

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of a Working Case to Consider Best Practices for Recovery of Past-Due Utility Customer Payments After the Covid-19 Pandemic Emergency)
Case No. AW-2020-0356

LIBERTY’S RESPONSE TO COMMISSION ORDER

COME NOW The Empire District Electric Company (“EDE”), The Empire District Gas Company (“EDG”), Liberty Utilities (Missouri Water) LLC (“Liberty Water”), and Liberty Utilities (Midstates Natural Gas) Corp. (“Midstates”), all Liberty Utilities companies (collectively, “Liberty” or “Company”), and respectfully submit this Response to Commission Order.

Introduction

1. On May 13, 2020, the Missouri Public Service Commission (“Commission”) opened this working file to consider best practices for Missouri utilities to use when moving to recover past-due amounts from customers following the COVID-19 pandemic emergency.

2. On June 24, 2020, the Commission issued its *Notice of Ex Parte and Extra-Record Communications and Order Directing Responses*. In part, the *Order Directing Responses* required responses by July 15, 2020, to a list of 21 questions. Responses were provided for EDE – electric and water, EDG, Liberty Water, and Midstates.

3. On August 3, 2020, the Commission’s Staff filed a report that summarized comments received and provided additional background information, and Staff recommended the Commission direct Missouri utilities to respond to the report, particularly whether it is possible to implement the various stakeholder recommendations described in Staff’s report.

4. On August 12, 2020, the Commission issued its *Order Directing Responses to Staff Report*, with responses to be provided by August 31, 2020.

Recommendations and Responses

5. Concerning changes to LIHEAP, for the 2020-2021 Cold Weather Rule period, LIHEAP has expanded the definition of the Energy Crisis Intervention Program to include households in threat of disconnection, but which may not have received a disconnection notice (Staff's Report, p. 27).

6. Liberty supports the above-referenced change. The collection process was suspended during the moratorium, so the Company utilities did not produce disconnection notices.

7. On pages 27 and 33 of Staff's Report, it is noted that CCM recommends the following further revisions to LIHEAP: increase Missouri's LIHEAP eligibility guidelines above the current 135% of the poverty level; increase the benefit amount above the current maximums for each household size; allow payment of past-due heating bills with LIHEAP funds, prior to the winter heating season; redefine the definition of "crisis" currently being used by Missouri LIHEAP using broader definitions used in other states that allow for more flexibility and assistance to those in need.

8. Liberty supports the LIHEAP guidelines as recommended and set forth above. Increasing the guidelines will provide help for those affected by the pandemic that may not typically be able to receive these LIHEAP funds.

9. EEFA recommends implementation and extension of the disconnection moratorium for electric, gas, and water utilities under the Commission's jurisdiction (Staff's Report, p. 28). Liberty opposes this recommendation due to its potential impact on customers and the Company. Extending the moratorium may result in higher, less manageable bills down

the road. Liberty is currently offering flexible arrangements to assist its customers. The Company also will not disconnect when the Cold Weather Rule does not allow.

10. Various recommendations are set forth on page 29 of Staff's Report.
 - a. Restore access to service for any utility customer whose service has been cut off without requiring a down payment.
 - b. Waive late payment fees and security deposits.
 - c. For past-due bills, provide deferred plan options that are affordable based on a household's actual income and expenses.
 - d. For households with low incomes, use debt forgiveness programs that avoid adding to current monthly bills.
 - e. Expand bill payment programs that reduce monthly bills to an affordable level.
 - f. As weatherization crews safely return to work, expand access to comprehensive wholehouse energy efficiency and retrofit opportunities.
 - g. Require more comprehensive utility tracking and reporting of data on residential customer overdue bills, disconnections, and repayment efforts, while still respecting billpayer privacy.

