

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

<p>IN RE:</p> <p>INQUIRY INTO BILL PAYMENT AGREEMENTS FOR ELECTRIC AND NATURAL GAS SERVICE</p>	<p>DOCKET NO. NOI-2014-0003</p>
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**ORDER INITIATING INQUIRY**

(Issued March 20, 2014)

**BACKGROUND**

The Utilities Board (Board) is initiating an inquiry to collect information from electric and natural gas utilities concerning bill payment agreements entered into with residential customers during and after the Winter Moratorium period, specifically from November 1, 2013, through May 1, 2014. The extreme weather that has occurred during this period has placed a strain on the budgets of individual customers and utilities and on the resources of private and government programs designed to help customers with natural gas and electric heating bills. This inquiry has two primary goals: (1) to serve as a reminder of the Board's rules regarding payment agreements for residential customers, and (2) to collect data to provide a better understanding of the ability of the Board's rules to address some of the issues raised by extreme winter weather. Docket No. NOI-2014-0003 is opened for the purposes of this inquiry.

### **BOARD BILL PAYMENT AGREEMENT RULES**

The Board rules applicable to bill payment agreements are as follows:

#### **Natural Gas Service 199 IAC 19.4(10) and Electric Service 199 IAC 20.4(11)**

a. A residential customer who cannot pay a bill for natural gas or electric service and who is not in default of payment agreement with the utility must be offered an opportunity to enter into a reasonable payment agreement.

b. The residential customer's current household income, ability to pay, payment history, the size of the bill, the length of time the bill has been outstanding, and any special circumstances creating extreme hardship within the household, are to be considered in determining a reasonable agreement.

c. Terms of payment agreements.

(1) If a residential customer has received a disconnection notice or has been disconnected from service for 120 days or less and the customer is not in default of a payment agreement, the utility is required to offer the customer a minimum of a 12-month payment agreement. If a customer has been disconnected from service for more than 120 days, the utility is required to offer the customer a payment agreement of a minimum of six months. The payment agreement shall also require the payment of the current bill and the utility may require the customer to enter into a level payment plan to pay the current bills.

(2) If the customer defaults on the first payment agreement, the utility is required to offer the customer a second payment agreement of at least the same length as the first payment agreement as long as the customer has made two full

consecutive payments under the first payment agreement. The customer will be required to pay for current service as part of the second payment agreement and the utility may require the customer to make the first payment under the second payment agreement up-front as a condition of entering into the second payment agreement.

### **INFORMATION TO BE PROVIDED BY UTILITIES**

To allow the Board to review whether the payment agreement rules are adequate to address the situation created by the extreme cold weather during this past Winter Disconnection Moratorium, the Board is requesting that each utility provide the following information:

1. The number of payment agreements entered into with residential customers by each utility during the period from November 1, 2013, through May 1, 2014.
2. For each agreement entered into with residential customers during the period from November 1, 2013, through May 1, 2014, provide the following information:
  - a. The amount of the debt owed at the time the customer enters into the payment agreement;
  - b. The length of the agreement;
  - c. The number of payments made by the customer;
  - d. The amount of debt still owing as of May 1, 2014; and
  - e. Whether the customer was eligible for LIHEAP assistance and whether the customer actually received that assistance.

3. A sample copy of the payment agreement provided by the utility to residential customers.

4. A sample copy of a bill that shows how the amount owed by the customer pursuant to the payment agreement is displayed on the bill.

5. The number of customers who were refused payment agreements between November 1, 2013, and May 1, 2014.

6. For each customer who was refused a payment agreement, provide the reason(s) for the utility refusing to enter into a payment agreement with the customer.

7. For those payment agreements entered into between the utility and a customer between November 1, 2013, and May 1, 2014, that were not in compliance with Board's rules, provide the reason for the utility entering into a payment agreement that was not consistent with Board rules.

If any utility already maintains information about residential payment agreements that is substantially similar to the requested data, but not identical, then the utility should contact the Board's inquiry manager to determine whether the utility's existing records will be sufficient. The Board will make every reasonable effort to work with existing data collection systems, rather than imposing new obligations to collect substantially similar information.

### **INQUIRY MANAGER**

The Board has appointed Jane Whetstone as inquiry manager for the docket. If you have questions about the information requested by the Board, you may contact

Ms. Whetstone by telephone at 515-725-7358, or by e-mail at

[Jane.Whetstone@iub.iowa.gov](mailto:Jane.Whetstone@iub.iowa.gov).

### ORDERING CLAUSES

#### IT IS THEREFORE ORDERED:

1. An inquiry, identified as Docket No. NOI-2014-0003, is initiated to collect information regarding residential customer bill payment agreements entered into by all electric and natural gas utilities during the period from November 1, 2013, through May 1, 2014.

2. Utilities shall file the information requested in this order on or before June 1, 2014.

3. The Records and Information Center shall send copies of this order to all natural gas and electric utilities offering service in Iowa.

### UTILITIES BOARD

/s/ Elizabeth S. Jacobs

/s/ Nick Wagner

ATTEST:

/s/ Joan Conrad  
Executive Secretary

/s/ Sheila K. Tipton

Dated at Des Moines, Iowa, this 20<sup>th</sup> day of March 2014.