

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of a Working Case to)
Consider Best Practices for Recovery of) Case No. AW-2020-0356
Past-Due Utility Customer Payments)
After the COVID-19 Pandemic Emergency)

COMMENTS OF SPIRE MISSOURI INC.

On May 13, 2020, the Missouri Public Service Commission (“Commission”) opened this working case in response to the COVID-19 emergency as a means of addressing the collection of past-due payments and other relevant concerns as they relate to the COVID-19 pandemic.

Subsequently on June 24, 2020, the Commission issued an order directing stakeholders to respond to a set of Staff questions by no later than July 15, 2020.

Spire Missouri appreciates the Commission and Staff’s efforts in working to address these important issues. Below and in a series of attachments, is Spire Missouri’s response. Some of the information submitted by Spire Missouri includes confidential information pursuant to Commission Rule 20 CSR 4240-2.135 (2)(A)3 and 8.

Respectfully submitted,

SPIRE MISSOURI INC.

By: */s/ Goldie T. Bockstruck*
Goldie Bockstruck MoBar# 58759
Director, Associate General Counsel
Spire Missouri Inc.
700 Market Street
St. Louis, MO 63101
(314) 356-1568
Goldie.Bockstruck@spireenergy.com

Certificate of Service

The undersigned certifies that a true and correct copy of the Comments of Spire Missouri Inc. was served on all Parties of record on this 15th day of July 2020 via e-mail.

/s/ Goldie T. Bockstruck

Questions for Utilities

Case No. AW-2020-0356

1. What date did the company initiate the suspension of discontinuances of service as a result of the COVID-19 pandemic emergency?

Please see the response to Staff DR15 in case GU-2020-0376.
Response to Staff DR15 - Mid-March 2020

2. Please describe practices used prior to the suspension of customer discontinuances that were used to minimize past due accounts receivable.

Spire uses a combination of collection activities to resolve past due receivables. Prior to any account disconnections, Spire offers payment arrangements and Cold Weather Rule (CWR) arrangements. Additionally, Spire actively works to sign up customers for LIHEAP funds and other assistance based on customer qualifications.

Generally, collection activities can be grouped into two categories (Active Account Collections and Final Account Collections). Active accounts (residential, commercial, etc.) follow a strategic collection process in CC&B, Spire's billing system. CC&B manages the active account collection and disconnection processes with little or no user intervention necessary as the system applies these processes. Agents can access the credit and collection pages when we need to override the system. CC&B also manages the write-off process with little or no user intervention. Employees have the ability to override automated collection and disconnection processes, when necessary.

When an account enters the disconnection process, Spire provides several notices of the potential disconnection with information on how to pay or make a payment arrangement. The notices are an initial threat of disconnection letter, followed by a 96-hour notice. Also, two outbound calls are made prior to disconnection. In the call, the customer can make a payment through the automated telephone system.

3. Please describe efforts made since the suspension of discontinuances to mitigate past due accounts receivable.

Spire committed \$500,000 in matching gifts through our DollarHelp program to help active residential and small business customers. The Missouri Public Service Commission also approved our request to use funds from our existing limited-income affordability program to help customers whose incomes have been interrupted due to the coronavirus. This combined effort will offer active residential customers who qualify \$100 in assistance and active small business customers who qualify \$200 in assistance. (The small business award was recently increased to \$300.) We continue to use social media and our automated telephone system to encourage customers to donate to DollarHelp so we can assist as many customers as possible. We also established a new page on our website dedicated to helping our customers learn more about our relief efforts, spireenergy.com/relief.

We are coordinating earned and paid media placements throughout the region on DollarHelp and the relief funds available to residential and business customers, including:

- Features by the St. Louis Business Journal, the St. Louis Post-Dispatch, KSDK Channel 5, the St. Louis American, the St. Joseph News-Press, the Kansas City Chamber,

the St. Louis Regional Chamber, and KOAM-TV Joplin

- Public service announcement videos on local networks
- Paid media through public media outlets and local newspapers
- Paid social media advertising

We are encouraging customers to contact us if they need help with their natural gas service or bill, letting them know we're always here for them, ready to work with them on finding the best solution for their situation. (See DR 05)

Spire deployed additional resources to promote awareness and processing of federal low-income energy assistance dollars, including supporting the Low-Income Home Energy Assistance Program (LIHEAP). Spire also partnered with LIHEAP agencies to pledge additional funds for customers who would have been in threat of disconnection.

