the Company offers deferred payment agreements and proactively reaches out to customers to offer assistance programs. If customers do fall behind on payments Peoples Gas has an active collections program to dis-incentivize late payments. The collections program includes assessment of late payment charges, warning bill messages, outreach via phone calls and letters, and ultimately disconnection of service. Further, the Commission's leadership in final

order in Docket 20-0309, resulted in temporary, but significant modification to assist customers during the COVID-19 pandemic.

Share the Warmth is a company and customer funded low income assistance program. Qualified customers, those making 200% Federal Poverty Level or less, are eligible to receive up to \$200 in bill credit once per calendar year. Each month's bill includes information where to apply for Share the Warmth and LIHEAP. The information is in English and Spanish. Additionally the Peoples Gas advertises in local media that these programs are available and where to apply. The Company's web site also has links to assist customers in contacting the administering agencies.

To assist customers in planning their expenses Peoples Gas offers a Budget Billing plan to levelize monthly payments. Additionally, the Company offers an Automatic Payment Plan (also known as a bank draft) that automatically receives payments from a bank account designated by the customer. This program ensures payment is made on time and the customer will not incur late payment charges. Each month's bill messaging presents these programs.

Regardless of method of payment, customers are afforded a three-day grace period after the printed bill due date. If full payment is made before the end of that grace period customers will not incur late payment charges and any deferred payment arrangements in effect will remain active. Additionally, residential customers can qualify for a preferred due date, with an additional 10 days, as described in Part 280.70. See additional information on credit rule and procedures in the response to B.1.

Peoples Gas offers multiple types of deferred payment arrangements to assist customers with arrears. The types and terms are itemized in the response to B.5.

Peoples Gas regularly communicates with our customers regarding their bills, how to apply for financial assistance and how to reduce monthly bill amounts. Throughout the year the Company will deliver:

- Customer Connection newsletter stories including: Financial assistance, Energy Efficiency Program, Payment Plans (inserted in residential and small commercial bills)
- Customer Connection e-newsletter stories including: Financial assistance, Energy Efficiency Program, Payment Plans (emailed to customers who have provided an email address to us)
- Radio and print campaigns regarding Financial assistance

- Social media posts regarding Financial assistance, the Energy Efficiency Program, Payment Plans
- Website banners with messages on: Financial assistance, Energy Efficiency Program, Payment Plans
- Resource fairs in conjunction with the Peoples Gas's community relations team with messages and education on : Financial assistance, Energy Efficiency Program, Payment Plans
- Use of targeted phone messages to direct customers towards financial assistance.

### **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

#### **RESPONSE:**

- a. Affordability.

The Public Utilities Act (PUA) and the Energy Assistance Act (EAA) do not define "affordability," though both Acts reference the term in numerous sections. In the PUA those sections include:

- 220 ILCS 5/102(d)(viii)
- 220 ILCS 5/4-304(4)
- 220 ILCS 5/5-111(a)
- 220 ILCS 5/8-208
- 220 ILCS 5/13-102(a)
- 220 ILCS 5/13-103(a)
- 220 ILCS 5/13-301(1)(d), (2)(c)
- 220 ILCS 5/16-101A(a),(c),(d)
- 220 ILCS 5/16-111.5(d)(4), (j)
- 220 ILCS 5/16-111.5A(f)(5)

- 220 ILCS 5/19-130
- 220 ILCS 5/20-110
- 220 ILCS 5/20-120

In the EAA those sections include:

- 305 ILCS 20/2(a)(5), (b)(1)
- 305 ILCS 20/4(a)
- 305 ILCS 20/18(a)(1)

Affordability is one of several relevant objectives listed in Section 1-102 of the PUA that the Commission must consider in its "effective" and "comprehensive" regulation of public utilities. See 220 ILCS 5/1-102(a)-(d). The PUA also requires that utility service be "adequate, efficient, reliable and environmentally safe and which, consistent with these obligations, constitute the least-cost means of meeting the utility's service obligations." 220 ILCS 5/8-401. As such, the Commission may find that an appropriate consideration of affordability varies depending on the circumstances and relative weight of the other Section 1-102 and Section 8-401 factors.

The Energy Assistance Act appears to use "reasonable percentage of the customer's income" as a metric for affordability. See 305 ILCS 20/2(a)(5). Accordingly, the EAA establishes several comprehensive energy assistance programs, such as the low income heating assistance program (LIHEAP), the percentage of income payment program (PIPP) and the Illinois Home Weatherization Assistance Program (IHWAP), as a means of ensuring that low-income customers have access to utility services.

