

*Exhibit No.:*  
*Issue(s):* MEEIA,  
Flex Pay Pilot Program,  
and Policy  
*Witness:* Tammy Huber  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Rebuttal Testimony  
*Case No.:* EO-2015-0055  
*Date Testimony Prepared:* February 2, 2018

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**CUSTOMER EXPERIENCE DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**TAMMY HUBER**

**UNION ELECTRIC COMPANY  
d/b/a AMEREN MISSOURI**

**CASE NO. EO-2015-0055**

*Jefferson City, Missouri  
February 2018*

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OF  
TAMMY HUBER  
UNION ELECTRIC COMPANY  
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1 Q. Is your rebuttal testimony consistent with Staff's overall recommendation to  
2 deny Union Electric Company d/b/a Ameren Missouri's ("Ameren Missouri") application  
3 made under the Commission's MEEIA rules<sup>2</sup>?

4 A. Yes. Staff witnesses, Brad Fortson, Robin Kliethermes, and Mark  
5 Oligschlaeger address the definition of an energy efficiency program under MEEIA, the  
6 Flex Pay Pilot implementation, calculation of throughput disincentive, and account conditions  
7 to be imposed upon Ameren Missouri. Staff recommends the Commission deny  
8 Ameren Missouri's Application for Approval of Flex Pay Program Pilot ("Flex Pay Pilot")  
9 and Request for Associated Variances ("Application").

10 **PREPAID UTILITY SERVICE**

11 Q. What is prepaid utility service?

12 A. Prepaid utility service is an alternative payment option in which consumers  
13 purchase a dollar amount of electricity and utilities deduct the cost of energy usage from that  
14 balance as it is used<sup>3</sup>.

15 Q. Does Ameren Missouri characterize the Flex Pay Pilot as a prepaid utility  
16 service?

17 A. No. On page 2 of Ameren Missouri witness Mr. Bill Davis' Direct Testimony,  
18 Mr. Davis states, "The Flex Pay Pilot is a behavioral energy efficiency program that offers  
19 enhanced communications and payment flexibility to help participating customers reduce  
20 their energy usage."

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<sup>2</sup> The Commission's rules promulgated as a result of the Missouri Energy Efficiency Act of 2009 ("MEEIA") (Section 393.1075, RSMo.) includes Rules 4 CSR 240-20.092, 4 CSR 240-20.093, and 4 CSR 240-20.094

<sup>3</sup> Bridging the Gaps on Prepaid Utility Service, U.S. Department of Energy, Electricity Delivery and Energy Reliability, Smart Grid Investment Grant Program, September 2015.

1 Q. Is the Flex Pay Pilot a prepaid utility service?

2 A. Yes.

3 **CONCERNS OF PREPAID UTILITY SERVICE**

4 Q. Are there concerns regarding consumer protections related to prepaid utility  
5 service?

6 A. Yes. Prepay utility service constructs bypass traditional notification  
7 requirements regarding termination of service. Automatic disconnections make it difficult or  
8 impossible to maintain some consumer protections such as notifications by mail and in person  
9 visits that are required under Chapter 13 of the Commission rules. According to  
10 Paula Carmody with the People’s Counsel for the State of Maryland and former President  
11 of the National Association of State Utility Consumer Advocates (“NASUCA”), “Advocates  
12 consider prepay an inferior service. Those on prepay are losing access to consumer  
13 protections that other customers have.” She continued, “There hasn’t been substantiation of  
14 benefits to customers in prepay plans, in light of the risk of loss of customer protections. And  
15 there has not been enough discussion of these issues when structuring these programs.”<sup>4</sup>

16 With prepaid service plans, there is concern that low-income customers may be  
17 targeted and feel pressured into prepay programs because of the lack of resources to meet  
18 traditional payment requirements. Another concern is deprivation of service. Many  
19 consumers on prepay may go without electricity service at various times, most likely heating  
20 or cooling. Customers may forgo electricity in order to purchase other necessities or reach  
21 \$0 balance because they did not have the funds to add to their account. Although some daily  
22 balance and alerts may help to control usage, extremely hot or extremely cold days can

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<sup>4</sup> Summary from Bridging the Gaps on Prepaid Utility Service, U.S. Department of Energy, Electricity Delivery and Energy Reliability, Smart Grid Investment Grant Program, September 2015.

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1 drastically change the amount of electricity needed, especially in a home that is not efficient.  
2 Staff is concerned that customers may use more electricity on an extreme weather day. If a  
3 customer's furnace or air conditioning ran all day and most of the night, the credit amount on  
4 their account would be expended much faster. Also, a predetermined alert generated by the  
5 utility would not recognize an extreme weather day. Staff has additional concerns related to  
6 payment processing fees, amount of arrearages customers may transfer or incur and the  
7 coordination and process to receive funds from assistance programs.

