

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

In the Matter of a Motion for an Emergency)
Order Establishing a Temporary Moratorium)
On Utility Discontinuances to Protect Public)
Health and Safety by Mitigating the Spread of)
The COVID-19 Pandemic.) Case No. AO-2021-0164

**SPIRE MISSOURI INC.’S RESPONSE TO MOTION FOR AN EMERGENCY ORDER
AND REQUEST FOR EXPEDITED TREATMENT**

COMES NOW Spire Missouri Inc. (“Spire” or “Company”), on behalf of its operating units, Spire Missouri East (“Spire East”) and Spire Missouri West (“Spire West”) and, pursuant to the Missouri Public Service Commission’s (“MPSC” or “Commission”) December 8, 2020 *Order Directing Notice and Shortening Time for Responses*, files this Response to the *Motion for an Emergency Order and Request for Expedited Treatment* filed by the Consumers Council of Missouri (“Consumers Council”) on December 7, 2020. In support of its Response, Spire respectfully states as follows:

I. CONSUMERS COUNCIL’S MOTION

1. On December 7, 2020, Consumers Council filed a Motion for an Emergency Order and Request for Expedited Treatment (“Motion”), requesting that the Commission issue an extraordinary emergency order establishing a temporary moratorium on utility discontinuances by investor-owned electric, natural gas, and water utilities until at least March 31, 2021.

2. In support of its Motion, Consumers Council states that the State of Missouri is currently under an official state of emergency due to the COVID-19 pandemic. Pursuant to the most recent executive order issued by Missouri Governor Mike Parson, the state of emergency extends until March 31, 2021.¹ Consumers Council cites to and attaches to its Motion a number of other

¹ Motion at ¶ 3.

studies and reports that emphasize the ongoing threat of COVID-19 to the public health, safety, and welfare to all Missourians;² the severe constraints on hospital capacity and fatigued medical staff;³ and the ever-worsening threat of a resurgence of COVID-19 cases due to the impending winter months.⁴

3. Consumers Council also discusses the economic impacts of the pandemic on the state of poverty in Missouri due to income loss and changes in employment status,⁵ and submits that the additional stress of paying for utility services, or the potential for utility disconnection, may result in either voluntary or involuntary consumer relocations.⁶ Consumers Council refers to several studies in support of the proposition that consumer relocations increase the risk of greater exposure levels to COVID-19, in contrast to the lessened risk of exposure by sheltering in place.⁷

4. Consumers Council asserts that a “moratorium on utility disconnections will help flatten the curve by reducing the dislocation and mobility caused by the loss of essential utility services during the winter in Missouri.”⁸ However, the academic study relied upon by Consumers Council for this proposition addresses only electric and water utilities, not natural gas utilities such as Spire.

5. Nevertheless, Consumers Council requests that the Commission order an immediate moratorium prohibiting all disconnections of all residential utility services, until at least March 31, 2021. The March 31, 2021 date coincides with the current end date of the most recent executive

² Motion at ¶ 4.

³ Motion at ¶ 4, 5.

⁴ Motion at ¶ 4, 5, 6.

⁵ Motion at ¶ 8.

⁶ Id.

⁷ Id.

⁸ Motion at ¶7, 8.

order issued by the Governor, and with the end of the Cold Weather Rule period.⁹ Further, Consumers Council requests that the moratorium include a prohibition on the assessment of all late fees or related fees for non-payment during the period of the moratorium.¹⁰ One of the stated goals of the requested moratorium is to encourage consumers to shelter in place safely, without the stress of the potential loss of utility services or the accumulation of extra fees for nonpayment.¹¹

II. SPIRE RESPONSE TO MOTION

A. SPIRE'S PLEDGE TO SERVICE AND SUPPORT

6. Spire has been and remains dedicated to ensuring that the communities we serve maintain access to safe, reliable, and affordable natural gas.

7. As Consumers Council recognizes, early in the pandemic, Spire and several other regulated utilities voluntarily committed to suspend disconnections and expanded financial assistance to limited-income customers and small business owners impacted by COVID-19.

8. For example, in March, Spire requested and received Commission approval for a temporary variance of the Commission rules and Spire's tariff in order to suspend disconnections related to non-payment and suspend the accumulation of interest and late fees related to non-payment. The intent of the temporary variance was to avoid any utility-related actions that would impair Spire's customers' ability to remain in their homes or obtain vital services, and thereby help mitigate the spread of COVID-19.¹² Subsequently, Spire requested and the Commission approved an extension of the temporary variance through May 31, 2020.

