

# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

## File No. AW-2020-0356

In the Matter of a Working Case to Consider Best Practices for Recovery of Past Due Utility Customer Payments After the COVID-19 Pandemic Emergency

### **Comments from Missouri Community Action Network The State Association for Missouri's Community Action Agencies**

In accordance with the order dated June 24, 2020 issued by the Missouri Public Service Commission, Missouri Community Action Network is submitting comments in response to the questions for non-utilities, specifically question #4:

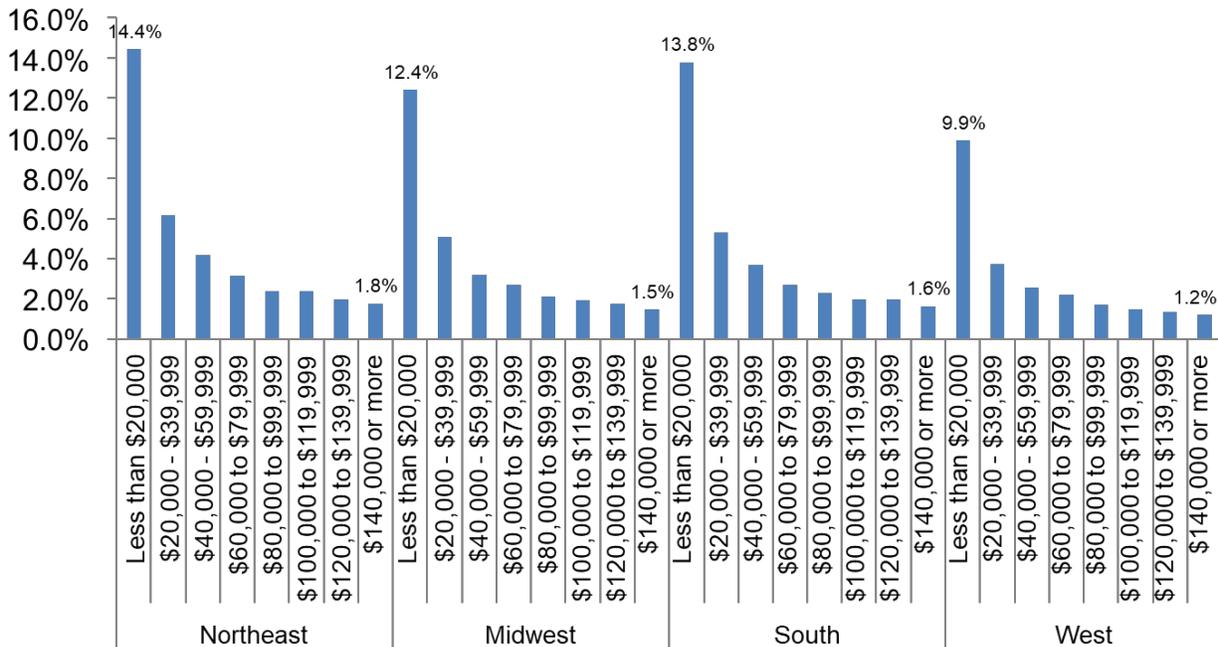
*Please explain how utilities may best collect past due accounts without unduly burdening their vulnerable customers. Additionally, share other relevant concerns arising from the COVID-19 pandemic; please include how the pandemic is affecting your organization and the people your organization serves.*

The Missouri Community Action Network, or Missouri CAN, is the statewide membership association of Missouri's Community Action Agencies, Allies, and Supporters united to end poverty by creating a state where all people and communities thrive. Established in 1971, Missouri CAN – at the time called Missouri Association for Community Action – was developed to serve as the state's lead organization dedicated to addressing poverty. Forty-nine years later, the association remains a steadfast voice for the state's Community Action Network and for Missourians struggling with poverty, by providing training and technical assistance to our member agencies and by advocating on behalf of Missouri's 3,000 Community Action employees, 1,000 individual members, and the nearly 800,000 Missourians currently living in poverty.

The majority of the state's Community Action Agencies provide energy efficiency and utility assistance services to families and individuals who meet the criteria defined by the Missouri Department of Social Services/Family Support Division and the Department of Natural Resources/Division of Energy. Both utility assistance and energy efficiency are critical supports for Missouri's low-income families, leading to energy security. The National Consumer Law Center (NCLC) defines energy security as the uninterrupted, affordable access to residential home energy services without disconnection notices, involuntary disconnection of service, and foregoing other necessities to retain service, as well as maintaining a healthy indoor temperature.

