



**Illinois  
Department of Commerce**  
& Economic Opportunity

OFFICE OF COMMUNITY ASSISTANCE

Bruce Rauner, Governor

**Percentage of Income Payment Plan (PIPP) Steering Committee  
Minutes of Meeting Held on July 12, 2018**

**Attendance via Telephone:**

Members: *Brown, Melanie, Ameren; ; Leslie DeVore, DCEO; Amy English, Citizens Utility Board; Jennifer Fenske, Nicor Gas; Maria Gallardo, DCEO; Joan Howard, IL Commerce Commission; Leslie Ann Lesko, DCEO; Ashley Miller, DuPage County; Ben Moore, DCEO; Lauren Pashayan, Land of Lincoln Legal Assistance;; Jennifer Schmidt, CEDA; Aarian Smith, ComEd; Martha Strawser, Rockford Human Services; Kathy Walk, CEFS;*

Guests: *Burse, Deborah, Ameren; Owen Carter, Rockford; Deirdre Coughlin, DCEO; Dave Baron, Peoples Gas; Kerri Halsall, DuPage; Janet Hawes-Davis, DCEO; Marie McLean, DCEO; Jim Monk, IL Energy Association; Tyrone Pickens, CEDA; Anthony White, Ameren; Emily Williams, Nicor Gas. Arely Vazquez, Nicor Gas.*

**Call to Order**

Leslie DeVore called the meeting to order.

**Approval of Minutes**

There were two corrections from the April 5, 2018 minutes.

- 1) Maria Gallardo stated that Jennifer Schmidt contacted her suggesting a change in the Pre-Program Arrearage (PPA) section. Jennifer said suggested to re-word the sentence by saying: The FERC Program administered a few years ago gave disconnected customers DVP and RA and then put them on PIPP. She also said the difficult part was getting the customers to come back once reconnected which made it hard to use these funds.
- 2) Kathy Walk stated that in the Auto-Drop Clock Move section she is not from Ameren and thought it was probably Melanie who is from Ameren and made the comment that she agreed with Aarian Smith from ComEd. The minutes were not approved at this time and the revised minutes will be provided to the members during the October meeting

**PIPP Recertification Process and True-Up Adjustments**

Maria Gallardo provided the program update. She said the biggest volume of the PIPP recertification intake happen during the months of July and August. In preparation for the new fiscal year starting in July, the Office of Community Assistance (OCA) sent out a procedure letter to the agencies on May 17,

2018 laying out the processes. Maria reminded everyone that the processes is triggered by the utility sending the True-Up Advance Notice 60 days before the customer true-up

The STAR system generates two letters, one will go out on day 30 before the true-up occurs to advise the customers they need to contact their local agency to recertify their PIPP eligibility. If the customer does not respond to this letter, a second letter is being sent 15 days before the customer true-up date. The recertification choices are either to remain on PIPP or drop from the program. Maria also stated that if the customer is over income, they will be dropped immediately. These customers who drop prior to October 1<sup>st</sup> can return during their enrollment period and apply for energy assistance.

Maria stated that OCA worked with Kestner Consulting and provided a webinar in May 2018. The webinar offered a refresher to the agencies regarding taking applications and a reminder of few reports available in STARS. She said the STARS User Manual was revised and shared with the agencies and the webinar slides were posted on the OCA Extranet as well as sent via broadcast. Part of the recertification process typically handles a special customer drop coordinated with Kestner Consulting. This is the June 30 Special Manual Drops. It is the population of PIPP combination households that were dropped from one of the PIPP PPUs due to non or missed payments. They can stay on-PIPP on the other PIPP PPU until June 30. These households will be able to come back during their enrollment period and apply for energy assistance. A letter is sent to the customers to inform them about the drop and what they can do. Maria said a total of 265 customers were dropped for this reason within 10 agencies (1% of the PIPP enrolled population).

Ben Moore stated that in the new program year they took the current customers who were enrolled at the end of PY2018, took their current benefits and re-enrolled them in PY2019. He said as the recertification process took place, they are noticing a significant increase in state funding needed as a consequence of higher True-Ups. Some cases are near \$1,000 increases for the year. He requested feedback from utilities and noticed this increase particularly with Ameren's customers.

