(C) Initial Payments.

- 1. For a customer who has not defaulted on a payment plan under the cold weather rule, the initial payment shall be fifteen percent (15%) of the twelve (12) month budget bill the amount of the monthly payment calculated in subsection (10/8/)(B) of this rule.
- 2. For a customer who has defaulted on a payment plan under the cold weather rule, the initial payment shall be an amount equal to eighty percent (80%) of the customer's balance or eight hundred dollars (\$800), whichever is less, the total of the delinquent installments, unless the utility and customer agree to a lesser amount.

(11/9] If a utility refuses to provide service pursuant to this rule and the reason for refusal of service involves unauthorized interference, diversion or use of the utility's service situated or delivered on or about the customer's premises, the utility shall maintain records concerning the refusal of service which, at a minimum, shall include: the name and address of the person denied reconnection, the names of all utility personnel involved in any part of the determination that refusal of service was appropriate, the facts surrounding the reason for the refusal and any other relevant information.

(12[10]) The commission shall recognize and permit recovery of reasonable operating expenses incurred by a utility because of this rule.

(13/11]) A utility may apply for a variance from this rule by filing an application for variance with the commission pursuant to the commission's rules of procedure. A utility may also file for Commission approval a tariff or tariffs establishing procedures for limiting the availability of the payment agreements under section (10) of this rule to customers residing in households with income levels at or below one hundred and fifty percent (150%) of the federal poverty level and for determining whether, and under what circumstances, customers who have subsequently defaulted on a new payment plan calculated under subsection (10)(C)2 should be required to pay all delinquent installments owed under that payment plan.

AUTHORITY: sections 386.250, 393.130 and 393.140, RSMo 2000.* Original rule filed June 13, 1984, effective Nov. 15, 1984.

Amended: Filed Dec. 30, 1992, effective Oct. 10, 1993. Amended: Filed March 10, 1995, effective Jan. 30, 1996. Emergency amendment filed Nov. 8, 2001, effective Nov. 18, 2001, expired March 31, 2002. Amended: Filed Aug. 16, 2002, effective April 30, 2003.

*Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 393.130, RSMo 1939, amended 1949, 1967, 1969, 2002; and 393.140, RSMo 1939, amended 1949, 1967.

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Exhibit No. 2

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