In the context of this NOI regarding financial support for customers with difficulties paying for utility service, a definition of "affordability" may include:

- (1) Ensuring that essential levels of utility service are available to all customers, with payments for such service not to exceed a reasonable percentage of the customer's household income per Section 2(a) of the Energy Assistance Act; and
- (2) Balancing the costs associated with a utility's obligation to provide adequate, efficient, reliable and environmentally safe service per Section 8-401 of the PUA.

b. Low-Income

Low Income Customer is adequately defined under the PUA. Per Part 280.20:

"Low Income Customer" means a residential customer who has qualified under the income criteria of Section 6 of the Energy Assistance Act of 1989 [305 ILCS 20/6]." A customer receives certain benefits under Part 280 when the LIHEAP administrator notifies that customer's utility of the customer's low income status. Historically, Low Income Customers are those customers with a federal poverty line (FPL) income of 150% or lower. More recently, LIHEAP qualification has increased to 200% of FPL.

#### c. Critical Medical Needs Customers

The PUA and Part 280 do not have a definition of "Critical Medical Needs Customers." However, Part 280.160 does, for certified cases of medical necessity provide for a temporary suspension of disconnection activity for non-payment and the ability of a customer that receives certification under that section to set up a payment plan. Certification for medical necessity requires identification of the patient and the place of residence and a statement from a certifying party that disconnection will aggravate an existing medical emergency or create a medical emergency for a patient.

#### d. Delinquency

The PUA and Part 280 do not have a definition of "Delinquency." A customer could be considered "delinquent" for failure to timely pay an outstanding bill from a public utility. Part 280.60 and Part 280.130 adequately address instances when a customer fails to pay an outstanding bill by assessment of late payment fees and, if an outstanding balance is not paid, disconnection of service.

#### e. Disconnection

Part 280.130 provides for the disconnection of service. As a practical matter, disconnection of utility service occurs when the utility has either temporarily or permanently suspended service to a customer's premise due to one of the conditions indicated in Part 280.130(b).

#### f. Displacement

Neither the PUA nor Part 280 provides a definition of displacement.

g. Reconnection

Part 280.170(k) provides for the “timely” reconnection of disconnected service. Generally, reconnection of service occurs at a premise after a customer remedies the reason for disconnection or otherwise provides a medical certification.

h. Vulnerable Customers

Neither the PUA nor Part 280 provides a definition of “Vulnerable Customers.” Similarly, the Energy Assistance Act does not provide a definition of “Vulnerable Customers.” However, Part 280 and the Energy Assistance Act provide numerous references to Low Income Customers for specific application of elements of Part 280 as to deposits, late payment charges, winter reconnection and deferred payment arrangements. Further, Low Income Customers are able to access energy assistance funding such as LIHEAP, PIPP, and IHWAP programs. Additionally, Low Income Customers and premises housing Low Income Customers are frequently eligible for reduced cost/no cost energy efficiency measures in utility energy efficiency programs.

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?

**RESPONSE:**

Part 280 provides customers and utilities comprehensive guidance on the provision of utility service to customers including preferential treatment for Low Income Customers relative to other customers in terms of deposits, deferred payment arrangements, winter reconnections and late payment fees.

**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.

**RESPONSE:**

Part 280.180(h) provides the Commission information as to the numbers of disconnections and reconnections for utility service and deposits. Further, pursuant to Appendix 1 of the Commission's final order in Docket 20-0309, each large utility provides zip code level data on disconnection, deferred payment arrangements, deposits, medical payment arrangements, and deposits to the Commission on a monthly basis.

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.

**RESPONSE:**

Peoples Gas believes the current level of reporting required under Part 280 is sufficient.

**E. Assistance Programs**

1. What assistance programs are available to residential customers that help them pay for utility service and received a continuous supply of essential utility services and how effective are these programs?

**RESPONSE:**

LIHEAP – Low Income Energy Assistance Program

The State of Illinois run assistance program that provides customers with a once a year grant to help customers afford their utility bills. It is currently eligible to customers with a household income at or below 150% of the federal poverty level. Starting with Program Year 2021 the income threshold will be increased to 200% of the federal poverty level.