8 Q. What is Staff's concern related to payment processing fees?

9 A. Ameren Missouri's proposal includes two free processing fees per month.  
10 Staff's concern is that customers, who are struggling to stretch their service credit until the  
11 end of the month, could potentially incur multiple processing fees in order to avoid  
12 discontinuance of service.

13 Q. What is Staff's concern related to arrearages?

14 A. Staff is concerned about the amount of arrearages that can be carried over to  
15 Flex Pay Pilot and back to traditional pay and the amount that may accrue during  
16 weather-related events. Ameren Missouri's response to Staff DR No. 0046 indicates there is  
17 no limit on the amount of arrearages a customer may carry over to participate in the Flex Pay  
18 Pilot. Customers who avoid discontinuance of service during weather-related events could  
19 incur large arrearages.

20 Q. What is the concern related to the coordination and process to receive funds  
21 from assistance programs?

22 A. Staff does not have sufficient details on how the process for assistance  
23 program credits will be applied and if they will be applied to both arrearages and service

1 credit in a 25%/75% split as proposed by Ameren Missouri for the arrearages. Staff is  
2 concerned that many of the low-income participants may depend on the Low-Income Home  
3 Energy Assistance Program<sup>5</sup> (“LIHEAP”) and/or the Keeping Current Program<sup>6</sup> and believe  
4 additional process details are required in order to ensure customers that want to participate in  
5 both programs<sup>7</sup> would be able to without losing assistance.

6 **PROGRAM CONDITIONS REQUESTED IF APPROVED BY COMMISSION**

7 Q. Does Staff recommend the Flex Pay Pilot be approved as a MEEIA program?

8 A. No. In Staff’s opinion, a prepaid utility service program like the Flex Pay Pilot  
9 that Ameren Missouri proposed does not meet the criteria of a MEEIA program. Staff  
10 witness Brad Fortson addresses the definition of a qualifying program in his testimony.

11 Q. If the Flex Pay Pilot is approved are there conditions Staff would recommend?

12 A. Yes. If the Flex Pay Pilot is approved whether within or outside MEEIA, Staff  
13 requests that the Customer Experience Department of the Commission be involved during the  
14 creation process including the marketing, selection, and customer alert and notification  
15 initiation process. Staff wants to ensure the education process is extensive and customers  
16 understand how the pilot works and that customers understand where to go to pay and how to  
17 set up funding alerts. Staff recommends the Company be required to track each participant,  
18 the number of disconnections occurring in the Flex Pay Pilot and that Company reporting  
19 requirements be defined for every customer. Staff requests that status reports be required and

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<sup>5</sup> LIHEAP helps low-income families pay their heating bills. LIHEAP is a grant that offers assistance in the form of a cash grant, sent directly to the utility company, or a crisis grant for households in immediate danger of being without heat.

<sup>6</sup> Keeping Current provides electric bill payment assistance to customers meeting eligibility requirements.

<sup>7</sup> Ameren Missouri’s response to Staff DR No. 0026 indicates that customers who receive LIHEAP will be eligible to participate in the Flex Pay Pilot. Only low-income customers receiving monthly cooling bill credits will be eligible to participate in the Flex Pay Pilot. Keeping Current requires customers receiving monthly heating credits to enroll in budget billing which excludes the customers from the Flex Pay Pilot. Also customers with arrearages that receive monthly bill credits are excluded from the Flex Pay Pilot.

1 updated to include information on the success of the pilot program and the number of  
2 participants enrolled. Status reports must also include a review of the disconnection reports, a  
3 review of the arrearages and bad debt and an explanation of all best practices or lessons  
4 learned that can be applied to analyze the costs and benefits of the program.

5 As stated previously, how customer assistance processes would operate for  
6 low-income customers under the proposed pilot remains unclear Staff DR No.'s 0042 and  
7 0047-0051 requested detailed explanations regarding weather related moratoria, transitions,  
8 reporting, identifying potential participation and receiving assistance. Although responses  
9 were completed by Ameren Missouri, for most requests, there are many details that are  
10 unknown or to be determined after the implementation contractor is selected.  
11 Ameren Missouri plans to hire an independent contractor to implement the Flex Pay Pilot.  
12 Staff cannot support the pilot program based on the information provided in the application  
13 and the Company's responses to data requests.

