

**Exhibit No.:**

**Issue(s):**

\_\_\_\_\_  
Critical Needs Program/  
Late Fees

**Witness/Type of Exhibit:**

**Sponsoring Party:**

**Case No.:**

Marke/Direct  
Public Counsel  
GR-2021-0241

**DIRECT TESTIMONY**

**OF**

**GEOFF MARKE**

Submitted on Behalf of the Office of the Public Counsel

**UNION ELECTRIC COMPANY  
D/B/A AMEREN MISSOURI**

FILE NO. GR-2021-0241

September 3, 2021

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

In the Matter of the Union Electric )  
Company d/b/a Ameren Missouri's )  
Tariffs to Increase its Revenues for Gas ) Case No. GR-2021-0241  
Service )  
)

**AFFIDAVIT OF GEOFF MARKE**

**STATE OF MISSOURI** )  
) ss  
**COUNTY OF COLE** )

Geoff Marke, of lawful age and being first duly sworn, deposes and states:

- 1. My name is Geoff Marke. I am a Chief Economist for the Office of the Public Counsel.
- 2. Attached hereto and made a part hereof for all purposes is my direct testimony.
- 3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Geoff Marke  
Chief Economist

Subscribed and sworn to me this 3<sup>rd</sup> day of September 2021.



TIFFANY HILDEBRAND  
My Commission Expires  
August 8, 2023  
Cole County  
Commission #15637121

  
\_\_\_\_\_  
Tiffany Hildebrand  
Notary Public

My Commission expires August 8, 2023.

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**DIRECT TESTIMONY**  
**OF**  
**GEOFF MARKE**  
**UNION ELECTRIC COMPANY**  
**D/B/A AMEREN MISSOURI**  
**CASE NO. GR-2021-0241**

1 **I. INTRODUCTION**

2 **Q. Please state your name, title and business address.**

3 A. Geoff Marke, PhD, Chief Economist, Office of the Public Counsel (OPC or Public Counsel),  
4 P.O. Box 2230, Jefferson City, Missouri 65102.

5 **Q. What are your qualifications and experience?**

6 A. I have been in my present position with OPC since 2014 where I am responsible for economic  
7 analysis and policy research in electric, gas, water, and sewer utility operations.

8 **Q. Have you testified previously before the Missouri Public Service Commission?**

9 A. Yes. A listing of the Commission cases in which I have previously filed testimony and/or  
10 comments is attached in Schedule GM-1.

11 **Q. What is the purpose of your direct testimony?**

12 The purpose of my testimony is to provide support for my recommendation for a Critical Needs  
13 Program consistent with the nonunanimous stipulation and agreement in Spire's most recent  
14 rate case GR-2021-0108 and for an adjustment to the Company's Late Fees.

15 **II. CRITICAL NEEDS PROGRAM**

16 **Q. What is the Critical Needs Program?**

17 A. In Case No. GR-2021-0108, Legal Services of Eastern Missouri recommended the funding and  
18 adoption of a pilot program modeled after Baltimore Gas & Electric's ("BG&E") Critical  
19 Needs Program ("CNP"). The BG&E program recognized that there are vulnerable customers  
20 who may not have the capacity to research and apply for assistance, negotiate reasonable  
21 payment plans, or properly navigate the application process. Yet their circumstances make

1           them particularly vulnerable to harm if they become disconnected. In response, the CNP  
2 streamlines and expedites the processes to help customers stay connected. The pilot’s initial  
3 goal was to implement immediate access to existing resource assistance (bill payment, repair,  
4 consumer protections, etc...) to customers that seek assistance in nontraditional utility CSR  
5 venues (e.g., hospitals, public and private assistance agencies, shelters, etc...). The CNP is a  
6 voluntary program that trains customer “navigators,” who work in nontraditional utility CSR  
7 venues. The navigators utilize a simple form under a “fast-track” protocol that provides an  
8 expedited process that should:

- 9           • Maintain or restore utility services
- 10          • Avoid negative impacts on residents with serious medical conditions
- 11          • Address build-up of utility bill arrears
- 12          • Provide a streamlined process to complementary services

13 **Q. Is this still a pilot program for BG&E?**

14 A. No. The program’s success lead it to becoming a statutory requirement for utilities in  
15 Maryland, and the service is now largely administered by the State’s Social Service  
16 Department with additional funding through Maryland’s Fuel Fund program.

17 **Q. Wouldn’t those elements (Department of Social Service and an independent funding  
18 stream) be beyond the scope of the Commission’s power in this case?**

19 A. They would; however, I am not suggesting anything more than what parties in Spire’s recent  
20 rate case agreed, which was to model the initial pilot program that BG&E produced, other than  
21 for Ameren Missouri to partner with Spire and contribute an equivalent amount in funding this  
22 endeavor to maximize program efficiency.

23 **Q. Do you have any additional information to share on this topic of critical needs  
24 customers?**

25 A. I have spoken with BG&E representatives, and they have expressed a willingness to help  
26 Ameren Missouri and interested stakeholders with the mechanics behind such a program. I  
27 have also included attachments GM-2A through GM-2D, which provide more detail about the

1 Maryland program as well as sample customer consent forms (both paper and internet). I  
2 recommend program financing of up to \$100K annually (split 50/50 between  
3 ratepayers/shareholders) for the three-year pilot program, with regular meetings from  
4 interested stakeholders in the Keeping Current collaborative to see if equivalent success can be  
5 achieved for Ameren Missouri's customers as the BG&E pilot produced. Ameren Missouri's  
6 outreach and community engagement is already one of the best in the state. Given the existing  
7 resources, utilizing the BG&E model framework, collaborating with Spire, I believe this could  
8 produce excellent results.

9 **Q. Are you making this same recommendation in Ameren Missouri's current electric rate**  
10 **case ER-2021-0240?**

11 A. Yes.

### 12 **III. LATE FEES**

13 **Q. What are the purported benefits associated with late fees?**

14 A. The two arguments supporting the continued use of late fees include: 1.) greater revenue  
15 assurance (late fees offset the revenue requirement assuming the Company is not over-  
16 earning); and 2.) late fees should (theoretically) encourage timely payments.

17 **Q. Do you support late payment fees?**

18 A. No. I have not seen any evidence to support that late payment fees are an appropriate deterrent  
19 to non-payment, and I believe that any additional fee added to an already financially struggling  
20 customer will increase the likelihood of disconnection. I believe the threat of disconnection is  
21 the primary deterrent to incentivize timely payments, and that Ameren Missouri should be  
22 doing everything in its power to provide an affordable service, which should include  
23 minimizing punitive charges that make it more likely for already struggling customers to fall  
24 off.

1 **Q. Do you know of any Commissions that recently ordered elimination of late fees?**

2 A. Yes. The Kentucky Public Service Commission ruled against their continued use in Case No:  
3 2020-00141.<sup>1</sup> I am also aware that many state commissions ordered suspending late fees  
4 throughout the COVID-19 pandemic.

5 **Q. What is Ameren Missouri's late payment fee?**

6 A. 1.5% is added onto a customer's bill, if their bill is unpaid at the delinquent date.

7 **Q. Do you have any recommendations to modify this amount?**

8 A. I recommend that Ameren Missouri's late fees be lowered to match the short term debt  
9 recommendations made by OPC witness David Murray, which is 0.25% annually. Such an  
10 amount would more accurately reflect the cost of service, minimize the punitive pressure on  
11 struggling customers and still incentivize timely payments by having the "threat" of late  
12 payment.

13 **Q. Does this conclude your testimony?**

14 A. Yes.

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<sup>1</sup> See GM-3