Peoples Gas Measures between 07/01/2018 and 06/30/2019:

- 56,912 customers received DVP Grants totaling \$25,593,000
- 2,402 customers also received RA grants totaling \$1,587,000

- 22 LIHEAP recipients were disconnected within 12 months of receiving LIHEAP.
- 404 Disconnect notices were sent to 338 unique customers within 12 months of receiving LIHEAP.

PIPP – Percentage Income Payment Plan

The State of Illinois run Percentage of Income Payment Plan assistance program. It provides customers with monthly assistance with current bill and allows customers to earn grants to reduce and ultimately eliminate arrears. It is currently eligible to customers with a household income at or below 150% of the federal poverty level. Starting with Program Year 2021 the income threshold will be increased to 200% of the federal poverty level.

Peoples Gas Measures between 07/01/2018 and 06/30/2019:

- 4,893 customers were enrolled on PIPP at some point during the year
- PIPP customers received \$4,595,000 in monthly pledges
- PIPP customers had \$118,000 of arrears forgiven.
- In 2019 \$3,894,000 of Arrearage Reduction funds were unused and returned to the state.

STW – Share the Warmth Program

A program designed by Peoples Gas to assist customers in paying their bills. Qualified customers can receive one grant per calendar year. Grants are capped at \$200. It is currently eligible to customers with a household income at or below 200% of the federal poverty level.

Peoples Gas Measures between 07/01/2018 and 06/30/2019:

- 14,983 people received \$2,946,000

2. What changes could make the programs more effective?

**RESPONSE:**

LIHEAP – Low Income Energy Assistance Program

- Increase dollar amount paid per grant level.
- Raise income eligibility level. This increase in the federal poverty level up to 200% has been implemented this year.
- Find new groups to reach out and educate about the program.

### PIPP – Percentage Income Payment Plan

- Increase dollar amount paid per grant level. This has been proposed to the Department of Commerce and Economic Opportunity in several instances.
- Increase funding of program to allow more people to enroll.
- Increase admin fees to allow Local Area Agency (LAA)s to handle larger portfolio.
- Raise income eligibility level. This increase in the federal poverty level up to 200% has been implemented this year.
- Find new groups to reach out and educate about the program.

### General

Better evaluation by the LAA intake workers to identify whether a customer would be best helped by PIPP or LIHEAP.

- Many PIPP customers could receive more money if they were to use LIHEAP.
- Many LIHEAP customers cannot get on PIPP because enrollment has maxed out but would get more benefit with the arrearage forgiveness available on PIPP.

3. Identify appropriate criteria for evaluating program effectiveness.

### **RESPONSE:**

#### LIHEAP – Low Income Energy Assistance Program

- Number of customers receiving Direct Vendor Payment (DVP) grants.
- The amount of DVP grants distributed.
- Number of customers reconnected with Reconnection Assistance (RA) grants.
- Number of LIHEAP recipients disconnected within 12 months of receipt of grant.
- Number of LIHEAP recipients in danger of disconnection within 12 months of receipt of grant.

#### PIPP – Percentage Income Payment Plan

- Number of customers enrolled on PIPP.
- Amount of monthly pledges customers receive.
- Amount of arrearage forgiven.

- Arrearage forgiveness dollars not used and returned to the State of Illinois
- Number of customers dropped for non-payment. This is available from the Department of Commerce and Economic Opportunity.

Share The Warmth

Peoples Gas' Share the Warmth program has been effective in reaching eligible customers. Statistics were provided in the response to E.1.

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

**RESPONSE:**

We do not track income levels of customers and therefore cannot define the eligible population.

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:**

Peoples Gas does not know the funding sources customers use to pay their utility bills. See B.5.for payment options available to customers.

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:**

Based upon our review, assistance programs offered in Illinois are similar to those offered in other states served by WEC utilities – Wisconsin, Michigan, and Minnesota.

**F. Credit and Collections Practices**

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

**RESPONSE:**

Peoples Gas Credit and Collections Department is responsible for implementing credit and collection policies, administering processes for disconnection of service for non-payment, and taking related actions associated with customer accounts. This includes on-going compliance with the Part 280 governing eligibility for service, deposits, billing, payments, refunds, and disconnection of service. These policies and process may not be arbitrarily modified and are subject to the Commission's oversight. Ensuring compliance with Part 280 is both a regulatory requirement and a best practice across the industry.

