

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

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

**JOINT COMMENTS OF MISSOURI
ENERGY EFFICIENCY FOR ALL COALITION**

The below comments are submitted by members of the Missouri Energy Efficiency for All (EEFA) coalition: Renew Missouri, the National Housing Trust (NHT), the Natural Resources Defense Council (NRDC), and Elevate Energy.

These comments are in response to question #4 in the document “Questions for Non-Utilities,” which the Commission submitted as Attachment B-1 in its June 24, 2020 Order:

Please explain how utilities may best collect past due accounts without unduly burdening their vulnerable customers. Additionally, share other relevant concerns arising from the COVID19 pandemic; please include how the pandemic is affecting your organization and the people your organization serves.

The Missouri EEFA coalition offers the following policy recommendations regarding concerns arising from the COVID19 pandemic:

1. Disconnection moratoria

- Implement and extend all current utility disconnection moratoria for electricity, gas, and water services for all utilities under PSC jurisdiction until at least 60 days following the end of the Governor’s declared state of emergency (currently in effect through December 30, 2020).
- Allow at least a 60 day grace period between the end of a moratorium and when disconnections can begin again, with clear notices and communication in that period to all customers at-risk of shut-off.

2. Arrearages, debt forgiveness, and bill assistance

- Utilities should allocate emergency-level assistance funding to forgive arrearages for customers whose ability to pay has been impacted by the COVID-19 pandemic.
- Expand eligibility to include those newly impacted by financial or medical hardships due to COVID-19.
- Allow for cross-eligibility for energy assistance funds, i.e. if one is eligible for Medicaid or SNAP (Supplemental Nutrition Assistance Program), they should also immediately qualify for assistance.

- Utilities should be directed to increase customer outreach and education to inform customers about all methods of help with their bills - LIHEAP (cooling cap is now \$600 from \$300), other forms of energy assistance and aid, and energy efficiency programs.

3. Late payment fees

- Utilities should not be allowed to charge late payment fees through the end of the Governor's state of emergency (currently in effect through December 30, 2020), with at least a 60-day grace period following.

4. Payment plans

- Utilities should offer, by default, payment plans that are reasonable, consider the individual customer's actual ability to repay, are offered for a longer term than is usually the case (ideally 18-24 months), do not include onerous down payment requirements, and are renegotiable for struggling customers. Iowa's system, while not perfect, employs several best practices and can be looked to as a model.

5. Reconnections

- Require immediate, no-cost, safe reconnections of all households currently disconnected due to an inability to pay for electric, gas, and water services. Ensure the burden is not solely placed on shut-off households to call and request reconnection. Utilities should review shut-off records and make every effort to reach and reconnect all households that might still be occupied.

6. Energy efficiency

- Expand low-income energy efficiency offerings and better connect customers who are payment troubled, including those in arrears and with financial hardships due to COVID-19, to energy efficiency. Efficiency programs will be an important long term strategy as the economic impacts of the pandemic persists for years to come. Data collected on customers facing financial hardship can be used to direct efforts to increase participation in efficiency programs.

7. Low-income rates and affordability

- Consider reduced rates for low-income households to ease energy and water burdens.
- Adopt additional ways to measure and reduce the energy burdens of those enrolled in a customer assistance program (CAP). "Energy burden" is defined as "the percentage of household income that is spent on utility bills."
- Currently, customers with income at or below 150% of the federal poverty level experience charges of up to 17% of their income, even when enrolled in CAP programs. Therefore, we recommend exploring ways to improve overall affordability of utility service for low-income customers.

8. Public input opportunities and customer outreach

- Ensure that impacted customers, especially from low-income communities, are able to influence utilities' programs, policies, and priorities via transparent, highly accessible public input opportunities such as direct community engagement, public hearings,

additional written and verbal public comment opportunities, focus groups, and customer surveys.

- Ensure that marketing materials, especially those for changed or expanded programs, are distributed effectively and in multiple languages.

9. Credit and data reporting

- Restrict utilities from reporting nonpayment, late payments, or any other debt from the emergency period to credit bureaus and reporting agencies.
- Utilities should be required to increase their tracking and reporting of credit and collections related data, by Census tract and disaggregated by race, including the number of disconnections, duration and frequency of disconnections, number of reconnections, uncollectibles, number of payment arrangements, number of payment arrangement defaults, and the number of revised payment arrangements. This data collection will be important to examine the effectiveness of credit and collections practices, whether black and brown communities are being disproportionately impacted by unaffordability of essential utility services and in understanding additional impacts of energy assistance and energy efficiency programs.
- Utilities should also track the number of customers charged a late payment fee, dollar value of late fees collected, Number of customers with an arrearage balance by vintage, dollar value of arrearages by vintage

10. Cost recovery

- Regulators should begin projecting, assessing, and developing equitable and effective solutions for inevitable cost recovery issues post-moratoria. This cost recovery must be paired with customer protections and assistance, especially for low-income customers, such as those listed above.
- In assessing utility requests for revenue increases associated with COVID-19, regulators should take into account related cost reductions (e.g., reduced fuel and interest costs during the pandemic). The key is to consider all of the impacts together (negative and positive), so that those putting upward pressure on rates and bills can be offset by those that provide downward pressure. A list of the most important of these can be found [here](#).
- Regulatory transparency is important to ensure tracking and cost recovery covers only related and prudent costs

In addition to the above recommendations, the below-signed Missouri EEFA coalition members would like to point stakeholders to a number of resources that may be instructive.

1. Missouri EEFA Coalition, "Missouri Energy Efficiency for All COVID19 Crisis Response," April 3, 2020 letter submitted to the Missouri PSC, state and local leaders, utilities, and stakeholders. This letter represents a number of utility policy recommendations as well as housing policy recommendations. Found here: https://assets.ctfassets.net/ntcn17ss1ow9/5GXvIBIFscUbe2zzQBNjl0/af36bbf433bccfbb58c13020313570b2/MO-EEFA_COVID-19_Response_Letter_04.03.2020.pdf
2. National Consumer Law Center, "Covid-19 Pandemic Requires Federal, State and Municipal Action to Stop Involuntary Utility, Water, and Telecommunications Shut-offs,"

March 2020:

https://www.nclc.org/images/pdf/special_projects/IB_pb_Covid_19_utility.pdf

3. National Consumer Law Center, "The Need for Utility Reporting of Key Credit and Collections Data Now and After the Covid-19 Crisis," April 2020:
https://www.nclc.org/images/pdf/special_projects/covid-19/IB_Data_Reporting.pdf
4. Energy Efficiency for All, "Pandemic Response Guide," April 7, 2020:
<https://www.energyefficiencyforall.org/updates/eefa-releases-pandemic-response-guide-to-protect-under-resourced-communities/>
5. Illinois Commerce Commission, *Final Order*, File No. 20-0309, June 18, 2020. This Final Order from the ICC followed a lengthy docket on pandemic response. The Order came to conclusions around: utility shut-off moratoria extensions, reconnections, extended deferment of payments, bill payment assistance, and other issues. Found here:
<https://www.icc.illinois.gov/docket/P2020-0309/documents/300566>

The undersigned members of the Missouri EEFA coalition appreciate the opportunity to submit these comments, and welcome any further discussions around these issues. Interested parties may reach out to our organizations regarding these comments and the recommendations contained within.

Submitted on behalf of,

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