

Robin Carnahan
Secretary of State
Administrative Rules Division

RULE TRANSMITTAL

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SECRETARY OF STATE
ADMINISTRATIVE RULES

FILED
August 2, 2013
Data Center
Missouri Public
Service Commission

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Rule Number 4 CSR 240-13.020

Use a "SEPARATE" rule transmittal sheet for EACH individual rulemaking.

Name of person to call with questions about this rule:

Content Morris Woodruff Phone 573-751-2849 FAX 573-526-6010

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Data

Entry Chris Koenigsfeld Phone 573-751-4256 FAX 573-526-6010

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Interagency mailing address Public Service Commission, 9th Fl, Gov.Ofc Bldg, JC, MO

TYPE OF RULEMAKING ACTION TO BE TAKEN

☐ Emergency rulemaking, include effective date

☒ Proposed Rulemaking

☐ Withdrawal ☐ Rule Action Notice ☐ In Addition ☐ Rule Under Consideration

☐ Order of Rulemaking

Effective Date for the Order

☐ Statutory 30 days OR Specific date

Does the Order of Rulemaking contain changes to the rule text? ☐ NO

☐ YES—LIST THE SECTIONS WITH CHANGES, including any deleted rule text:

Small Business Regulatory
Fairness Board (DED) Stamp

SMALL BUSINESS
REGULATORY FAIRNESS BOARD

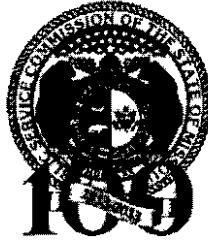
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JOINT COMMITTEE ON

AUG 1 2013

ADMINISTRATIVE RULES



Commissioners

ROBERT S. KENNEY
Chairman

TERRY M. JARRETT

STEPHEN M. STOLL

WILLIAM P. KENNEY

Missouri Public Service Commission

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Secretary

WESS A. HENDERSON
Director of Administration
and Regulatory Policy

CHERLYN D. VOSS
Director of Regulatory Review

KEVIN A. THOMPSON
Chief Staff Counsel

August 1, 2013

Jason Kander
Secretary of State
Administrative Rules Division
600 West Main Street
Jefferson City, Missouri 65101

Re: 4 CSR 240-13.020 Billing and Payment Standards

Dear Secretary Kander,

CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed rulemaking lawfully submitted by the Missouri Public Service Commission.

The Public Service Commission has determined and hereby certifies that this proposed rulemaking will not have an economic impact on small businesses. The Public Service Commission further certifies that it has conducted an analysis of whether there has been a taking of real property pursuant to section 536.017, RSMo 2000, that the proposed rulemaking does not constitute a taking of real property under relevant state and federal law, and that the proposed rulemaking conforms to the requirements of 1.310, RSMo Supp. 2012, regarding user fees.


The Public Service Commission has determined and hereby also certifies that this proposed rulemaking complies with the small business requirements of 1.310, RSMo Supp. 2012, in that it does not have an adverse impact on small businesses consisting of fewer than fifty full or part-time employees or it is necessary to protect the life, health, or safety of the public, or that this rulemaking complies with 1.310, RSMo Supp 2012, by exempting any small business consisting of fewer than fifty full or part-time employees from its coverage, by implementing a federal mandate, or by implementing a federal program administered by the state or an act of the general assembly.

Statutory Authority: sections 386.250 and 393.140, RSMo 2000

Woodruff
August 1, 2013
Certification of Administrative Rule

If there are any questions regarding the content of this proposed rulemaking, please contact:

Morris L. Woodruff, Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102
(573) 751-2849
morris.woodruff@psc.mo.gov


Morris L. Woodruff
Chief Regulatory Law Judge

Enclosures

**AFFIDAVIT
PUBLIC COST**


STATE OF MISSOURI)
)
COUNTY OF COLE)

I, Mike Downing, Acting Director of the Department of Economic Development, first being duly sworn, on my oath, state that it is my opinion that the cost of proposed rule, 4 CSR 240-13.020, is less than five hundred dollars in the aggregate to this agency, any other agency of state government or any political subdivision thereof.