In addition to compliance with Part 280, Peoples Gas's Credit and Collections Department prudently and reasonably implemented practices and processes to pursue the minimization and collection of uncollectibles, consistent with the six enumerated criteria set forth in Section 19-145(c) of the PUA:

- 1) Identifying customers with late payments;
- 2) Contacting the customers in an effort to obtain payment;
- 3) Providing delinquent customers with information about possible options, including payment plans and assistance programs;
- 4) Serving disconnection notices;
- 5) Implementing disconnections based on the level of uncollectibles; and
- 6) Pursuing collection activities based on the level of uncollectibles.

All of the aforementioned actions can be considered as prudent practices as defined by the Illinois Commerce Commission. The prudence of Peoples Gas's practices pursuant to Section 19-145 are reviewed by the Commission in an annual reconciliation for Rider UEA (Uncollectible Expense Adjustment).

Further, Peoples Gas, as part of its membership and participation in trade associations and industry groups, participate in discussions on industry trends and the development of new policies. This participation industry creates learning opportunities on what other utilities are doing and evaluating our own capabilities against our peers. Several of Peoples Gas's operational tactics such as behavioral scoring, risk based collection activity, customer segmentation, customer authentication prior to granting service, collection agency strategy, along other programs and processes are considered leading practices within the utility industry.

Currently the winter moratorium represents 25% of the calendar year and 75% of the typical annual consumption for a residential customer. The PUA

and Part 280 unintentionally create dynamics that makes it favorable for customers to completely avoid making any payments during the winter disconnection moratorium. As a result, certain customers may dig themselves into a financial hole that they will struggle to get out of for the remainder of the year, potentially leading to disconnection and loss of service.

Access to company facilities has been a challenge for People Gas as a result of having a significant amount of meters located where customers deny the company access. Expanded use of remote shut off at the meter may allow the company to remediate this issue. Further, remote disconnect would allow for stoppage of service at lower arrears levels which should yield a higher recovery rate.

Once a service has been disconnected for non-payment, we still experience a significant number of households attempting to avoid paying the bill. Part 280.210 "Payment Avoidance by Location" is an insufficient deterrent for resolving this phenomena. Reducing fraud is a way to keep costs down for our customer base and if the objective is to keep service affordable then we should revisit how we can improve this scenario.

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

**RESPONSE:**

Peoples Gas actively maintains policies and procedures to protect customer information.

The WEC Energy Group Use of Customer Information Policy and the Information Security Policy provide specific guidance on the collecting, storing and sharing of customer information. Additionally:

- a. Collection of Customer Information

Information collected from customers for the purpose of creating a customer account are entered into the customer information system (CIS) by customer service agents. Personally Identifiable Information (Social Security Numbers, Driver's License Numbers, etc.) are collected by these agents, however, when the agent saves the data, it is stored in a truncated format, no longer accessible by the agent.

b. Storing of Customer Information

Customer information stored in the CIS is restricted by user profiles. Access to the system must be requested and approved by data owners. User profiles restrict the viewing capabilities of the user. With the exception of the Credit and Collections team, very few individuals have access to view full Social Security Numbers, Driver's License Numbers or Bank Account Numbers and other Collection related activity. As part of the North Shore and Peoples Gas CIS upgrade in 2017, significant upgrades to data security were made to reflect best practices in the industry.

c. Sharing of Customer Information

Customers who call to inquire about their accounts must be authenticated as the Customer of Record or approved as an Associated Customer before any information about the account is shared. Third parties who request access to a customer's data (i.e. Energy Assistance agencies) are required to obtain a signed release from the customer before any information is shared with them. Third parties with access to customer data through collections activity (collections agencies) are vetted and monitored through WEC Energy Group's Third Party Vendor Management process, which includes annual reviews of agency controls and required training on protection of customer data. At this time, WEC Energy Group does not share customer data with any of the three major Collections Bureaus.

3. Within the following subjects as they related to affordability, please identify and describe practices/concepts that are currently working well, areas that can be improved and ideas/plans for improvement:
- a. Communication/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

**RESPONSE:**

Peoples Gas employs practices that work well, some of which are described below.

