

(F) A gas utility shall be permitted to recover the costs of complying with this rule either through a direct charge to consumers or through an Accounting Authority Order as set forth in subsections (d) and (e) below.

- a. The cost of compliance with this rule shall include any reasonable costs incurred to comply with the notice requirements of this rule.
- b. The cost of compliance with this rule shall not include any lost revenues or other costs associated with the gas utility's agreement to temporarily waive or suspend reconnection fees or deposit requirements otherwise applicable to customers who were qualified for financial assistance under the Low-Income Heating Energy Assistance Program and who applied for or received such assistance during the winter of 2005 through March 31, 2006.
- c. No gas utility shall be permitted to recover costs under this subsection that would have been incurred in the absence of this emergency rule, provided that costs calculated in accordance with subsection (d) of this Section shall be deemed to be costs incurred as a result of this emergency rule.
- d. Direct Charge. A gas utility shall be permitted to recover the costs of complying with this rule through a fixed adder to the customer charge to residential customers over a period not to exceed 12 months only if the gas utility specifically tracks the costs of complying with the rule as provided in this subsection (d).
 - i. the gas utility must track ~~all~~ costs related to residential customers who take advantage of the emergency rule for the ~~18-month~~ period from January 1, 2006 through ~~June~~ September 30, 2007.
 - ii. ninety percent (90%) of any amounts written off as bad debts amounts that are associated with charges to customers in (i) above for service during the billing cycles for the twelve month period following a customer's taking who take advantage of this emergency rule shall be identified and accumulated as of September 30, 2007, as costs of complying with this rule.
 - iii. the amount accumulated in (ii) above shall be reduced by the amount of bad debt write-off reversal ~~for those~~ as a result of customers who are reconnected under the provisions of the emergency rule and who are current in their bill as of ~~June~~ September 30, 2007.
 - iv. the amount accumulated in (ii) above shall be reduced by the amount of reconnections fees, net of reconnection costs, received during the period from those customers who are reconnected under

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provisions of the emergency rule and subsequently have their accounts written off as of ~~June 30, 2007~~ September 30, 2007.

- v. The direct charge to residential customers shall be permitted ~~only~~ after costs have been fully calculated and verified as compliant with the provisions hereof, but in no event before June 30, 2007. The direct charge shall be collected over a period not to exceed 12 months and shall be preceded by an appropriate filing with the Commission which shall become effective not later than ninety (90) days after filing.
 - vi. For purposes of this subsection (d), any amount owed by a customer for regulated service shall be deemed to be a bad debt if, as of September 30, 2007, the customer has failed to pay a final bill by its delinquent date, or the customer is in threat of discontinuance and the Company has been unable to gain access required to discontinue service to that customer.
 - vii. The calculation of the direct charge shall be subject to subsequent audit by Commission staff.
 - viii. The amount of any direct charge permitted to any gas utility under this section shall be taken into account in the gas utility's next rate case.
- e. Accounting Authority Order
- i) The Commission shall grant an Accounting Authority Order, as defined in subsection (J), below, upon application of a gas utility, and the gas utility may book to Account 186 for review, audit and recovery all incremental expenses incurred and incremental revenues that are caused by the emergency amendment. Any such Accounting Authority Order shall be effective until September 30, 2007.
 - ii) The Commission has adopted the Uniform System of Accounts in 4 CSR 240-4.040. Accounting Authority Orders are Commission orders that allow a utility to defer certain expenses to Account 186 under the Uniform System of Accounts for possible recovery later. *State ex rel. Office of the Public Counsel v. Public Service Commission*, 858 S.W.2d 806 (Mo. App. 1993); *Missouri Gas Energy v. Public Service Commission*, 978 S.W.2d 434 (Mo. App. 1998).

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- f. Any net cost resulting from this rule as of ~~June~~September 30, 2007 shall accumulate interest at the utility's short-term borrowing rate until such times as it is recovered through a direct charge or otherwise reflected in rates.