

August 19, 2014

IOWA UTILITIES BOARD

STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

IN RE:

INQUIRY INTO BILL PAYMENT
AGREEMENTS FOR ELECTRIC AND
NATURAL GAS SERVICE

DOCKET NO. NOI-2014-0003

RESPONSE OF THE OFFICE OF CONSUMER ADVOCATE TO BOARD ORDER

Comes Now, the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, in response to the Order Addressing Responses to Payment Agreement Inquiry and Establishing Date for Responses filed by the Iowa Utilities Board (Board) on August 6, 2014, and states the following:

1. On March 20, 2014, the Board opened an inquiry proceeding to collect information from electric and natural gas utilities concerning bill payment agreements entered into with residential customers from November 1, 2013, through May 1, 2014. In the March 20, 2014 order, the Board stated that the extreme weather that occurred during the past winter had 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. The Board directed all utilities to file responses to the Board's inquiry with information about bill payment agreements entered into between November 1, 2013, and May 1, 2014.

2. On August 6, 2014 the Board issued its Order Addressing Responses to Payment Agreement Inquiry and Establishing Date for Responses (Board Order). In the Board Order, the

Board summarized its rules regarding payment agreements, identified certain compliance issues involving reporting utilities, and established a deadline for responses to the Board Order.

3. OCA offers the attached Sample Payment Agreement for the use of Iowa utilities. OCA has prepared the attached Sample Payment Agreement to comply with the payment agreement rules as interpreted by the Board in the Board Order. The attached Sample Payment Agreement is based on a form provided to OCA by the Iowa Association of Electric Cooperatives (IAEC) and reflects changes intended to address issues raised by the Board in the Board Order.

Respectfully submitted,

/s/ Mark R. Schuling
Mark R. Schuling
Consumer Advocate

/s/ John S. Long
John S. Long
Attorney

1375 East Court Avenue
Des Moines, IA 50319-0063
Telephone: (515) 725-7200
E-mail: IowaOCA@oca.iowa.gov

OFFICE OF CONSUMER ADVOCATE

SAMPLE PAYMENT AGREEMENT

Name: _____ Account No. _____
Address: _____ City/State: _____
Location: _____ Phone #: _____

I. CONDITIONS:

- A. The residential Member-Consumer named above is in default on bills for his/her electric/gas service and the delinquent amount, as of the date of this agreement, is \$_____.
- B. In addition to the delinquent amount noted above, the Member-Consumer's account shows the amount owed for current services is \$_____; due on or before _____.
- C. The Member-Consumer is unable to pay all charges owed to the Utility but will agree to pay the amount owed in regular installments over a period of time.
- D. The rules of the Iowa Utilities Board require utility companies to delay disconnection so that a reasonable payment plan can be worked out.
- E. The Utility must offer the Member-Customer the option of equalizing the amount of current and future bills over a 12-month period pursuant to a Level Payment Plan.
- F. The Utility has agreed to continue utility service so long as the customer makes payments as provided for by this agreement.

FOR FIRST PAYMENT AGREEMENTS (check applicable box):

- _____ For a current Member-Consumer, not in default of a payment agreement and for whom this is the first payment agreement related to this delinquency, the minimum time period is 12 months;
- _____ For a Member-Consumer who has been disconnected for 120 days or less, is not in default of a payment agreement, and for whom this is the first payment agreement related to this delinquency, the minimum time period is 12 months; and
- _____ For a Member-Consumer who has been disconnected for more than 120 days, is not in default of a payment agreement, and for whom this is the first payment agreement related to this delinquency, the minimum time period is 6 months.

FOR SECOND PAYMENT AGREEMENTS (check box):

_____ A Member-Consumer, who is in default of a first payment agreement, shall be eligible for a second payment agreement if the member-Consumer has made at least two consecutive full payments under the first payment agreement. The term of the second payment agreement shall be the same term or longer than the first payment agreement. As a condition of entering into the second payment agreement, the Member-Consumer may be required to make the first payment up-front.

II. LEVEL PAYMENT PLANS:

A. Member-Consumer acknowledges that in addition to the payments for the delinquent balance referenced above, Member-Consumer must also pay all future bills as they come due each month. Member-Consumer may elect to enter into a level payment plan for future bills in accordance with the Utility's tariff. (Select **one** of the following)

_____ Member-Consumer chooses to take advantage of the level payment plan option by paying \$ _____ level payment amount per month for service used in the future, plus \$ _____ per month delinquent energy (as set forth in Section 1 above), for a total of \$ _____ due and payable by the due date of each month for the next ____ months;

_____ Member-Consumer does **not** elect to enter into a level payment plan for future bills.

B. The amount due monthly pursuant to a Level Payment Plan shall be recomputed at least annually, and may be recomputed monthly, quarterly, when requested by a customer, or whenever price, consumption, or a combination of factors results in a new estimate differing by 10 percent or more from that in use. However, any level payment plan deficit owing by the Member Consumer at the time of recomputation must be spread equally over the subsequent 12-month period.

III. NOTICE:

If you are not satisfied and cannot work out a reasonable agreement with the Utility, you may contact the Iowa Utilities Board and obtain assistance in working out reasonable terms. (Phone: 1-877-565-4450; Email: customer@iub.iowa.gov ; and Address: 1375 East Court Avenue, Des Moines, Iowa 50319). If you sign this agreement, you agree that you owe the amounts shown and you agree to make payments on the specified dates.

IV. AGREEMENTS RECEIVED BY MAIL OR ELECTRONIC MEANS:

When the Member-Consumer makes the agreement by phone or through electronic transmission and receives this written agreement by mail or electronic means, the Member-Consumer will be deemed to have accepted the this written agreement if the Member-Consumer does not notify the utility within ten days that the Member-Consumer disagrees with the terms and conditions of the agreement. Notification should be made to the utility's qualified representative, _____, at this toll-free number, _____, or at this address, _____.

IN WITNESS WHEREOF, the parties to this agreement have affixed their signatures on the dates shown below:

UTILITY

MEMBER-CONSUMER:

BY: _____

BY: _____

DATE: _____

Date: _____

ADDENDUM

Utility and Member-Consumer agree that the delinquent amount shown above will be paid on the dates and in the installment amounts shown below:

#	DATE	AMOUNT	#	DATE	AMOUNT
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					