- a. In late winter and/or early spring Peoples Gas reaches out to past LIHEAP recipients and potential new LIHEAP recipients with an automated phone message. The call is made to any customer that has received

LIHEAP grants in the past two program years but has not applied in the current program year.

b. CSR's have the ability to utilize the company's Online Encyclopedia (OLE) that houses all of the company's offerings for dealing with customers that are having budget challenges. The OLE describes the program for the agent and provides them with guidance on how to implement it on the customer's account should the customer opt for the offering during their conversation with our representative. Additionally, Peoples Gas provides a listing and description of the aforementioned programs on our company website. Therefore, the agent has the ability to direct the customer to our website should the customer require supplemental information about the program prior to making a decision. Should the customer elect one of these programs at a later date, many are available to be set up through one of our self-serve channels in order to optimize customer convenience.

Similarly, with OLE and our company website, the Peoples Gas agents have information about our energy efficiency programs and opportunities for our customers. In addition to information on our website, the agent can direct the customer to many of our self-serve tools such as Energy Analysis, Interactive Home, and Natural Gas Appliance Calculator, where the customer can explore the impacts of their use and associated costs.

One of the areas where we would be able to improve is to offer real time information on consumers' consumption so they would be able to make demand side decisions that fit their budget. Having more immediate access to pricing, billing, and usage would provide consumers with the necessary information required to make an informed decision about energy spending habits. As AMI continues to be deployed throughout our service territory, its technology will enable the foundations for such advancements.

c. Peoples Gas makes an automated, friendly reminder call to customers who have missed a payment but are not in danger of disconnection. Additionally there is a bill message reminding customers to make a payment.

Peoples Gas will also perform live-agent phone calls to customers who are in arrears. The call is used to encourage the customer to make a payment or begin a deferred payment arrangement. Energy assistance programs may also be discussed.

Peoples Gas sends letters to residential customers who qualify for winter restoration based on Part 280.180. The letter encourages customers to call

for restoration and begin a deferred payment arrangement.

Peoples Gas also sends disconnection letters and makes automated phone calls to customers who are in danger of disconnection per Part 280.130. This process is outlined in the response to B.1.

d. In addition to the outreach identified in F.3.a, Peoples Gas also conducts customer outreach via an automated phone message in the 4<sup>th</sup> quarter of the year to any customer who is qualified as Low Income and the Low Income designation is set to expire. This outreach encourages customers to apply for assistance at their Local Area Agency.

e. See response to F.2.

### **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:**

Not applicable to NSG-PGL.

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:**

Not applicable to NSG-PGL.

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. Not applicable.

- b. In the period beginning with June 1, 2015, and continuing through March 16, 2020, the Peoples Gas Energy Efficiency Program delivered advanced thermostats to 33,803 unique customers.
  - c. Not applicable.
- 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:**

Not applicable.

- 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:** The majority of Income Qualified (IQ) weatherization programs are free of cost with the overall premise of the weatherization program being to reduce customers' energy usage and improve their home comfort. As data is not available to verify cost reduction, we referenced independent program evaluation results related to customer perceptions to address the question of how effective weatherization programs are in increasing affordability. The CY2018 Evaluation Report for Income Eligible Single Family Retrofits Program as prepared by Navigant dated May 10, 2019, shows that customers' main motivation to participate was to save energy. The evaluation summary also reports that customers were highly satisfied with the outcome of their program participation. From this reporting, it may be concluded that the weatherization program does reduce energy usage.

Images 1, 2, and 3 below are from the CY2018 Evaluation Report for Income Eligible Single Family Retrofits Program as prepared by Navigant dated May 10, 2019.

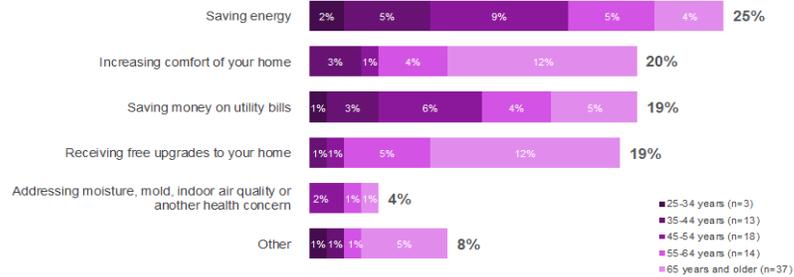
**Image 1:** Evaluation Report Page 15 – responses from occupants of single family homes who received energy and health and safety upgrades through the Chicago Bungalow Association component of the program.

