



Illinois Department of Commerce & Economic Opportunity

OFFICE OF COMMUNITY ASSISTANCE

Bruce Rauner, Governor

Percentage of Income Payment Plan (PIPP) Steering Committee Minutes of Special Meeting Held on August 15, 2018

Attendance via Telephone:

Members: Melanie Brown, Ameren; Mindy Browning, ERBA; Janice Dale, Attorney General's Office; Leslie DeVore, DCEO; Aimee English, Citizens Utility Board; Jennifer Fenske, Nicor Gas; Maria Gallardo, DCEO;; Leslie Ann Lesko, DCEO; Michelle Machay, Peoples Gas; Ashley Miller, DuPage County; Ben Moore, DCEO; Lauren Pashayan, Land of Lincoln Legal Assistance; Ellen Rendos, Nicor Gas; Jennifer Schmidt, CEDA; Aarian Smith, ComEd; Martha Strawser, Rockford Human Services; Kathy Walk, CEFS;;

Guests: Grace Brigando, ComEd; Christine Brinkman, ComEd; Deborah Bursley, Ameren; Deirdre Coughlin, DCEO; Kerri Halsall, DuPage; Brigitte Hunter, DCEO; Karen Lussion, Attorney General's Office; Jim Monk, IL Energy Association; Tyrone Pickens, CEDA; Staci Wilson, Illinois Municipal Electric Agency.

Call to Order

Leslie DeVore called the meeting to order.

Review of PIPP True Up Increases Data

Maria Gallardo provided a reminder about the purpose of this special meeting. She said the Office of Community Assistance (OCA) noticed a significant increase in state funding needed as a consequence of higher True-Ups experienced during the first recertification months. During the last PIPP Steering Committee meeting, OCA indicated they will be contacting the utilities and send them a sample for them to further investigate. Maria stated that they requested a list of PIPP customers from STARS who had a 25% or more increase of PIPP benefits or budget bill since July 2018. They sent each utility a total of five customers with an increase in budget bill and five in PIPP benefits. The following questions were asked to the utilities when the sample was sent to them:

- 1) What was the usage in PY2018 versus the usage at the time of True-Up, what is the change from one year to the other?
- 2) Was the customer enrolled with an alternative supplier? If so, what was their fuel cost and if it increased from one year to the next, was it due to additional charges?

In preparation for this meeting, OCA sent the group via email the list of customers included in this research and the observations. The list was provided by utility and customer personal data was removed to protect their privacy.

Ameren:

Maria said that according to the data, most of Ameren's customers were seeing an increase in True-Up at the time of recertification due to colder weather during the 2017-2018 winter months. She said some budget bill accounts were set too low in previous years; some had incorrect readings and that was addressed at the time of True-Up. If the customer moved, their usage will be re-calculated based on their new premise. In terms of customers enrolled with a supplier, a total of five customers out of ten had a supplier and only one experienced a higher bill because of the supplier charges (see customer #9).

Melanie Brown stated what she learned from everybody's observation is the same three things that affect the budget billing: weather, customer behavior, and pricing. She also stated that of the three things, you can't do anything about the weather but can expect customer's behavior and pricing and act on if they knew about them. Melanie said the root of the problem isn't the budget billing because it is fixed and there is no notification of any kind discussion about usage or pricing until recertification which is too late for the customer to make a decision. She suggest the group should focus on ways to identify customers who may be at risk of a higher true-up before it happens and find a way to communicate that to the agencies, so they can educate the customers.

Nicor Gas:

Maria explained that one customer's budget bill was off then adjusted when the True-Up occurred. She said customers with PIPP cannot have a supplier with Nicor Gas.

Jennifer Fenske reiterated what Melanie said about customers moving and how the usage could change. She stated that one customer who never moved increased their usage by 60% which could have been caused by broken equipment, etc.

ComEd:

Maria indicated the data shows an increase in kilowatt usage during PY17 & PY18 during the winter months causing higher budget bills. She said it is coming up in the True-Up when they are recertifying. Three out of ten customers were enrolled with a supplier and are providing a residential energy supplier rate (11cents a kilowatt); one account (see #8), had a high increase on their account because of the increase in the budget bill. The others seemed that the PIPP benefits were not at their maximum amounts.

Aarian stated that she agrees with Melanie in the factors that are contributing to see higher True-Ups. She wanted to know if the customers had an increase in income causing the bills to increase.

Maria said they would look further into it but most likely the customer's income stayed the same while there was an increase because these customers are seniors and disabled households who tend to have fixed incomes.

Karen Lusson asked if 1/3 of customers were on suppliers. Maria clarified that 3/10 ComEd customers included in this analysis have a supplier.

