



**Circle Of Concern**  
our community's charity

Ex. 1  
Local Public Hearing Exhibit No. 1  
Date 8-24-05 Case No. CR-2005-028  
Reporter \_\_\_\_\_

## **Comments To The Missouri Public Service Commission Regarding The Impact Of The Proposed Laclede Gas Rate Increase**

**Glenn Koenen**  
**Executive Director**  
**Circle Of Concern**

**August 24, 2005**

Commissioners and Friends:

Circle Of Concern provides emergency and long-term assistance to needy people who live in southwest and west St. Louis County. I have served as Executive Director of Circle since 1995. I have more than 20 years experience with social service organizations in our region, and, I am a former president of the Metropolitan St. Louis Food Pantry Association.

Laclede Gas has long been concerned about customers who have trouble paying their gas bills. On behalf of Circle Of Concern and our colleagues at other charities, we applaud their support of *Dollar Help* and other efforts to help low-income families.

And, as the director of an operation facing soaring fuel prices and other higher expenses, I appreciate that Laclede's 4.1% rate increase probably reflects legitimate business costs.

Unfortunately, *any* increase in will result in more families shivering through this winter without heat. Even \$4.00 per month will make it harder for a working poor parent to afford to stay warm.

Please make note of some important points:

- ▶ **Circle Of Concern and other charities can not significantly increase the help we give.**  
Requests for utility help have probably doubled in the past year. Donations to pay for utility assistance have not doubled. It has become common to meet Laclede customers who owe \$1,000 or more for past service. Each day we take more phone calls from desperate people "dialing for dollars," calling charity after charity trying to get help on utility bills. Most requests are denied, despite the tears that causes.
- ▶ **Government energy assistance programs are more likely to be slashed than expanded.**  
The federal energy assistance program, as you are aware, has not grown to match rising energy costs. Maximum grants have been essentially unchanged for a decade. From what I have read, Congress is not inclined to increase LIHEAP.

► **Many working families are no longer eligible for Cold Weather Rule protection.**

Families agree to payment plans they know they cannot keep because that is the only way they can keep or restore their service. One family helped by Circle, for example, agreed to pay current charges plus \$150 per month. The monthly plan amount thereby consumed 104% of their monthly cash income.

► **Soaring gasoline prices, rising food costs and swelling rents are already punishing low-income families.**

In Circle Of Concern's area rents have been increasing by about 15% per year. Gasoline has become a luxury. Each month 1,000 people depend on food from our pantry. Despite having jobs, these families cannot afford the minimum amount of food they need. While the cost of living increases, wages for those helped by Circle have not even kept pace with the posted general inflation rate of 3% to 4% per year.

► **Medicaid cuts will make thousands of area families poorer this year.**

Monday I talked to a disabled grandfather struggling to raise his grandchildren. He is so poor that he gets \$400 in Food Stamps each month, yet, beginning this month, he must pay the State Of Missouri \$164 every month to maintain Medicaid coverage for his household. Many working poor families are losing Medicaid coverage. These changes will wring even more money out of people who cannot survive without charity.

*How many of our neighbors are at risk?* My best guess is that one family in six in the area already has trouble paying their utility bills. This July 107,211 St. Louis City residents and 83,753 county residents received Food Stamps. That tracks with the estimated 300,000 in the region who require free food from pantries. The number of working poor continues to grow: The number of people we help at Circle Of Concern has doubled in four years.

*Now is not the time to add to the burden many of our neighbors face.*

Several years ago a 'level payment program' for utility bills was proposed. Enrolled low-income families would pay a fixed portion of their income every month to cover their electric and gas service. These families would automatically be processed for federal government energy assistance.

While this proposal could have some impact on utility company revenue, in the long term it would allow more families to stay warm. I urge the commission to consider reviving the level payment approach. I also hope that the commission will consider the danger to working poor families before approving any utility rate increases this year.