### 3. What influenced your decision to participate in the program?

(n=94)

**Saving energy and increasing home comfort appear to be more important influencers than financial considerations for more than half of respondents.**

- The 25-44 age bracket was more likely to be motivated by energy savings
- The 55 and up age bracket is more likely to be motivated by saving money and increasing home comfort
- Men were ~2.5 times more likely to cite an indoor air quality issue
- Women were 3 times more likely to mention increased home comfort



Source: CY2018 Income Eligible Single Family Retrofit Participant Survey, Dec 4 2018 – Jan 31 2019

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**Image 2:** Evaluation Report Page 16 – responses from occupants of single family homes who received energy and health and safety upgrades through the Chicago Bungalow Association component of the program.

### 4. How satisfied are participants with the program?

**Participant satisfaction with the SFR program is very high**

Average satisfaction responses are above 9

Only 4 respondents rated overall program satisfaction below an 8. They each received very few direct install measures; participants may not feel it is worth their time if they get little "out" of the program.

On a scale of 0 to 10, how satisfied were you with...



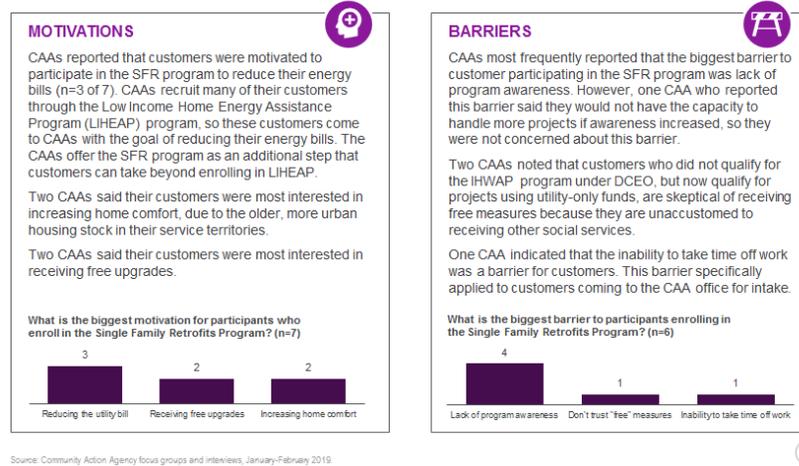
Source: 2018 Income Eligible Single Family Retrofit Participant Survey, Dec 4 2018 – Jan 31 2019

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**Image 3:** Evaluation Report Page 34 – responses from focus group with Community Action Agencies that completed single family retrofit projects.

## 1. What are customer motivations and barriers to participating in the program?

### Single Family Projects



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

### RESPONSE:

Obstacles that low-income customers may face that could prevent them from program participation fall into a few categories. The weatherization program has requirements specifying that residences must be owner-occupied and meet standards that show the building envelope is in good repair. Further, customers in the territory may have a lack of awareness of the program or may have skepticism about the offering being “free”. Geographic barriers built into the program may also limit access of the program to some customers. Further details on these obstacles are outlined in the table below.

Obstacle	Description
Owner-occupancy requirements	Most program offerings only serve homeowners and or customers who live in multi-unit buildings. Customers are disqualified from participating in the program if a building isn't owner-occupied.
Building envelope in poor repair	Prior to participation, a customer's building envelope must be in satisfactory condition for them to be eligible for the weatherization program offering. Repairs may include costly items such as a new roof or fixing a leak.
Knowledge of existing programs	Comprehensive outreach and awareness initiatives are vital to reaching all Income Qualified ("IQ") customers.
Customer skepticism	The notion that the utility would provide improvements at no-cost seems too good to be true to many potential customers. These customers lack awareness that they are paying into an energy efficiency fund through their utility bill. The result is that customers may show hesitance to participate.
Geographic barriers	Some IQ program availability is determined by zip code or specific area ranges, which limits customers that reside outside of those select geographical regions.

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:**

Not applicable to NSG-PGL.

## **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 they programs at achieving these objections, and what changes could make the programs more effective?

**RESPONSE:**

Not applicable.

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:**

Not applicable.

## II. CONCLUSION

NSG-PGL appreciate the opportunity provide Initial Comments in response to the Commission's NOI regarding electric and natural gas service safety and reliability. NSG-PGL looks forward to continuing the discussion regarding these important issues.

Respectfully submitted,

North Shore Gas Company  
The Peoples Gas Light and Coke Company

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