Karen asked if DCEO knows what percentage of PIPP and LIHEAP customers are enrolled with an alternative supplier. She also said that could be why this is happening.

Leslie DeVore stated that currently the program does not track if someone is on alternative energy supplier, but that will be changing it for the next program year (starting October 1, 2018).

Peoples Gas:

Maria said that the common trend with Peoples Gas customers was colder weather drove their usage and therefore, they experienced a higher true-up at their time of recertification. One of the nine customers was enrolled with a supplier (see #3), which it shouldn't when participating in PIPP. However, the charges were not provided on this exercise and some accounts had irregular meter readings. One customer had a billing error because of the budget increase.

Michelle stated that the customer should not be with a supplier, but there was one with a supplier for six months. She said the reason for the increase did not have anything to do with the supplier but the irregular meter readings impacted the new budget bill.

Janice Dale asked if the person with the meter reading problems was getting any compensation. Michelle said no because it was in the customer's benefit due to not recording enough usage. In 2018, when the meter was changed, that's when the budget increase started (see # 3).

Aimee English wanted to know if it was possible to get a more detailed break down like Nicor did. Peoples Gas said they could look at that.

Maria said the group needs to discuss the twelve-month billing for PIPP and customer education. She said the customers need to be educated on why the increase takes place and that this increase will have an impact in their next program year's budget bills. Further education will take place once they recertify.

Jennifer Schmidt said ComEd has been giving them the heads-up if customers are accruing a large budget balance. She said that in response to that, they contact these customers to discuss how their usage can impact their amount and a copy of the bill is attached to the email which lets ComEd know if they are on a supplier. Jennifer stated that the overall concepts discussed are difficult for the general population to understand and is a challenge to communicate all of this to customers within a span of the intake interview. She would like to discuss it further because it is going to be a challenge with each customer.

Deirdre Coughlin asked the utilities what they do for their customers' education and she referred to Energy Efficiency Portfolio Programs (EEPS). Melanie stated that budget billing reacts to their changes where PIPP does not. She said they adjust the customer's budget bill on the fourth and eighth month where the PIPP customers are missing that because their budget bills are locked in for twelve months. Melanie said they have inserts with saving tips but don't know if they get read. She is not sure if there is targeted information that goes out to customers for usage other than the initial enrollment brochure that goes with that. Jennifer Fenske said Nicor does a call drives when budget bill goes up for people who are on a budget plan or on PIPP. They also have bill inserts and the EEPs program is busy sending out those inserts with one coming out in September. She said the information is also on their website.

Michelle Machay said that Peoples Gas do inserts as well and within the last year, use a twitter account with tips for customers. They do outreach but agree that inserts are not always read.

Janice Dale wanted to know when they have a big True-Up at the end of the year for a PIPP customer, if it is \$400, what is the demand, and do they want the full amount. Maria explained the calculation of the PIPP customer's budget bill is based on their prior twelve-month usage. Any increase in budget billing will be factored into the new budget bill.

Aimee asked if additional data is going to be distributed regarding these accounts used in the analysis Maria said that the intention was to report the observations on this special meeting and discuss how we as a group could help these customers get educated so they can reduce their usage. She also wanted to know if more consumer education is going to be discussed. Leslie Ann Lesko stated that she is an Ameren customer and knows for a fact they send out separate notices that gives them the amount of usage used compared to her neighbors. She wanted to know if PIPP customers could receive something similar.

Jen Schmidt stated that it is too early for this program year to know if the big increases are contributing to PIPP drops. They are seeing that customers are choosing to stay on PIPP and are trying to make sure they understand for what they are obligating themselves. She also said that they try to educate them about the consequences if they can't keep up with their CPR payments, so they are not set up for failure. She said looking back a few years at True-Ups from 2015 to the present might be a good comparison.

Budget Billing:

Melanie said she has a report that mimics the normal review process that regular budget billing customers go through. On the fourth and eighth month, the report is internally reviewed. She said the volume from April through current, they received new data, there were 1,243 accounts with an average of 10 per day. She noticed many customers were going through their eighth month review in the month of April which made it about 100 reports a day that causes problems because it is during the same time the utilities work with disconnections. Melanie also stated that they were finding customers on the report, (about 2\3) that were with a supplier. She said she would advocate that they concentrate on the customers that needed adjustments which ComEd is already doing. Overall, the problem is having enough time with the customer and lacking in staff. She also noticed that about 28% of the Ameren's PIPP population requires an adjustment.

Janice Dale wanted to emphasize how important the roles of the alternative suppliers are having in LIHEAP/PIPP. She doesn't think the rates that the suppliers are charging customers for energy should be underestimated. Maria reminded Janice that they helped develop the one-pager about LIHEAP Alert and Choosing Suppliers which they are going to remind the LAAs to use these resources when educating applicants in the new program year.