9. Further, in April, in recognition that many Missourians were struggling to make ends meet, Spire committed to \$500,000 in matching gifts through its DollarHelp program, a program in

⁹Motion at ¶ 12.

¹⁰ Id.

¹¹ Motion at ¶ 13.

¹² Case No. GE-2020-0289.

partnership with United Way that assists limited income customers with their natural gas bills. Also in April of this year, Spire revised its low-income tariff to devote \$940,000 of funding towards customers impacted by COVID-19. Eligibility for those funds, however, was limited to customers within 136-185% of the Federal Poverty Level. At the time, Spire customers within 0-135% of the Federal Poverty Level were eligible for Federal Low-Income Home Energy Assistance Program ("LIHEAP") funding. Once LIHEAP funding expired in May 31, 2020 those customers faced limited means for assistance with their natural gas bill.

10. To assist a broader range of its customers, Spire revised its low-income tariff so that it could make funding available to eligible customers within 0-185% of the Federal Poverty Level, and further modified its low-income assistance program to extend assistance from July 31, 2020 to September 30, 2020.¹³ These efforts assisted over 6,000 Missourians during these difficult and unprecedented times.

11. On May 18, 2020, Spire filed for Commission approval to establish an accounting authority order for costs related to the COVID-19 pandemic. On September 15, 2020, Spire, the MPSC Staff, the Office of Public Counsel, Midwest Energy Consumers Group, Missouri Industrial Energy Consumers, the National Housing Trust and Renew Missouri filed an amended unanimous stipulation and agreement¹⁴ that included the implementation of a COVID-19 arrearage management program. This program, called the COVID-19-Residential Assistance Program, permits eligible customers to receive \$100 upon enrollment, plus a dollar for dollar match of up to \$300 towards a customer's past due bills, along with an extended 18-month payment plan. Tariffs implementing this program were effective as of November 7, 2020.¹⁵

¹³ Case No. GO-2021-0002.

¹⁴ Case No. GU-2020-0376.

¹⁵ Case No. GO-2021-0115.

12. Finally, in recognition that small businesses are integral to the local economies of the communities where Spire serves and its employees and customers reside, Spire implemented the Small Business Pandemic Relief Program to provide up to five monthly \$100 credits for active Missouri small businesses impacted by COVID-19. Applications for this program open on December 12, 2020.

B. A GLOBAL DISCONNECTION MORATORIUM IS NOT WARRANTED AT THIS TIME, AND MAY ACTUALLY HARM CUSTOMERS

13. As an essential business¹⁶ and a community partner, Spire believes it has the obligation to extend assistance to all eligible customers facing financial hardship due to the COVID-19 pandemic. Spire's suspension of late fees and disconnections, plus the expansion and refining of programs designed to ameliorate a portion of its customers' financial burden, reflect a comprehensive and collaborative approach to customer assistance.

14. Spire believes that a collaborative approach to assist utility customers struggling with their utility bills remains the appropriate course of action. Many Missouri utilities have been proposing and implementing innovative consumer assistance programs in the face of COVID-19's unprecedented impact. Utilities are inclined to extend greater eligibility and flexibility to consumers, and the Commission and its Staff have been extraordinarily responsive and decisive in granting waivers of rules and modifications of tariffs.

15. Rather than order a blanket moratorium, such as that requested by Consumers Council, the Commission should permit utility service providers to continue to implement the support programs they have developed to best serve their customers' needs. Spire is concerned that

¹⁶ See, MPSC Media Advisory PR-2020-134 and March 27, 2020 letter from the Missouri Public Service Commission, urging local officials to recognize utility employees as essential workers that are "indispensable to ensuring Missouri's citizens receive safe and reliable access to water, heat, power, and information."

a full moratorium on utility disconnections, late fees or other fees for nonpayment may have unintended consequences and ultimately do more harm than good.

16. Any utility customer facing financial hardship due to loss of income from COVID-19 should be encouraged to engage in an open communication their utility provider and seek all available financial support for existing past-due amounts, or a payment plan for upcoming charges.

17. The imposition of a moratorium will undercut Spire's ability to proactively communicate with customers regarding past due balances and the many programs available to assist these customers; indeed a moratorium will provide a disincentive for customers with COVID-19 related arrearages to have any engagement with their utility provider at all. Consumers shielded behind a disconnection moratorium may avoid any communications or outreach by their utility providers, which ultimately hampers the consumer's ability to learn about and take advantage of the numerous tools in place for consumers to address their debt.

