



TO: Urbana City Council
FROM: Mayor Diane Wolfe Marlin
RE: Utility Disconnections
DATE: November 2, 2020

A. LOCAL AUTHORITY TO ISSUE A MORATORIUM ON DISCONNECTIONS

- 1) In response to Council's questions, we followed up on the issue of whether the City of Urbana has the authority to issue a moratorium on utility disconnections with the Illinois Commerce Commission (ICC) and the Illinois Municipal League (IML). IML Counsel, Patrick Hayes, noted that cities that owned water, gas, or electric utilities have the power to impose a moratorium. ICC's position is that municipalities that do not own the utilities are pre-empted from doing so by the state's authority. (See ICC message below)
- 2) According to the City of Champaign Legal Division, the City of Champaign does not have the authority to issue a moratorium on utility disconnections for privately-owned companies.
- 3) We inquired about possibility of City being notified of disconnections or inserting a message with bills advising of financial assistance available to customers and are awaiting a response.
- 4) ICC message to the City:
 - *Commonwealth Edison Co. v. City of Warrenville, 288 Ill. App. 3d 373, 379 (2d Dist. 1997) held that "utility regulation is not a matter pertaining to local government and affairs. Rather, the regulation of public utilities is purely a problem of statewide concern." Accordingly, the Court determined that "any ordinance that effectively regulates a construction project approved by the Commission after a section 8—406(b) proceeding is preempted because it does not pertain to the unit's government and affairs." Id.*

While the case dealt with regulating a construction project, the ICC subscribes to the larger principle that private utility regulation is within the exclusive jurisdiction of the State. Thus, municipalities, including home rule municipalities, may not attempt to regulate private utility companies.
 - *Private utility company billing is within the ICC's exclusive jurisdiction. Such practices are governed by ICC administrative rules that can be found at 83 Ill. Adm. Code 280.50, et seq., and Commission-approved utility tariffs.*

B. AMEREN AND ILLINOIS AMERICAN WATER SUSPEND SHUT-OFFS

- 1) According to the Citizens Utility Board, both Ameren and Illinois American Water have voluntarily agreed to suspend shut-offs until March 31, 2021 but **CUSTOMERS MUST CALL THE UTILITY AND TELL THEM THEY ARE EXPERIENCING HARDSHIP.**

Customers must call these numbers:

- Ameren Illinois – 1-800-755-5000
- Illinois American Water – 1-800-422-2782

- 2) According to Ameren’s Community Relations Coordinator, the company is maintaining a moratorium on service disconnections for customers 1) with adverse health conditions (including COVID-19); 2) who are eligible for assistance from the state’s Low Income Home Energy Assistance Program (LIHEAP), or 3) those who are experience hardship caused by COVID-19. People who get notices of disconnection must call the utilities to notify them if they meet one or more of these conditions in order to be eligible for assistance.

- 3) Ameren’s September utility disconnections report showed the following:

Across all Ameren territory in September, there were 6,543 residential disconnects for non-payment out of 1,168,731 residential customers (0.5598%). **155 of these disconnects are flagged as low income, but weren’t flagged as such at the time of disconnect. They received LIHEAP after disconnection, were then flagged as LI, and were reconnected.**

Despite having fewer customers than ComEd, Ameren sent out more disconnect notices overall – Ameren issued 40,177 notices but ComEd 16,792. 11% of Ameren’s notices went to low-income accounts, compared to just .04% of ComEd’s. Disconnect notices are warnings used, in part, to motivate customers to pay their bill or enter a payment plan. 85% of disconnect notices did not result in a disconnect.

Urbana-specific, low income-specific residential shut offs for non-payment in September

Accounts are flagged as low income in the Ameren system if they have accessed LIHEAP in the last 16 months.

61801 - 0

61802 - 2

61803 - 0

Urbana-specific non-low-income residential shut offs in September

61801 - 4

61802 - 41

61803 – 0

We do not have any pre-Covid disconnection reports to compare to, as this type of report was not previously required. The previous month’s disconnection reports have little relevant data since there was an emergency moratorium on disconnections.

C. UTILITY ASSISTANCE, LIHEAP, from THE REGIONAL PLANNING COMMISSION

There is financial assistance available to people needing help with paying utility bills. One resource is the Low-Income Home Energy Assistance (LIHEAP) administered by the Regional Planning Commission.

<https://ccrpc.org/programs/low-income-home-energy-assistance/>

RPC will see people by appointment and also accepts walk-in clients on Thursdays at Brookens Center. LIHEAP has financial assistance available for people who are facing an imminent disconnect, have already been disconnected, are moving to a new unit but have an unpaid utility bill.

There are two pots of money available from LIHEAP—assistance with paying utility bills in current residence as well as reconnecting assistance if they are moving to a new residence (the latter can be used once in a year.)

D. URBANA-CHAMPAIGN SANITARY DISTRICT DISCONNECTION POLICY

The UCSD is not regulated by the ICC. Nonetheless, the UCSD Board has directed staff to not request disconnections even if customers have not advised they are impacted by COVID. They expect this policy to remain in place for the foreseeable future.

In response to the COVID emergency and customers accumulating very large bills, UCSD has started using Payment Plans. UCSD is working with Regional Planning Commission to start up a version of the LIHEAP program for sewer bills. *(Info from Rick Manner, Director, UCSD)*