Melanie again explained that, from the report she has, about 67% of the customers were with a supplier. However, it does not give anyone the insight to if there is a problem with the supplier. She stated that only one had a pricing that could have been better. Leslie DeVore reiterated and agreed with Melanie that the issues with True-Up were not necessarily due to an alternative supplier. Karen stated that when the price is competitive, the community was able to negotiate a comfortable price. She said that it is becoming clear when you read the Office of Retail Management Development report, that is issued by the ICC, it shows when customers are targeted or marketed by the suppliers individually, it usually does not end well.

Karen said she helped a customer and they were paying over \$1.17 for their gas supply where typically, Nicor bundle rate in the 30-cent range. She made a point to say that if they are being charged too much, the energy efficiency information is not going to help them. She wanted to know what can be done to help the customers because they are being targeted and it is a problem. The report issued by the ICC in June, recommended that the utilities and alternative suppliers should be required to prominently display on the bills the prices to compare so the customers could see exactly what they are paying. She hoped they make a commitment to support the notion for the utilities to re-configure their bills. Karen emphasized how important it is to make sure the customers understand they have choices and to help them make an informed decision.

Maria asked Karen when will the price comparison take effect or will each utility be implementing with the ICC. Janice said discussions are now taking place as to how it can happen with a place on the ICCs website showing the price comparison. She said the electricity prices changes every six months, one for summer and non-summer months with gas prices changing every month which can cause problems. She agrees with posting the prices in the LAAs office is an excellent idea without being forced to drop their provider. She feels something more should be done to help the customers.

Leslie DeVore stated that DCEO can suggest the option that agencies can do price comparison but do not want to require it. She said they will provide the flyers developed from the AG's office and the agencies can provide the customers with it. However, DCEO currently doesn't have the resources to provide the agencies with posters to be displayed more frequently and to monitor the agencies on this. Deirdre Coughlin stated that gas prices change monthly and some LAAs have over 100 intake sites, which will make it difficult for an agency to keep up with the price changes. Janice Dale said DCEO and the AG's office could further work on the poster idea.

Eric Schrader said Peoples Gas publish their prices on their website, so people can compare. It was stated how difficult it is to find the prices on the ICC website. Lauren Pashayan stated that a lot of low-income communities use phones that switch out every 30 days which means they do not have access to a computer to get the information. She said it is putting pressure on the customer while they are trying to take care of their family. The point is, the LAAs can look this up on the website themselves. It was explained that in the southern counties, customers have limited access to get to the sites which makes it difficult for the LAAs and customers to get together. Leslie Ann said the LAAs will get a list of helpful sites and links when they are trained to better assist them. Jennifer Schmidt thought it would be a good topic for the Consumer Ed Sub Committee who has not met for a while. She wants to discuss the options for True-Up Adjustments with budget billing. OCA will reconvene the Consumer Education Sub Committee to further discuss how to help these customers.

Melanie stated that the multiple True-Up discussion should not necessarily be with DCEO and the utilities, but with everyone. Melanie wanted to know what steps CEDA is taking with their large caseload. ComEd has a large budget balance report that shows all the customers with a large debit bill balance or large credit. It indicates that they need to be reviewed to find out the cause of the differences. Some has to do with the customer's rent and moving. They advise the customer who use a high amount of energy by working with them with ways to reduce it. Melanie asked what does CEDA do with this customer list. Jennifer Schmidt explained that when she receives the email, it usually has the most recent customer bill. She sees the twelve-month history usage, reach out to the customer to see the balance of the True-Up

budget bill. They show the customers, so they can make behavior changes, if possible, between when they get the report and the next True-Up. When the bill gets to ComEd, it may not be early enough for the customer to make changes before the next True-up in the winter. Talking to the customer can maybe identify issues in the home that may be able to be fixed such as having a bad water heater which they worked with DCEO and the bill was adjusted. Jen said they should be reaching out to the customer. Maria asked how often they reach out and Jen said when the season is busy, they might call 10-15 customers a week. They talk about weatherization and energy efficiency tactics. It all takes time and may not be able to keep up with the capacity.

Leslie asked if it would be beneficial to have STARS generate a letter six-months prior to the PIPP customer's true-up. Maria said they would need to talk to Kestner Consulting, Inc. first to know what is possible. Michelle Machay confirmed they send usage data via STARS. Maria wanted to know if she can know where in the communication schema they are exchanging this data and it is in the monthly pledge that is sent.

Meeting Schedule

The next scheduled meeting is October 4, 2018.

Adjournment

The meeting was adjourned.