Melanie Brown said she wasn't aware of these increases but would like examples. She said they struggle with changes when the true-up is fixed for a year. She said if they are choosing a supplier and they are causing an increase cost, it is affecting the customer's budget billing as well. A lot of things could come into play. Ben agreed and said the third-party suppliers was one of the potential answers to look at. He also said he will provide Melanie with a couple of examples. The discussion will continue when more information is gathered

Deborah Bursey stated that she is not a PIPP customer but is on budget billing and she saw a big increase due to the weather.

Jennifer Fenske said they are at a 1% increase based on June factor for the budget plan now. She assumed it is 3 to 4% higher for PIPP customers based on calculations behind the scene.

Joan Howard asked if anyone noticed an increase in gas bills, electric or both. Ben said they just noticed it in the last week and haven't had a chance to research and could not answer that. =

Jen Schmidt said she has been keeping an eye out and noticed there is an increase in both, but the electric is due to space heater usage. She said for the last couple of years she has tracked the average temperature

every month for Chicago and this winter was significantly colder and longer. Jen said she was expecting a big budget increase than what she is seeing.

Leslie Ann Lesko reiterated what Maria said about recertification and an increase in utility cost. She said she have a breakdown of 71% of the recertification appointments/intake occur during the months of July and August. The other months range anywhere from 8% in November and several months that have only 1% of the total recertification activity.

The LIHEAP Benefit Matrix has been revised to have an overall increase of 23% benefits for all (gas, electric, propane, etc.). It will be talked about more in the upcoming PAC meeting but had to provide the revised benefits to the STARS system in order for the PIPP customers be able to make their choice starting July 1st. The DVP amounts have all increased and they are based on the actual fuel prices. The Reconnection Assistance (RA) maximum benefit amount will be raised from \$750 to \$1,000.

Jennifer Fenske asked if it meant that additional funds will be put back into PIPP to enroll more customers. Jen is concerned with PIPP numbers dropping since PIPP was resumed after it was suspended in PY17. She said they have a lot of customers calling and feel the need for more PIPP funding. Ben said the PIPP allocation will remain the same as previously we over-spent the PIPP budget and almost had to drop some customers but then the program was suspended all together due to the state budget impasse.

### **PIPP Manual Status**

Maria started with the revision of the Energy Assistance Manual merging the LIHEAP and PIPP policies into one document. The group discussed the PY19 PIPP Policy Updates/Clarifications that were sent via email. There were seven points discussed (refer to the emailed document).

Martha pointed out that the start of the True-Up Adjustment (#3) benefit is available in October not in July.

Leslie Ann Lesko made a correction in #6 stating that the word “not” should have been added in line three reading as: *pre-program arrearage that **cannot** be addressed in the PIPP by the Arrearage Reduction.* Then it was agreed that it should be re-worded. The main thing is there should be a definition of Non-Service Related Charges in the manual/policy and the customers are responsible for the NSR charges.

Maria asked to email her any other additions/clarifications that is needed in the manual.

Melanie said she thought it was a good start to further define the NSR charges but want to also include the Non-Sufficient Funds charges as a customer payment can be returned and end up in charges. It was suggested to add Non-Sufficient Funds charges as part of NSR charges

### **Letter Changes**

Maria indicated that OCA and a small group of LAAs. They revised a total of eight letters to make them more customer friendly. They were re-worded with simple sentences so the customer could better understand. Maria said they are coordinating with Kestner Consulting, Inc. to deploy the changes in STARS. A broadcast will be sent to the agencies when the letters updates become available.

Leslie DeVore said the letter templates will be sent out to the agencies so they can see and be familiar with the changes.

### **Fiscal Update**

Ben provided an update about the state LIHEAP grant processing needed to pay PIPP benefits in the new fiscal year. He said they have not been executed yet but are at a better status than last year. They have sent out eleven of the agreements to the grantees to sign hoping they will be executed by the middle of August. He also wanted the utilities to be aware that payments for the beginning of this program so far will be delayed because of the grants.