Spire decided to turn on the disconnect lettering process on June 8, 2020 to mitigate past due receivables and continues to work with LIHEAP agencies to pledge additional funds on these accounts if they qualify.

4. Please provide examples of customer communication regarding changes in collection practices related to accounts subject to discontinuance.

Please see the attached.

5. Please describe any changes in procedures related to customer payment arrangements since initiating the suspension of discontinuances of service.

Spire's goal has been to offer customers several options that could work for their individual needs during this challenging time of the coronavirus pandemic.

- When we suspended disconnections in March, cold weather rule arrangements were extended as an option for customers through April 30, 2020.
- During May and June, we offered an arrangement where 50% payment of the account balance was requested, up front, while the remaining balance was divided over 3 months. This was applicable to both commercial and residential customers and was updated in My Account for customers to be able to self-serve.
- As accounts began entering the disconnection process the below change to the arrangements was implemented for July:
 - The 50% payment down and the remaining balance arrangement remains available for customers who are active and not in the disconnection process.
 - If a customer is in the disconnection process, the customer will need to pay 100% of the debt amount and the remaining balance will be set up on a 3-month payment arrangement.

Additionally, if none of the above options worked for a customer, we asked the agents to please connect with their supervisor so that their supervisor could further assist. Lastly, since March, for any customer expressing a difficulty paying, we have been working to direct them to resources for assistance either through LIHEAP or the Spire coronavirus assistance program.

6. Please provide documentation of the number of customers with payment arrangements, on a monthly basis, by customer class, from March 2016 to 2020 YTD. For each period, provide the number of Cold Weather Rule and non-Cold Weather Rule payment arrangements for

residential customers.

Please see the attached.

7. Please describe the alternatives discussed by company management to collect past due accounts receivable without unduly burdening vulnerable customers when discontinuances of service are resumed. For each alternative, please describe the associated advantages and disadvantages. Please describe how alternatives to collect past due accounts receivable will be communicated to customers.

Please see the attached.

8. What criteria will be used to determine the timing for resuming discontinuances of service?

The decision to resume disconnections for residential and small commercial customers was based on larger than normal balances and increased arrearages for those customer classes.

9. If applicable, describe COVID-19 related changes to the company's community-funded assistance program (i.e. Dollar More, Dollar Help etc.). If eligibility requirements were modified in an effort to assist more customers, did the changes result in increased pledges on customer accounts, please explain.

Spire made temporary changes to our DollarHelp program in order to assist customers during the pandemic. Missouri small business customers can qualify for a one-time \$200 DollarHelp credit on their gas bill. Customers must apply through SpireEnergy.com/relief.

Spire also received approval to modify our Low-Income Affordability tariff, allowing unspent funds from the FY19 program to assist customers impacted by coronavirus from loss of income. Eligible residential customers would receive a one-time \$100 credit on their gas bill. Customers must apply through SpireEnergy.com/relief.

Pledges increased as a result of the changes above. Small businesses were able to receive pledges as well as customers that would possibly not have qualified for LIHEAP assistance.

10. Please identify the amount of revenues foregone as of June 30, 2020 due to the COVID pandemic by revenue type, such as late fees, reconnection fees, etc. (Note: This should not include any estimates of "lost revenues" due to a reduction in sales to customers attributable to the COVID pandemic or economic downturn, which is being requested separately below.) Also, please provide an estimation for the period of July 1, 2020 through December 31, 2020 for the revenues forgone.

Please see the responses to Staff DR 02 in case GU-2020-0376 and subtract the margin loss.
Please see the attached.

11. Please provide the change in revenues on an overall basis, and by rate class, by month, starting with February 2020 through June 2020 and the amount attributable to the impacts of the

COVID-19 pandemic. Also, please provide estimated revenue changes, by rate class for the period July 1, 2020 through December 31, 2020.