Mike Downing
Acting Director
Department of Economic Development

Subscribed and sworn to before me this 15th day of July, 2013, I am commissioned as a notary public within the County of Cole, State of Missouri, and my commission expires on 17th July 2015



Notary Public



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ADMINISTRATIVE RULES

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Title 4--DEPARTMENT OF
ECONOMIC DEVELOPMENT
Division 240--Public Service
Commission

Chapter 13--Service and Billing Practices for Residential
Customers of Electric, Gas, Sewer and Water Utilities

Proposed Amendment

4 CSR 240-13.020 Billing and Payment Standards The Commission is amending the title of the chapter, purpose statement, amending sections (1), (2)(A), (2)(B), (2)(C), (2)(D), (3), (5), (7), (8), (9)(C), (9)(D), (9)(G), (11), (12), and the Authority section; deleting sections (2)(D) and (2)(E); and adding sections (2)(A)4, (2)(A)5, (2)(A)6, (2)(A)7, (2)(C)1, (2)(C)2, (2)(D), (13) and (14).

PURPOSE: This rule is amended to add sewer utilities and to update the rule to incorporate current technology and to clarify and eliminate inconsistencies in order to improve the operation of the rule.

PURPOSE: This rule establishes reasonable and uniform billing and payment standards for **residential service** to be observed by utilities and customers.

(1) A utility shall normally render a bill for each billing period to every residential customer in accordance with its **approved** tariff.

(2) Each billing statement rendered by a utility shall be computed on the actual usage during the billing period except as follows:

(A) A utility may render a bill based on estimated usage[-]-

1. To seasonally billed customers, provided that an *[appropriate]***approved tariff reflecting seasonal estimation** is on file with the commission and an actual reading is obtained before each change in the seasonal cycle;

2. When extreme weather conditions, emergencies, labor agreements or work stoppages prevent actual meter readings; *[and]*

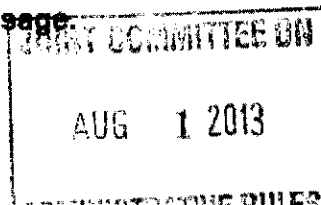
3. When the utility is unable to obtain a **meter reading for reasons beyond the utility's reasonable control, including an inability to access [to]the customer[]'s premises [for the purpose of reading the meter or when the customer makes reading the meter unnecessarily difficult]**as **necessary**. If the utility is unable to obtain an actual **correct** meter reading for these reasons, where *[practicable]* **necessary** it shall undertake reasonable alternatives to obtain a customer reading of the meter, *[such as]***for example** mailing or leaving postpaid, preaddressed postcards upon which the customer may note the reading unless the customer requests otherwise;

4. When the utility does not obtain an accurate or correct meter reading due to equipment or mechanical failure, when the company could not reasonably detect such failure given variability in usage at that customer location;

5. When a utility is unable to accurately obtain a meter reading due to human or billing system error;

6. When the utility does not obtain an accurate or correct meter reading due to equipment or mechanical failure, including a remote meter reading device's failure to transmit a reliable reading; and

7. When the utility does not obtain an accurate or correct meter reading due to failure to detect and verify usage at the customer's location, i.e., vacant with usage



(B) A utility shall not render a bill based on estimated usage for more than three (3) consecutive billing periods or one (1) year, whichever is less, except under conditions described in subsection (2)(A)1-(2)(A)4 of this rule;

(C) *[Under no circumstances shall]* **When a utility renders a bill based on estimated usage[---], it shall comply with the following:**

1. *[Unless the estimating procedures employed by the utility and any substantive changes to those procedures have been approved by the commission]* **A utility that has an estimating procedure in its filed and commission-approved tariffs shall follow that estimating procedure;**

2. **A utility that does not have an approved estimating procedure shall base the estimate on that customer's historical average usage at the same premises for the same billing periods during any or all of the past three (3) years for which actual usage data is available. In the event the customer was provided utility service at the premises for less than one (1) year, then the estimate shall be based on usage from the average of the customer's actual usage for the previous three (3) billing periods. If the customer has not had utility service for three (3) billing periods or if actual usage during that time is not available, the utility shall base the estimate on the average usage of available actual usage data for the months the customer has had utility service. In cases where no prior actual usage information is available or the prior usage is estimated and cannot be determined by subsequent actual meter readings, the utility shall base the estimate upon average usage of similarly situated customers;**