14 Q. Would the Flex Pay Pilot be a beneficial program outside of MEEIA?

15 A. Possibly. Although, in Staff's opinion, the Flex Pay Pilot does not meet the  
16 criteria of a MEEIA program there may be some potential customer benefits. Some of Staff's  
17 concerns are mitigated because the program is a pilot and is voluntary; however, Staff does  
18 not have enough information to support a determination that the program benefits outweigh  
19 Staff's concerns. Customer education will be crucial and because of the number of variances  
20 of Commission rules, that Ameren Missouri requested, Staff is concerned about a number of  
21 customer protections.

22 **COMMISSION RULE VARIANCES**

23 Q. Did Ameren Missouri request variances from Commission rules?



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1           A.     Yes. Beginning on page 16 of Ameren Missouri witness Mr. Bill Davis' Direct  
2 Testimony, the Company is seeking variances in order to implement the Flex Pay Pilot. The  
3 Applications for Variances or Waivers are laid out in Exhibit B attached to the Application.

4           Q.     Did Staff identify additional waivers required to implement the pilot?

5           A.     Yes. Staff identified the following rules in addition to Exhibit B in the  
6 application.

- 7                     • 4 CSR 240-13.020(2)
- 8                     • 4 CSR 240.-13020(6)
- 9                     • 4 CSR 240-13.020(7)
- 10                    • 4 CSR 240-13.030(6)
- 11                    • 4 CSR 240-13.055(9)(B)

12           Q.     Are there additional Commission rules that may be affected by the  
13 Flex Pay Pilot?

14           A.     Possibly. 4 CSR 240-3.180 Submission of Electric Utility Heat-Related  
15 Service Cold Weather Report sets forth the requirement for electric utilities to submit reports  
16 regarding services provided during the Commission's designated cold weather period. Staff  
17 requested in DR No. 0051 an explanation regarding how the disconnections would be  
18 calculated. In response, Ameren Missouri indicated the detail will be developed after the  
19 implementation contractor has been selected. The contractors have given the Company some  
20 possibilities of how the report can be designed. Non-low-income customers could potentially  
21 have multiple disconnects during the reporting period. This could alter the results of  
22 the 4 CSR 240-3.180 report depending how this information is recorded.

23           Q.     Does this conclude your testimony?

24           A.     Yes it does.

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

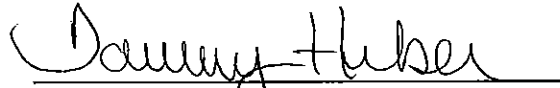
In the Matter of Union Electric Company d/b/a            )  
Ameren Missouri's 2<sup>nd</sup> Filing to Implement            )  
Regulatory Changes in Furtherance of Energy        )  
Efficiency as allowed by MEEIA                        )        **File No. EO-2015-0055**

**AFFIDAVIT OF TAMMY HUBER**

State of Missouri    )  
                              ) ss.  
County of Cole        )

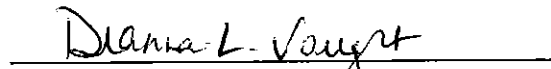
**COMES NOW** Tammy Huber and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached *Rebuttal Testimony*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
Tammy Huber

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 1<sup>st</sup> day of February, 2018.

  
\_\_\_\_\_  
NOTARY PUBLIC

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: June 28, 2019  
Commission Number: 15207377

## Tammy Huber

### **Educational and Employment Background and Credentials**

I am currently a Utility Policy Analyst II in the Customer Experience Department transferring from the Energy Resources Department. From November 2011 through June 2014, I worked in the Engineering and Management Services Unit as a Management Analyst. Previously, I was employed by Missouri Department of Transportation (MO DOT) as an Auditor in the Internal Auditing Department. Prior to my employment with MO DOT, I was employed by the Commission in the General Counsel's Office. I earned a Bachelor of Science in Business Administration with emphases in Business Management from Columbia College in October 2008. I completed additional coursework in 2009 from Columbia College in Accounting.

As an analyst for the Commission, I have participated in and conducted customer service and business office operations reviews. I have researched and managed a number of customer complaints and public comment projects. I have prepared and reviewed audit and investigative reports at the Commission. I have previously provided testimony before the Commission. I have participated in electric case staff recommendations and reviewed tariffs. I was the Co-Case Coordinator for the Operations Department in Case No. ER-2014-0370 and the Case Manager in ER-2016-0285.

Cases in which I have participated and the scope of my contributions are listed below:

<b>Case/Tracking Number</b>	<b>Company Name - Type of Case; Issues</b>
WR-2013-0322	<b>Lincoln County Sewer &amp; Water Company – Management Audit ; Testimony</b>
ER-2014-0370	<b>Kansas City Power &amp; Light Company – Co-Case Coordinator</b>
ER-2016-0285	<b>Kansas City Power &amp; Light Company – Case Manager</b>