

MEMORANDUM

To: Missouri Public Service Commission
Official Case File: Case No. AW-2020-0148

From: Geoff Marke, Chief Economist
Missouri Office of the Public Counsel

Subject: Comments and history related to the proposed submitted rule 20 CSR 4240-13.075:
Service Disconnection Reporting Requirements for Electric, Gas, Sewer, and Water
Utilities

Date: 11/9/2022

Overview of Initial Filing

On November 25, 2019, the Office of the Public Counsel (“OPC”) filed to open a working case to consider a proposed residential customer disconnection data reporting rule. Included in the initial filing was: a memorandum discussing the rationale behind the filing; the work papers supporting the conclusions of the memorandum; and a draft rule.

Rational Behind Filing:¹

Simply put, OPC was unable to positively affirm the number of involuntary disconnections across the Commission’s regulated utilities based on EFIS filings from the Company’s Annual Reports and monthly Cold Weather Reports. Additionally, OPC concluded:

- Electric and gas utilities (but not water) report the number of disconnects in at least two periodic filings with the Commission—the Annual Reports and the monthly Cold Weather Reports; however, the disconnect numbers are not the same when examined on a year-to-year basis.
- The utility disconnect information is not easily accessible to the public, and in some cases, has been designated as confidential.
- The number of disconnects has changed over time, but the reported number of disconnects vary considerably depending on the filing, year and company.
- Based on the consolidated filings there does not appear to be an agreed-to standardization of data; consequently, despite over a decade of collected data, no definitive statements about customer disconnects can be made as it appears how a “disconnect” is counted varies considerably between utilities.

¹ See GM-1

Work Papers Support the Conclusions Drawn:²

Illustrative examples of inconsistent data standardization across utilities included the following observations:

- In 2018, Kansas City Power & Light (“KCPL”) had more overall involuntary terminations (10,654) than Ameren Missouri (10,151) despite Ameren Missouri having 938,018 more overall year-ending accounts (1,227,317) than KCPL (289,299).
- In 2018, Ameren Missouri Gas reported 132,453 accounts at year end with 37,991 voluntary terminations and 556 involuntary terminations. Liberty Gas, in contrast, reported 53,138 accounts at year end with 4,456 voluntary terminations and 3,693 involuntary terminations
- In 2018, Empire District Electric had 37,352 voluntary terminations (or 21.47% out of a year ending 173,981 accounts) while Ameren Missouri had 313,842 voluntary terminations (or 25.57% out a year ending 1,227,317 accounts).

The 2019 NARUC Annual Best Practices in Data Collection and Reporting for Utility Delinquencies in Payments and Disconnections of Service:³

The initial draft rule was based on a combination of best practices in other jurisdictions as well as tenants supported by a 2019 resolution jointly supported by both the National Association of Regulatory Utility Commissioners (“NARUC”) and the National Association of State Utility Consumer Advocates (“NASUCA”). That resolution specifically recommended the following actions that are affirmed by this rulemaking docket:

- work to standardize the terms used to discuss delinquencies and disconnections and definitions of those terms including, at a minimum, the terms: disconnection; reconnection; displacement (meaning a customer once disconnected who does not ever reconnect to service at the same address); vulnerable customers; and critical medical needs customers;
- work to standardize the data collected, insofar as that is practicable, in order to facilitate State comparisons and track progress towards reducing these problems;
- describe and implement best practices related to data collection regarding delinquencies and disconnections;
- seek input regularly from consumers, and the agencies and organizations that work with consumers, so that utility companies and regulators continue to be apprised of evolving customer needs and preferences;
- consider implementing quality audits and data-governance practices to ensure the information collected and reported is valid and reliable;
- to the extent permissible under federal and State laws, collect and share data for research purposes, while ensuring privacy of personally identifiable information;
- work to identify and share best practices that demonstrate promise to reduce delinquencies and disconnections, with the explicit goal of increasing customers capabilities to pay utility

² See GM-2

³ See GM-3.

bills over time including best practices that identify and highlight access to helpful programs and services, including bill affordability programs such as discount rates or percentage of income payment plans, energy efficiency programs and services, weatherization, consumer education, expanding existing shutoff protections, custom payment plans that reflect the ability of the customer to successfully complete the payment plan, and flexible bill due dates;

- train employees of utilities and service agencies to assess and work with customers on sustainable solutions to avoid arrearages and maintain utility services;
- work with all stakeholders, including utility companies, to collect and share data on arrearages and disconnections;
- share information about best practices with all interested parties; and,
- work on continuous improvements in policies and programs designed to help reduce delinquencies and disconnections; *and be it further*

Resolved that States should consider requiring utilities to (1) collect monthly data that tracks uncollectibles, number of payment arrangements, number of payment arrangement defaults, number of revised payment arrangements, disconnections, reconnections, duration and frequency of disconnections, and other relevant data points; (2) make the data publicly available on a monthly basis, delineated by general residential customers and those receiving low-income assistance; and (3) file the data with State public utility commissions to be published on the public utility commission's website so that policy makers might have access to sufficient, objective and granular data for forming public policy aimed at protecting the public health, safety and welfare.

Input from Case No. AW-2020-0148

Approximately three years have elapsed since the initial filing. During that time, OPC has worked to build a consensus on an acceptable rule with the Missouri Public Service Commission Staff, each of Missouri's large regulated utilities and non-utility interveners.

Additionally, for approximately one-year into the COVID-19 pandemic, various stakeholders met initially on a weekly (6-month duration) and then bi-weekly (following 6-month duration) basis virtually to share information over aggregated residential customer data related to disconnections and arrearages as well as outreach and funding efforts to mitigate economic hardships. Participants on those virtual calls included the following Missouri-centric agencies and utilities:

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| ○ Public Service Commission Staff | ○ Ameren Missouri |
| ○ Office of the Public Counsel | ○ Evergy Missouri West |
| ○ Division of Energy | ○ Evergy Missouri Metro |
| ○ Department of Social Services | ○ Liberty Utilities |
| ○ Department of Mental Health | ○ Summit Natural Gas |
| ○ Department of Health and Human Services | ○ Central States Water |
| ○ Department of Economic Development | ○ Missouri American Water |
| ○ State Emergency Management Agency | ○ Raytown Water |
| ○ Missouri Community Action Network | |

The attached rule is the product of two separate virtual workshops; written feedback that parties filed formally in EFIS; and a month-long voluntary case study (“proof of concept”) of the revised rule in place with participation from most utilities. OPC completed this proof of concept in an attempt to identify any outstanding concerns or confusion regarding the implementation of the proposed rule.