

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 1st day of June,
2011.

Office of Public Counsel's Petition for)	
Promulgation of Rules Relating to Billing and)	<u>File No. AX-2010-0061</u>
Payment Standards for Residential Customers)	

In the Matter of a Working File to)	
Consider Changes to Chapter 13)	<u>File No. AW-2011-0252</u>
Service and Billing Practice Rules)	

**ORDER REGARDING PETITION FOR PROMULGATION OF RULES
RELATING TO BILLING AND PAYMENT**

Issue Date: June 1, 2011

Effective Date: June 11, 2011

On August 20, 2009, the Office of the Public Counsel filed a petition asking the Commission to promulgate new rules regarding consumer payment of bills issued for service provided by regulated utilities. Public Counsel contends the Commission should exercise its rulemaking authority to prohibit utilities from imposing an extra charge on customers who request a paper billing statement. Public Counsel also contends the Commission should promulgate a rule to prohibit utilities from utilizing payday loan stores and similar businesses as pay stations to take payments from customers.

In response to Public Counsel's petition, the Commission collected written comments from the utilities that would be affected by the rules. The Commission also took oral comments from representatives of the potentially affected utilities, the payday loan industry, and Public Counsel at an agenda meeting held on September 9, 2009. After

hearing those comments, the Commission directed its Staff to further investigate Public Counsel's concerns and to report its recommendation to the Commission.

Staff filed its initial report on November 30, 2009. In that report, Staff concluded that it found no basis for Public Counsel's concern about the imposition of extra fees for utility billing services. Staff advised the Commission to dismiss that portion of Public Counsel's rulemaking petition.

Staff continued to investigate Public Counsel's concerns about locating utility pay stations at payday loan businesses, and on February 3, 2010, filed a supplemental report addressing those concerns. Staff indicated it reviewed many documents, articles, surveys, and court cases, but found no Missouri-specific issues or concerns with any of the items raised in Public Counsel's Petition. Staff recommended the Commission dismiss Public Counsel's petition in its entirety.

Section 536.041, RSMo 2000, allows any person to petition a state agency requesting the adoption, amendment, or repeal of any rule. That section further requires the agency to explain what action it has taken in response to the petition and the reasons for that action. Similarly, Commission Rule 4 CSR 240-2.180(3)(B) requires the Commission to respond to a petition for rulemaking by either denying the petition in writing, stating the reasons for its decision, or initiate a rulemaking in accordance with Chapter 536, RSMo.

With regard to the first part of Public Counsel's petition, Staff has identified no Missouri-specific evidence to support Public Counsel's concern about the imposition of extra fees for utility billing services. Regarding the second part of Public Counsel's petition, the Commission has collected written and oral comments from Public Counsel, the affected

utilities, and the payday loan industry. At the Commission's request, Staff has further investigated Public Counsel's concern. While Public Counsel was able to point to consumer concerns from other states about the possibility that utility customers might be encouraged to take out a payday loan to pay their utility bill, Staff found no convincing evidence that such a problem exists in Missouri.

Nevertheless, the relationship of payday lenders with Missouri's utilities is a matter of concern for the Commission. While the Commission will not immediately undertake a rulemaking, this issue merits further scrutiny. Fortunately, a vehicle for that additional scrutiny already exists.

In File Number AW-2011-0252, the Commission has undertaken a review of the entire chapter of its rules relating to utility service and billing practices, including discussions with various stakeholders about other aspects of these consumer protection rules. As Staff conducts its investigation and review of Commission rules, it is appropriate that the payday loan issues be discussed in the context of an overall review. Therefore, the Commission will direct Staff to address consumer concerns about the relationship between payday lenders and Missouri utilities as a part of those ongoing discussions.

Based on the comments it has received, as well as the report submitted by Staff, the Commission concludes that there is an insufficient basis to support Public Counsel's petition for rulemaking. For that reason, the Commission will not undertake a rulemaking at this time, but will direct Staff to further address consumer concerns about the relationship between payday lenders and Missouri utilities.

THE COMMISSION ORDERS THAT:

1. The Commission shall not undertake a rulemaking at this time in response to the Petition for Promulgation of Consumer Protection Rules Relating to Billing and Payment filed by the Office of the Public Counsel on August 20, 2009.
2. The Commission's Staff shall further address consumer concerns about the relationship between payday lenders and Missouri utilities as part of its overall review of the Commission's consumer protection rules in File No. AW-2011-0252
3. This order shall become effective on June 11, 2011.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Clayton, Davis, Jarrett,
and Kenney, CC., concur.

Woodruff, Chief Regulatory Law Judge