

Title 4- DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240 – Public Service Commission
Chapter 13 – Service and Billing Practices for Residential Customers of
Electric, Gas and Water Utilities

PROPOSED AMENDMENT **DRAFT**

(Commissioners Gaw and Clayton Version Voted on in August 11, 2006 Agenda)

**NOTE: Language Modified by Commissioner Gaw's Motion in August 11, 2006
Agenda noted by underline (_)**

**4 CSR 240-13.055 Cold Weather Maintenance of Service: Provision of Heat-Related
Utility Service During Cold Weather**

*PURPOSE: This amendment provides additional repayment plans for residential users of
natural gas for heating purposes.*

14) This section only applies to providers of natural gas services to residential customers. Other providers of heat-related utility services will continue to provide such service under the terms of sections (1) through (13) of this rule. The provisions of sections (1) through (13) of this rule continue to apply to providers of natural gas service except where inconsistent with the terms of this section.

(A) From **November 1** through March 31, notwithstanding section (10)(C)(2) of this rule to the contrary, a gas utility shall restore service upon initial payment of **the lesser of fifty (50) percent or \$250.00** of the preexisting arrears, with the deferred balance to be paid as provided in Section 10(B). Any reconnection fee, trip fee, collection fee or other fee related to reconnection, disconnection or collection shall also be deferred. Between **November 1** and **March 31**, any customer threatened with disconnection may retain service by entering into a payment plan as described in this paragraph. Any payment plan entered into under this paragraph shall remain in effect (as long as its terms are adhered to) for the term of the payment plan, which shall be twelve month's duration, unless the customer requests a shorter period or the utility agrees to a longer period. However, a gas utility shall not be required to offer reconnection or retention of service under this section 14(A) more than once every two years for any customer. **Any customer who has defaulted on a payment plan under this section three or more times loses the \$250 reconnection option but may reconnect with an initial payment of fifty percent (50%) of the preexisting arrears, with the deferred balance to be paid as provided in Section 10(B).**

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(B) Any customer who is not disconnected or in receipt of a disconnect notice shall, at the customer's request, be permitted to enroll immediately in a gas utility's equal payment, budget-billing or similar plan. Any current bill or existing arrearage at the time of enrollment shall be dealt with

consistent with Section 10(B)(1) through 10(B)(4) of this rule, provided that the customer agrees to make the initial payment prescribed in Section 10(C)(1) or Section 14(A) as applicable.

(C) If a customer enters into a cold weather rule payment plan under this section:

- a. Late payment charges shall not be assessed except with respect to failure to make timely payments under the payment plan; and
- b. The gas utility shall not charge customers interest on the account balance for any deferral period.

(D) Any customer who enters into a cold weather rule payment agreement under this section and fully complies with the terms of the payment plan shall be treated, going forward, as not having defaulted on any cold weather rule payment agreement.

(E) A gas utility shall describe the provisions of Section 14 in any notices or contacts with customers. In telephone contacts with customers expressing difficulty paying their gas bills, gas utilities shall inform those customers of their options under Section 14.

(F) A gas utility shall be permitted to recover the costs of complying with this section as follows:

- a. The cost of compliance with this section shall include any reasonable costs incurred to comply with the notice requirements of this section.
- b. No gas utility shall be permitted to recover costs under this section that would have been incurred in the absence of this section.
- c. Any net cost resulting from this section as of June 30 each year shall accumulate interest at the utility's **annual** short-term borrowing rate until such times as it is recovered in rates.
- d. No bad debts accrued prior to the effective date of this section may be included in the costs to be recovered under this section.

The costs eligible for recovery shall be measured by the cumulative net change in the amounts of money due the Company from customers at the time they are reconnected by virtue of this rule (after the reconnection payment under this rule), compared to the amount owed to the Company by the same customers at the time of a subsequent disconnection for nonpayment. The costs eligible for recovery under this rule shall be reduced by any benefit received from customers reconnected or retained because of the provisions of this rule, that make their required payments.

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Deleted: The costs eligible for recovery shall be the unpaid charges for new service received by the customer subsequent to the time the customer is retained or reconnected by virtue of this section plus the unpaid portion of the difference between the initial payment paid under this section and the initial payment that could have been required from the customer under the previously enacted payment provisions of Section (10) of this rule, as measured at the time of a subsequent disconnection for non-payment or expiration of the customer's payment plan. The costs eligible for recovery under this rule shall be reduced by any benefit received from customers reconnected or retained because of the provisions of this rule, that make their required payments.

(G) A gas utility shall be permitted to defer and recover the costs of complying with this rule through a one-term Accounting Authority Order until such time as either the compliance costs are included in rates as part of the next general rate proceeding or for a period not to exceed two (2) years following the implementation of this rule:

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a. The Commission shall grant an Accounting Authority Order, as defined below, upon application of a gas utility, and the gas utility may book to Account 186 for review, audit and recovery all incremental expenses incurred and incremental revenues that are caused by this section. Any such Accounting Authority Order shall be effective until September 30, of each year for the preceding winter.

b. Between September 30 and October 31 each year, if a utility intends to seek recovery of any of the cost of compliance with this section, the utility shall file a request for determination of the cost of compliance with this section for the preceding winter season. The request by the utility shall include all supporting information. The gas utility bears the burden of proof to show the costs of compliance with this section.

c. The Commission has adopted the Uniform System of Accounts in 4 CSR 240-4.040. Accounting Authority Orders are Commission orders that allow a utility to defer certain expenses to Account 186 under the Uniform System of Accounts for later recovery as determined by the Commission in a subsequent general rate case.

d. Although the Accounting Authority Order allows the gas utility to recover the reasonably incurred expenses only within the context of a general rate case, all such reasonably incurred expenses shall be recovered by the gas utility, together with interest thereon, as set forth above.

Deleted: The failure of a gas utility to be subject to a rate case within a specific period of time shall not in any way abrogate its rights to recover such reasonably incurred costs and interest in a subsequent general rate case.

AUTHORITY: sections 386.250 and 393.140, RSMo 2000 and 393.130, RSMo Supp. 2003. Original rule filed June 13, 1984, effective Nov. 15, 1984. Amended: Filed Dec. 30, 1992, effective Oct. 10, 1993. Amended: Filed March 10, 1995, effective Jan. 30, 1996. Emergency amendment filed Nov. 8, 2001, effective Nov. 18, 2001, expired March 31, 2002. Amended: Filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed April 9, 2004, effective Oct. 30, 2004. Emergency amendment filed December 16, 2005, effective December 26, 2005, expires March 31, 2006. Amended: Filed May 15, 2006.*

PUBLIC COST: The proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate over the next five years.

PRIVATE COST: The commission estimates that this rule will have a fiscal impact on private entities of four million, five hundred-thousand dollars (\$4,500,000) in the aggregate over the next five years. See fiscal note.