

Missouri Public Service Commission

Public Comments

Utility Type	Gas
Utility Company	N/A
First Name	Janet
Middle Initial	K
Last Name	Hoerschgen
Street Address	932 Country Ridge Drive
Mailing Address	N/A
City	Jefferson City
State	MO
County	
Phone No.	574-893-4330 Ext -
Email	JHoerschgen@aol.com
Case No.	GX-2006-043421
Public Comments Description	see attachment
Date Filed	7/20/2006 3:14:14 PM

The purpose of the Missouri Public Service Commission's Cold Weather Rule (4 CSR240-13.055) is to protect the health and safety of residential customers receiving heat-related utility service by placing restrictions on discontinuing and refusing to provide heat-related utility service from November 1 through March 31, due to delinquent accounts of those customers. 4 CSR 240-13.055 (12) states that the Commission shall recognize and permit recovery of reasonable operating expenses incurred by a utility because of this rule.

It is my understanding that the purpose of Case No., GX-2006-0434 is to make permanent the emergency provisions to the cold weather rule applying to gas utilities subject to the Commission's jurisdiction made effective on an emergency basis in Case No. GX-2006-0181.

I retired from the Missouri Public Service Commission on February 1, 2003 after approximately thirty (30) years of service, the majority of which were spent in the Consumer Services Department. As a member of the Staff, I participated in all of the rulemakings involving the Cold Weather Rule with the exception of the case when the rule was first adopted in 1977. I was a member of the NARUC Staff Subcommittee on Consumer Affairs and the Keep Warm Committee. I communicated with both state and federal officials relating to the Low-Income Home Energy Assistance Program (LIHEAP).

I viewed the hearing on-line yesterday, July 19, 2006, and would like to make a few comments. I concur that the provisions of the rule should begin on November 1 to coincide with the application process for LIHEAP. I do not believe there should be any limit of times that a customer could seek and be granted protection under the provisions of the rule. Any limitations will only result in new "crisis" and the Commission will likely be back in "emergency" rulemaking to amend the rule to help those this rule will no longer protect. Arrearages will likely increase for some customers and can be the result of changing factors that none of us have any control-the weather, gas costs, reduced or lack of financial assistance for low-income consumers or other changes in economic conditions. Households can also experience emergencies such as illness or loss of employment that may impact their ability to pay.

I do not support the "tracker" mechanisms proposed and/or suggested by the utilities. The cost recovery mechanism should be left as an issue in a rate case. Based on my prior experience, I do not believe the utilities' uncollectables are maintained in such a manner as to allow them to determine that all or part are as a result of the cold weather rule. Some customers on cold weather rule payment agreements may have an amount billed as a result of a previous underbilling or an actual reading correcting previous estimates, which amounts were not originally figured into a payment plan and therefore would not be as a result of the cold weather rule.

Based on my years of experience at the Commission, the Cold Weather Rule was never intended to be the total solution. Affordable payment plans with arrearage forgiveness will ultimately need to be explored/implemented with adequate funding to truly protect those that the cold weather rule is designed to protect. The Commission should, at a minimum, require all heat-related utilities to report all non-federal assistance provided low-income households for leveraging purposes to compete for additional federal dollars. Perhaps these additional funds

could be used to help pay the shortfall-the difference between what the customer pays and the amount owed for actual usage. The following link is intended for additional information relating to this subject matter.

<http://www.liheap.ncat.org/pub.htm>

The Commission may also want to consider input in the State's energy assistance plan. I understand the Department of Social Services develops the State plan and then presents it to the Legislative Block Grant Committee for approval. Perhaps some discussion of how Crisis is defined and ECIP funds are used in Missouri is in order. Are we encouraging some consumers not to pay so they are eligible for additional financial assistance?

Thank you for the opportunity to make these comments.