



Mid America Assistance Coalition

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TO: Missouri Public Service Commission
FROM: Jan Marcason, Executive Director

RE: Cold Weather Rule

**Strengthening the social service
community through information
systems, training, and advocacy.**

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Jan Marcason, Executive Director

Mid America Assistance Coalition (MAAC) represents more than 200 social service agencies serving low-income and homeless individuals and families in the Kansas City metropolitan area. MAAC distributes more than \$650,000 each year in privately donated utility assistance throughout the community. These utility assistance funds are from the customers and employees of local utility companies and other fundraising efforts. MAAC meets regularly with representatives of the agencies distributing these utility assistance funds to discuss the program and the plight of low-income utility customers.

During the PSC's deliberation of the Cold Weather Rule, I would like the commission to consider the following insights from direct service agencies serving low-income utility customers:

- MGE rarely disconnects low-income customers for non-payment during the Cold Weather Rule,
- Some low-income customers rely on MGE's service continuation and do not pay their gas bills during the winter months,
- At the end of the Cold Weather Rule, many low-income customers have accrued a debt that is too large for them to recover and no social service agency is able to assist with bills that sometimes reach \$1,000-\$2,000 or more.
- Many customers make unrealistic payment agreements out of desperation
- Once the agreement is breached, the customer is unable to resume service without extraordinary assistance.
- Eliminating any customer obligation to pay at least some portion of the bill during all months is a disincentive to responsible payment practices.
- Coupling weatherization with utility assistance can provide a longer-term solution to a low-income customer's financial situation.

MAAC has consistently advocated for programs that encourage responsible payment options for low-income utility customers, realistic payment plans based on the customer's actual ability to pay, and reduction of utility usage through weatherization and minor home repair programs.

From my experience, it is better practice to reward customers that consistently pay for their utility usage (even if it is not the total amount, especially during times of extreme demand and escalated price), energy conservation must be a part of meaningful plans to address the plight of low-income utility customers, and social service agencies must advocate for their low-income constituents to ensure public policies that help guide low-income customers toward more economic self-sufficiency.

Kansas City has a very coordinated social service safety net. Agency personnel are trained in the Strength-Based approach to dealing with their clientele. This approach helps clients identify their talents and strengths and ways in which they can parlay these strengths in order to meet their economic and personal goals. The Strength-Based approach requires personal responsibility and progress toward achieving their goals. The one size fits all formula that is proposed in the Cold Weather Rule does not take into account the unique client-case manager programs in our community.