[2]3. [As] A utility shall not estimate a customer[']s initial or final bill for service, unless conditions beyond the control of the utility prevent an actual meter reading[.]. In such cases, if and when actual meter readings become available, the utility shall adjust the initial or final bill by issuing a bill for additional charge, or refund, as appropriate;

[(D) When a utility renders an estimated bill in accordance with these rules, it shall--]

[1]4. A utility shall [M]maintain accurate records of the reasons for the estimated bill and [the] all efforts made to secure an actual reading;

[2]5. A utility shall [C]clearly and conspicuously note on the bill that it is based on estimated usage; and

[3]6. Use customer-supplied readings, whenever [possible]viable (i.e., in line with prior usage or seasonal usage), to determine usage[; and].

(D) A water utility or sewer utility may render bills for service based on a flat rate if authorized by its commission-approved tariff. Flat rate bills may be rendered in advance for service being provided, if so authorized by its filed tariff.

[(E) When a utility underestimates a customer s usage, the customer shall be given the opportunity, if requested, to make payment in installments.]

(3) If a utility is unable to obtain an actual meter reading for three (3) consecutive billing periods, the utility shall advise the customer by first class mail or personal delivery that the bills being rendered are estimated, that estimation may not reflect the actual usage, and that the customer may read and report **their** electric, gas or water usage to the utility on a regular basis. *[The]A utility shall explain to the customer the procedure by which this reading and reporting may be initiated[shall be explained]. At least annually, a utility shall attempt to secure an actual meter reading from customers who are reporting their own usage [at least annually], except for quarterly-billing utilities in which case it shall be every two (2) years. These attempts shall include personal contact with the customer to advise the customer of the regular meter reading day. The utility shall offer appointments for meter readings on Saturday or prior to 9:00 p.m. on weekdays. The utility[']s obligation to make appointments shall begin only after a tariff, [for]describing the appointment[s] process, has been filed with and approved by the*

commission. Discontinuance of the service of a customer who is reading and reporting usage on a regular basis because of inability to secure an actual meter reading shall not be required.

(5) Notwithstanding section (2) of this rule, a utility may bill its customers in accordance with equal payment billing programs at the election of the utility customer, provided the equal payment billing program **tariff** has been previously approved by the commission.

(7) A monthly-billed customer shall have at least twenty-one (21) days and a quarterly-billed customer shall have at least sixteen (16) days from the rendition of the bill to pay the utility charges, unless a customer has selected a preferred payment date in accordance with a utility's preferred payment date plan. If the due date or delinquent date falls upon a Sunday, legal holiday, or any other day when the offices of the utility regularly used for the payment of customer bills are not open to the general public, the due date or delinquent date shall be extended through the next business day. The date of payment for remittance by mail is the date on which the utility receives the remittance. A utility shall not base an assessment of a deposit or delinquent charge, or a discontinuance of service, on a payment that was made to a payment agent on or before the due date or delinquent date.

(8) A utility shall not assess an additional charge upon a customer by reason of the customer's failure to pay any balance due and owing prior to the delinquent date unless this additional charge has been approved by the commission as a part of the utility's **[rate]commission-approved** tariffs.

(9) Every bill for residential utility service shall clearly state--

(C) Any previous balance which states the balance due for utility charges separately from charges for services not subject to commission jurisdiction;

(D) The amount due for the most recent billing period for electric, gas, **sewer**, or water usage, stated separately from the amount due for the same period for a deposit and the amount due for the same period for service not subject to commission jurisdiction;

(G) The telephone number the customer may call from the customer's service location without incurring toll charges and the address of the utility where the customer may initiate an inquiry or complaint regarding the bill as rendered or the service provided. Charges for measured local service are not toll charges for purposes of this rule;

(11) A utility may include charges for special services together with utility charges on the same bill if the charges for special services are designated clearly and separately from utility charges. If partial payment is made, the utility shall first credit all payments to the balance outstanding for gas, electric, **sewer**, or water charges, before crediting a deposit.

