



December 6, 2005

RE: Case No. GX-2006-0181

Missouri Public Service Commissioners:

AARP, on behalf of its 755,000 members in Missouri, supports the petition filed October 21, 2005, by the Office of Public Counsel ("OPC"), requesting that the Public Service Commission ("Commission") adopt certain Emergency Amendments to the state's Cold Weather Rule ("CWR"), 4 CSR, 240-13.055, for gas utilities.

The CWR is an important measure to enable the most vulnerable customers, including lower income households and the elderly, to maintain heat during the cold winter months. For older Missourians in particular, access to heat during the winter at an affordable rate is an absolute necessity. Home heating costs are anticipated to skyrocket this winter, with increases of as much as 70% anticipated for the Midwest, according to the Energy Information Administration. The Commission has already approved increases in the Purchased Gas Adjustment ("PGA") charge for most natural gas customers in Missouri.

Although they consume approximately the same amount of energy as do younger people, older Americans devote a higher percentage of total household spending to residential energy costs, even after adjusting for weather and home size. With energy prices on the rise, all household budgets are being stretched beyond their limits. AARP recently surveyed a representative sample of Americans age 18 and older and found that almost two-thirds of those surveyed (63%) have limited the use of energy in their homes as a result of higher energy costs, primarily by raising or lowering their thermostats to save money (61%). Some are also limiting or doing without food (15%), telecommunications (15%), medical services (11%), or prescription drugs (11%) because of higher energy costs.

Older Missourians and lower income families should not have to risk their lives by cutting back on heating, food and need medications. People most susceptible to death from hypothermia include those 60 and older, infants and small children, the sick, and those taking certain prescription. The Missouri Department of Health and Senior Services reports that just over half of hypothermia deaths in the state were people age 65

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and older.<sup>1</sup> Household incomes and energy assistance programs such as the Low Income Home Energy Assistance Program, have not kept up with soaring home heating costs. The result is that too many households are put in a literal life or death situation.

Skyrocketing energy prices, combined with cold weather create the need for the emergency measures recommended by OPC. These emergency provisions include waiving deposits and late payment fees, deferring reconnection fees, mandating payment plans to enable customers to pay off outstanding balances, and requiring budget billing plans available to all customers, including those in arrears. Further, the provisions of the current rule limiting disconnection during the winter months would be applied to all customers. The current rule's disconnection prohibition (day-to-day temperature moratorium) is limited to registered low income elderly and low income disabled customers. Households that do not qualify under the current rule are nonetheless at risk as energy prices climb.

AARP urges the Commission to act quickly on this petition to prevent widespread disconnection of heating service during the winter months as consumers struggle to make ends meet. The OPC proposal serves the dual purpose of enabling families to keep the heat on while making on-going payments to address past-due balances. Ending the cycle of disconnections and reconnections can save utilities money in the long run while protecting public health and safety.

Respectfully submitted,



John McDonald  
State Director

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<sup>1</sup> <http://www.dhss.mo.gov/Hypothermia/>