Leslie said hopefully a Notice of Funding Opportunity (NOFO) for Knox county will be posted next week. She said for the last couple of years they couldn't provide funding because of issues experienced with the local agency. The goal is to reinstate PIPP in Knox county once a new provider is selected.

### **Other Business**

Melanie wanted to know if there is going to be more discussion about budget billing increases. She just learned on a regulatory call that there was a recent report from the Office of Retail Market Development (ORMD) that there is data that analyze the impact of choice on the residential customers on the electric side and for Ameren, it stated that customers enrolled with a supplier pay on average 1.3 cents a kilowatt an hour more than Ameren's customers, which amounted to \$89 million. She also said it did not say anything about low income separation and wonder what can be done to help the energy assistance customers. Melanie asked if it was a good idea to freeze the budget billing for the PIPP customer for twelve months because there are so many things that can change that they have no control over like the customer's ability to choose a supplier or their usage or the weather patterns.

Jim Monk said the topic of customer choice was for every residential customer including low income customers. This was a pretty hot topic this spring in the legislature session and the Attorney General's Office had some legislation and it was highly controversial especially on the part of alternative suppliers. He said the bill did not pass but the Illinois Commerce Commission (ICC) suggested to the utilities that they put a price to compare on their bill. He was sure Ameren and ComEd was going to do it. Jim said they were going to compare on the bill so the customers would know the difference between the utility default price is and what might be offered to them by an alternative retail supplier.

Melanie again asked if there was something from a specific PIPP perspective that could be done that would help educate or alleviate some of the True-Ups that are surprising in the end. Leslie DeVore has a proposal that she is going to discuss with her staff. She said they are just now seeing all the increases in the PIPP recertification amounts. She also said she is thinking they will send customer samples to each utility for them to further investigate, gather all the information and send it to the group and come together for a special meeting to discuss the results

Mindy said since this all got started, she just looked and saw a third of her agency's PIPP recertification customers are paying nine cents a kilowatt hour for their electric that are enrolled with an alternative retail supplier. She saw a budget bill go from \$89 to \$122 a month. She also stated that she feels this is part of the problem and everyone agreed.

Leslie Ann asked the LAAs if they are giving literature to the customers and is wondering if it should be focused more on PIPP customers. Maria said customer education material was developed with Attorney General's Office around two years ago. There is the LIHEAP Alert one pager and the Choosing for a Supplier fliers.

Martha Strawser said they do educate their customers and get notified from Nicor Gas when their supplier is changing because it would make them drop from PIPP. She said they are finding that a lot of ComEd suppliers are changing and they don't know about it until recertification time but it would be nice to get notified if ComEd switched suppliers.

It was said that ComEd customers are required not to be dropped if they have an alternative provider. Neither is Ameren if they are billed through Ameren. Maria is taking note and will discuss it with Kestner to see if something can be done because they cannot see the dropped screen. It will be further discussed. Mindy said they give customers flyers from the AG's office but the suppliers are going door-to-door, especially targeting the elders. These suppliers are having these customers thinking they are from Ameren giving them a better rate and offering them a \$30 gift card.

Aarian had concerns about the merging of LIHEAP and PIPP policies into one Procedures Manual stating that it is beneficial, however, there have been correspondence regarding the Finaled Accounts that have a pledge over annual limits and their PIPP benefits are being rejected. She also wanted to see if they can streamline the dual benefit process regarding how frequently they can receive those reports until the new system redesign goes into deployment because that population of customers does come throughout the program year. There was a conversation about this last year and believed the LAAs have access to that report. Aarian wants to know if there can be further discussion on this subject because she has other concerns related to the manual update.

Leslie Ann said that LIHEAP will still be the beginning of the manual, 12 sections of it. She said section 13 will be PIPP policy without many changes. OCA will follow-up with Aarian.

### **Meeting Schedule**

The next scheduled meeting is October 4, 2018. However, a special meeting will be scheduled to discuss the higher true-up amounts currently experienced during the first months of the recertification period.

### **Adjournment**

The meeting was adjourned.