18. Consumers Council accurately states that for heat-related gas and electric residential services a daily temperature-based moratorium on disconnections is already in effect through March 31 in accordance pursuant to the Cold Weather Rule. This in itself is evidence that a sweeping moratorium is not needed at this time. Notably, however, on days when the temperature-based moratorium on disconnections is not applicable, the rule still requires customers unable to pay their bill in full to contact the utility company, provide a minimum initial payment, and enter into a 12-month budget payment arrangement.¹⁷ The rule is designed to insulate customers who face having utility service disconnected due to an inability to pay in full, while still enabling utilities to pursue revenue that is due to them for provision of service. The blanket moratorium on disconnections pursued by Consumers Council fails to provide a similar balancing of interests.

¹⁷ 20 CSR 4240-13.055(6).

19. Moreover, a blanket moratorium may provide a short-term reprieve from the threat of utility disconnection and accumulation of late fees, but what then? Come April 1, 2021, customers that received the temporary benefits of the moratorium may find themselves in a more precarious position financially, due to the accumulation of more utility-related debt rather than the measured lessening of debt available through a utility-sponsored payment plan.

20. The stated goals of the requested moratorium Consumers Council urges this Commission to adopt are to: (1) encourage consumers to shelter in place safely, without the stress of the potential loss of utility services or the accumulation of extra fees for nonpayment; and (2) to help flatten the curve by reducing the dislocation and mobility caused by the loss of essential utility services during the winter in Missouri. Spire submits that these goals are achievable through far less drastic measures than a statewide moratorium. A collaborative approach between utilities and their individual customers can bring about the same outcome, while empowering customers to reduce arrearages rather than increase them.

21. An individualized, collaborative approach may ultimately be preferable for all parties involved. Once vaccines are dispensed and case numbers improve, customers' economic recovery may be hindered by potentially large debts to utilities. In addition, utility funds diverted from planned capital investments towards customer assistance programs and waived late payments and fees will need to be recouped elsewhere, and liability for reasonably-incurred utility uncollectible Accounts Receivable must ultimately be borne by ratepayers, utility shareholders, taxpayers or some combination thereof.

22. As a regulated entity, Spire takes seriously its duty to provide safe, reliable, and affordable natural gas service. In recognition of this obligation, Spire is committed to working with all eligible consumers on an individual basis to: (1) inform the customer of all available payment options, including extended payment plans, settlement agreements, and budget billing arrangements

for those customers not currently in arrears but who anticipate winter hardship; (2) assist with establishing reasonable, flexible, and achievable payment plans; and (3) advise about and streamline enrollment in available federal, state, and local utility financial aid funding for customers based on income level, age, and disability.

23. Nevertheless, Spire is undertaking a limited, voluntarily moratorium on disconnections for non-payment during the month of December 2020. For the reasons set forth above, Spire does not intend to widely publicize this action in order to encourage customers to continue to reach out and engage with the Company. However, Spire will suspend non-payment disconnections temporarily to avoid individual hardships and any potential exacerbation of the pandemic while vaccine delivery begins. Spire will continue to disconnect customers whose atmospheric corrosion inspections are overdue and remain so as of December 31, 2020 in accordance with the Commission's orders in Case No. GE-2020-0373. Spire's efforts to communicate proactively with customers impacted by the orders in that case continue.

24. If the Commission issues the moratorium on utility disconnections as Consumer Council requests, customers access to federal and state resources could be restricted. For example, LIHEAP's Energy Crisis Intervention Program (ECIP) benefits require that the customer be shut off or in threat of disconnection to qualify for assistance, up to \$800. If utilities are prohibited from sending disconnection notices, those individuals will not have access to those funds that they need. Instead of getting assistance to paydown their utility bill, those customers could face even greater debt than had the moratorium not been put in place. That restriction to resources does not help Missourians in crisis who need financial assistance.

WHEREFORE, for the foregoing reasons, Spire Missouri Inc. respectfully requests that the Commission accept this Response, deny the Motion for a blanket state-wide moratorium, and grant such other further relief as the Commission may deem just and appropriate.

Respectfully submitted,

SPIRE MISSOURI INC.

By: **/s/ Matthew J. Aplington**

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served upon all parties of record by e-mail or U.S. mail, postage prepaid, this 14th day of December, 2020.

/s/ Matthew Aplington

ATTORNEY FOR SPIRE MISSOURI INC.