11. With regard to the various recommendations set forth on page 29 of Staff's Report, Liberty notes that restoring service with no down payment would cause a significant financial burden for the Company. Liberty is currently offering a 12-month arrangement to customers who have been disconnected. With a small initial payment (1/12 down for Midstates, and 12% down for EDE and EDG), most customers have been able to reconnect service. Liberty also refers customers to LIHEAP for additional help with bills. Not requiring a security deposit

could also significantly impact the Company's financials. Although Liberty is willing to consider waiving a late fee, as a one-time courtesy within a 12-month period, basing the forgiveness on income would require data and resources the Company does not currently have available. Liberty does not agree with unconditional debt forgiveness, as it would increase future costs for other customers through higher write-offs.

12. On page 29 of Staff's Report, it is noted that the majority of recommendations and concerns submitted by non-utilities called for utilities to offer flexible and extended payment plans to customers, opportunities for customers to renegotiate plans, no requirement for down payments and arrearage forgiveness measures, and for deferred payment arrangements to remain in place until at least six months after the Governor's Executive Order expires on December 30, 2020. Also on page 29 of Staff's Report, it was noted that there were recommendations that utilities continue to refer customers to assistance agencies and to establish clear communications about new utility policies and programs.

13. Liberty has been offering customers extended payment plans since March 16, 2020, and will continue to offer those plans until the Cold Weather Rule takes effect. Liberty recommends that, if the arrangement terms cannot be met (i.e., left unpaid), the arrangement will be terminated and a clear guideline for the number of resets with no down payment should be set. Customers are given assistance agency information when calling in for help with a bill. The Company has been sending emails to customers, updating its website, and posting information on Facebook with assistance agency information and payment options available. Liberty will continue to advise customers of all available options.

14. On page 30 of Staff's Report, it is noted that CGA suggests that the Commission investigate how utilities could contribute to Missouri's economic recovery, stating that there is

an opportunity to determine if utilities can provide near term projects that are economically beneficial for Missouri. Liberty is continuously looking at projects that are beneficial to all stakeholders and Missouri's overall economy. Liberty's purchasing policies already prefer local purchases and hiring. Liberty is currently in construction of many generation and transmission projects that employ union and non-union labor within the state. There are more than 500 people working under Company contractors within Missouri.

15. Sierra Club recommends that the Commission require utilities that do not have voluntary customer-funded programs to create programs allowing customers to decide to pay extra on their bills in order to assist struggling customers (Staff's Report, p. 30). Liberty currently participates in this type of program and will continue to do so.

16. EEFA recommends as follows: "Allow for cross-eligibility for energy assistance funds, i.e. if one is eligible for Medicaid or SNAP (Supplemental Nutrition Assistance Program), they should also immediately qualify for assistance." "Utilities should be directed to increase customer outreach and education to inform customer about all methods of help with their bills – LIHEAP (cooling cap is now \$600 from \$300), other forms of energy assistance and aid, and energy efficiency programs." (Staff's Report, p. 32)

17. Liberty supports these EEFA recommendations. The first recommendation should help to speed up the application process and assist customers. As to the second recommendation, Liberty has been increasing customer outreach by sending customer emails, handing out flyers in drive-thru stations, and posting information on the website for assistance information and payment arrangement options.

18. LSEM recommends that customer service representatives should actively review a customer's utility account for higher than average usage whenever a customer initiates contact

with the utility company regarding the need for a deferred payment arrangement. LSEM also recommends that if the customer's account shows a higher than average usage, the customer service representative should refer the customer to the LIWAP where appropriate and provide the customer information on how to access such assistance. (Staff's Report, p. 32)

19. Liberty supports these LSEM statements and will continue to encourage customers in need to seek assistance.

WHEREFORE, Liberty respectfully submits this Response to Commission Order and requests such relief as is just and proper under the circumstances.

/s/ Diana C. Carter
Diana C. Carter MBE #50527
Liberty Utilities
428 E. Capitol Ave., Suite 303
Jefferson City, Missouri 65101
Joplin Office Phone: (417) 626-5976
Cell Phone: (573) 289-1961
E-Mail: Diana.Carter@LibertyUtilities.com

CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 31st day of August, 2020, with notice of the same sent to all counsel of record.

/s/ Diana C. Carter