

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

In the Matter of an Amendment to)
Commission Rule 4 CSR 240-13.055.) Case No. GX-2006-0181

STAFF FILING

COMES NOW Staff of the Public Service Commission of Missouri, and in response to the Commission's November 29 Order in this case, states:

1. On October 21, 2005, the Office of the Public Counsel petitioned the Commission to open a case to consider promulgating an emergency amendment of the Commission's Cold Weather Rule (CWR, 4 CSR 240-13.055). The Commission opened this case on October 25, 2005 in response.

2. Initial comments were filed, and the Commission ordered a technical conference, which the OPC, Staff and most Missouri LDCs attended on November 10, 2005. In addition, the interested parties have exchanged comments, and met to discuss them, numerous times.

3. Having considered the discussions, Staff maintains the position outlined in its November 4, 2005 filing in this case. To wit:

a. **Population Addressed by Plan**. Staff believes that the current CWR provisions, coupled with the MEDA provisions for LIHEAP eligible customers, address the most pressing needs of low income households at this stage of the heating season.

b. **Disconnect Provisions.** Staff believes that the provisions of the current CWR are sufficient for this heating season.

c. **Deposit Requirements.** Staff believes the provisions of the current CWR, coupled with the MEDA deposit promise, are sufficient for this heating season.

d. **Reconnection.** Staff believes that the reconnection provisions of the current CWR are sufficient for this heating season.

e. **Reconnection Fee.** Staff believes that the MEDA reconnection promises are sufficient for this heating season.

f. **Arrearage Repayment Plan.** Staff believes that the provisions of the current CWR are sufficient for this heating season. Staff believes that extending provisions for payment of 2005-2006 heating bills beyond October, 2006 may compound problems with payment of next year's heating bills.

g. **Budget Billing.** Staff proposes that customers be permitted to pay for one half of actual, current usage, and defer the balance for levelized payments between April and November, 2006. This proposal will provide for payment of this year's heating bills before the beginning of the 2006/2007 heating season. Staff believes that this is consistent with OPC's proposal in its paragraph 13.055(14)(F). In the alternative, Staff suggests that the current CWR provisions are sufficient for this heating season for customers who take advantage of the ECWR provisions.

h. **Late Payment Charges.** This provision references the practice of LDCs to charge a "late payment," or interest charge on amounts not timely paid. OPC proposes that this practice be suspended for this heating season, and Staff concurs.

i. **Cost Recovery.** OPC proposes that any costs associated with the ECWR amendment be recovered through an AAO, which is consistent with the Commission's 2001 ECWR. Staff concurs. Staff also proposes that the Commission order the LDCs to maintain the records to support the incremental costs that are accumulated through an AAO.

4. Staff considers that the price of natural gas, reflected in current LDC PGA rates, portends crisis or emergency conditions that may manifest themselves later in this heating season. Staff believes that the impending situation differs significantly from the problems the Commission's 2001 emergency amendment to the CWR addressed.

5. In the fall of 2001 the Commission faced an unprecedented number of LDC customers whose service had been discontinued. The task facing the Commission and the LDCs was to restore service to these customers prior to the next heating season.

6. At present, natural gas customers have not yet faced bills that fully reflect the combination of the current high natural gas prices coupled with winter weather. It appears that the application of LIHEAP and private charitable assistance, as it has in the past, is helping to restore service to those disconnected for non-payment of bills from prior heating seasons. The Staff believes that, in contrast to the emergency of 2001, the impending emergency will result in current customers, who have been able to pay their bills in the past, being unable to pay current bills to maintain service this winter due to the high cost of natural gas.

7. As noted in its initial comments and restated above, the Staff believes that application of the current provisions of the CWR will permit many customers who historically have paid their natural gas bills on a timely basis to do so even in the face of this winter's bills. Particularly, both regular and CWR budget billing provisions will enable customers who are not eligible for state or federal assistance to spread their payments over a manageable period of time.

8. However, neither the current CWR, nor the proposed emergency amendments, address the problems facing those thousands of assistance-dependent customers once currently-available funds are exhausted. That is, customers who have secured restoration of service this heating season may face both bills they cannot pay and limited assistance resources to fill the gap. The

CWR cannot conjure the funds necessary to meet this potential shortfall, even with OPC's proposed amendments. This shortfall can only be addressed by the legislature, or through private efforts.

9. The Staff recommends that the Commission take two steps in addition to those listed above. In order to insure that each LDC fairly and uniformly follows the current CWR and tariff provisions, the Commission should require LDCs to file with the Commission the directives that its customer service representatives follow when dealing with payment-troubled customers. The Commission should also require the LDCs to insert a line on bills plainly advising customers to contact the utility if the customer will not be able to pay the bill in full.

WHEREFORE, Staff respectfully asks the Commission to proceed as suggested above, and to take steps to timely inform the legislature of the problems facing Missourians.

Respectfully submitted,

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 2nd day of December, 2005.

/s/ Thomas R. Schwarz, Jr.