Please see the response to question 10 and include the margin loss.

12. Please quantify for each of the following costs that has been incurred due to the COVID-19 pandemic to date: incremental bad debt expense, incremental costs to allow employees to work at home, additional cleaning expense, protective supplies for employees, costs related to new assistance programs implemented to aid customers with payment of bills, costs incurred for possible sequestration, and any other cost tracked by your utility. Also provide a current annual projection for each of these costs.

Please see the response to Staff DR 2 in case GU-2020-0376.

Please see the attached.

13. Please quantify for each of the following categories the savings that has been realized due to the COVID-19 pandemic to date: external travel costs, external training costs, utilities expense for office use, or any other savings category tracked by your utility. Also provide a current annual projection for each of these savings categories.

Please see the response to Staff DR 3 in case GU-2020-0376.

Please see the attached.

14. Please provide a detailed estimate/projection of any Covid-19 related costs that might be covered by governmental reimbursement programs (federal and/or state). Have applications been made for any federal or state grants, loans or other measures of assistance associated with the COVID pandemic? If so, please provide a list of such.

Please see the response to Staff DR4 in case GU-2020-0376.

Response to Staff DR 4 - Spire has not applied for any federal or state grants.

15. Are limitations being placed on hiring, salary/benefit increases, discretionary construction expenditures, etc. due to the COVID-19 pandemic or any other reason? If yes, please provide documentation setting out the reasons for and the terms of such limitations.

Please see the response to Staff DR 7 in case GU-2020-0376.

Response to Staff DR 7 - Spire Missouri Inc is currently not placing any limitations on salary/benefit increases or restrictions on discretionary construction expenditures due to COVID 19 pandemic. Hiring of certain positions within Spire Missouri were delayed for a period of time in March/April timeframe.

16. Have employee layoffs occurred due to the COVID-19 pandemic? If so, how many employees were released? Have or will the implementation of any voluntary employee reduction programs in 2020 for Covid-19 or other reasons occur? If yes, please provide the timing of the program, and its rationale.

Please see the response to Staff DR 8 in case GU-2020-0376.

Response to Staff DR 8 - Spire Missouri Inc has not had to lay off or furlough any employees due to the COVID 19 pandemic. Spire Missouri, Inc currently has no plans at this time to implement any voluntary employee reduction programs in 2020.

17. Please describe any programs now being implemented or planned to be implemented in the future to assist customers in returning to current status.

See DR 18 regarding our most vulnerable customers and DR 05 for payment arrangement options.

In addition to the programs referenced in the other DRs, Spire is currently researching, evaluating and designing a coronavirus pandemic program to assist the most impacted and vulnerable small business customers.

18. Please describe any programs now being implemented or planned to be implemented in the future to assist the most vulnerable or at risk customers.

Spire has received the approved tariff modification to the Low-Income Affordability tariff to assist residential customers between 0 – 185% of Federal Poverty Level since the LIHEAP season has now ended. We are continuing to assist eligible small business customers that apply through SpireEnergy.com/relief.

We are increasing the DollarHelp assistance given to small businesses from a \$200 credit to a \$300 credit.

Spire has focused more time and effort working with the LIHEAP agencies to pledge DollarHelp funds on eligible customers that are in threat of disconnection.

This fall, we plan to host virtual outreach efforts to increase awareness of LIHEAP and assist customers with the application process.

19. For electric providers – Please provide any class changes in load overall and by customer class by month starting in February 2020.

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20. Please provide, and update as appropriate, the timing of the company's plans to restart collecting late fees from customers and when the company may begin disconnecting customers for non-payment.

Spire turned late payment fees on with the bills that were produced on May 27, 2020. The late fee will not be applied unless the customer does not make the payment by the delinquent

date which is 22 days after the bill is produced.

Spire started sending disconnect letters on June 8, 2020. Spire will start physically disconnecting service for non-payment on July 6, 2020.

21. If your utility has not already filed an application with the Commission requesting special accounting treatment of incremental COVID costs and/or “lost revenues,” do you plan to do so at some point in the future? If yes, please discuss the timing of the application and the types of financial impacts you would request be included.

Spire filed for an AAO on 5/18/2020