(12) During the billing period prior to any tariffed seasonal rate change, a utility shall notify each affected customer, on the bill or on a notice accompanying the bill, of the **[direction]expected effect** of the upcoming seasonal rate change **on the customer's bill** and the months during which the forthcoming seasonal rate will be in effect.

AUTHORITY: sections 386.250(6)[, *RSMo Supp. 1991*] and 393.140(11), *RSMo [1986]2000 as currently supplemented*. * Original rule filed Dec. 19, 1975, effective Dec. 30, 1975. Amended: Filed Oct. 14, 1977, effective Jan. 13, 1978. Rescinded and readopted: Filed Sept. 22, 1993, effective July 10, 1994.

*Original authority: 386.250(6), *RSMo* 1939, amended 1963, 1967, 1980, 1987, 1988, 1991 and 393.140(11), *RSMo* 1939, amended 1949, 1967.

PUBLIC COST: *This proposed rule will not cost state agencies or political subdivisions in excess of \$500.00 in total.*

PRIVATE COST: *This proposed rule will not cost private entities in excess of \$500.00 in total.*

NOTICE TO SUBMIT COMMENTS AND NOTICE OF PUBLIC HEARING: *Anyone may file comments in support of or in opposition to this proposed rule with the Missouri Public Service Commission, Morris L. Woodruff, Secretary of the Commission, PO Box 360, Jefferson City, MO 65102. To be considered, comments must be received at the Commission's offices on or before October 7, 2013, and should include a reference to Commission Case No. AX-2013-0091. If comments are submitted via a paper filing, an original and eight (8) copies of the comments are required. Comments may also be submitted via a filing using the Commission's electronic filing and information system at <http://www.psc.mo.gov/efis.asp>. A public hearing regarding this proposed rule is scheduled for October 10, 2013, at 10:00 a.m., in Room 310 of the Governor Office Building, 200 Madison St., Jefferson City, Missouri. Interested persons may appear at this hearing to submit additional comments and/or testimony in support of or in opposition to this proposed rule, and may be asked to respond to Commission questions. Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392-4211 or TDD Hotline 1-800-829-7541.*

Small Business Regulator Fairness Board

Small Business Impact Statement

Date: September 28, 2012

Rule Number: 4 CSR 240-13.020

Name of Agency Preparing Statement: Missouri Public Service Commission

Name of Person Preparing Statement: Gay Fred

Phone Number: 573-751-3160 **Email:** gay.fred@psc.mo.gov

Name of Person Approving Statement: Gay Fred

Please describe the methods your agency considered or used to reduce the impact on small businesses *(examples: consolidation, simplification, differing compliance, differing reporting requirements, less stringent deadlines, performance rather than design standards, exemption, or any other mitigating technique).*

During the MPSC's review and work on the proposed rule modifications, the MPSC solicited the involvement of small water and sewer utility businesses to participate in the working group to capture possible differences in compliance and standards. It appears there are no significant differences in compliance, reporting or any other mitigating techniques that would impact small businesses. In addition, all small regulated water and sewer companies today have filed and approved tariffs that have similar language to that of the proposed rule.

Please explain how your agency has involved small businesses in the development of the proposed rule.

During the MPSC's review and work on the proposed rule modifications over the last seven years, the MPSC solicited the involvement of electric, gas, small water and sewer utility businesses, to participate in the working group meetings to develop the proposed rule.

Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.

The proposed rule will have no monetary impact on the MPSC or any other state agency.

Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.

Small sewer utilities who currently do not fall under the proposed rule regarding residential billing and service standards of the MPSC will be required to comply with the proposed rule, however, currently these small sewer utilities have filed and approved tariffs that generally incorporate the same procedures and practices, it does not appear they will be adversely affected by this proposed rule.

Please list direct and indirect costs (in dollars amounts) associated with compliance.

There should be minimal if any direct and indirect costs associated with compliance. All small water and sewer utilities currently have filed and approved tariffs that have similar language to that found in the proposed rule.

Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.

Regulated electric, gas, sewer and water utilities.

Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?

Yes___ No_X__

If yes, please explain the reason for imposing a more stringent standard.

For further guidance in the completion of this statement, please see §536.300, RSMo.