Without energy security, families and individuals face a number of hardships and potential hazards, including threats to health and safety, spoiled food, eviction, reduced academic and worker performance, and inflated complications related to COVID-19. Even before the pandemic, data from the Midwest Region of the U.S. Census Bureau shows that the energy burden of low-income households in this region is 12.4% for households with an income under \$20,000 annually; this burden is significantly less for households in higher-income brackets (see graph below with 2015 data compiled by NCLC).

## Median 2015 Home Energy Burdens by Income Category and Census Region



Data and graph from the National Consumer Law Center (NCLC)

The hardships and potential hazards related to a lack of energy security have been highlighted due to COVID-19, as a lack of energy security is often a marker for other needs. Reviewing these needs in relation to Missouri's key indicators of well-being is critical during a public health crisis. Some of these indicators include the state's poverty level, median household income, and unemployment rate. Based upon 2018 data from the U.S. Census Bureau, the poverty rate for the State of Missouri is 13.2%, which was a decrease from the 2017 figure. In the same year, the median household income in the state was \$54,478. And in 2019, unemployment was nearing record lows around the country, including here in Missouri. Just months before the pandemic swept across the United States, the economic picture for Missourians was beginning to improve. Now, nearly 680,000 Missourians have filed for unemployment since the pandemic began, and our state's current unemployment rate is 10.1%. While the economic impact payments distributed as a result of the CARES Act helped many families, nearly 30,000 Missourians did not receive these payments, including almost 20,000 children.

Within the first few weeks of the pandemic, Missouri's Community Action Agencies identified the following supports and services for the families and individuals served by their agencies:

- Alleviation of material hardship, including rental payments, energy and water bill payments, food, hygiene products, cleaning supplies, home-delivered meals, childcare, and fulfillment of other basic needs;
- Case management and coaching support to help families recover from job loss and/or financial crisis;
- Assisting families with low incomes and school-age children in accessing computer equipment and internet services to help children continue educational activities and perhaps assist adults in need of the same supports to work remotely from home;

- Housing counseling to prevent eviction or foreclosure;
- Technical support and coaching for small businesses as they begin their recovery;
- Modifying shelter activities to follow CDC and HUD guidance for homeless and other shelter and supportive housing environments;
- Distributing food, medications, and other household supplies (many communities rely on volunteers to provide these services, a significant portion of whom are older and likely need to self-quarantine, requiring a new cadre of delivery people who may need to be paid for their efforts);
- Convening local cross-sector partners to coordinate efforts, fill gaps, prevent duplication of efforts, and maximize the use of resources flowing into communities; and
- Purchasing additional computer equipment or other technology to build agency capacity to maintain continuity of services and reach customers in new and innovative ways.

Clearly, the services and programming provided by Missouri's Community Action Agencies are more important than ever – including those for low-income families, unemployed individuals, and essential workers. Like those who are recently unemployed due to the pandemic, essential workers also need support from Community Action Agencies. A recent study from the Missouri Budget Project highlights key demographics and needs of Missouri's essential workforce. According to the study, Missouri's frontline workers are disproportionately likely to be living in poverty or near poverty. In many cases, these workers are living paycheck to paycheck, leaving them at risk for serious financial hardship if exposed to COVID-19 – particularly if they are also uninsured. This is just one critical finding from the study, which can be accessed here: <https://www.mobudget.org/mo-essential-workforce/>.

Given the increasing need for thousands of families throughout the state, including utility assistance and measures to improve energy efficiency, Missouri Community Action Network recommends the following strategies to help ensure energy security for all Missourians:

- Restore access to service for any utility customer whose service has been cut off without requiring a down payment.
- Waive late payment fees and security deposits.
- For past-due bills, provide deferred plan options that are affordable based on a household's actual income and expenses.
- For households with low incomes, use debt forgiveness programs that avoid adding to current monthly bills.
- Expand bill payment programs that reduce monthly bills to an affordable level.
- As weatherization crews safely return to work, expand access to comprehensive whole-house energy efficiency and retrofit opportunities.
- Require more comprehensive utility tracking and reporting of data on residential customer overdue bills, disconnections, and repayment efforts, while still respecting billpayer privacy.

These measures are recommended by the National Consumer Law Center and are based on best practices in restoring and maintaining energy security. Missouri Community Action Network kindly asks the Commission to consider these measures when reviewing best practices for recovery of past-due utility customer payments during COVID-19.