

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 8th day
of August, 2012.

In the Matter of a Working Case to Consider the)
Establishment of a Low-Income Customer)
Class or Other Means to Help Make Water)
Utility Services Affordable)

File No. WW-2013-0047

**ORDER OPENING AN INVESTIGATION INTO THE ESTABLISHMENT OF A
LOW-INCOME CUSTOMER CLASS OR OTHER MEANS TO HELP MAKE WATER
UTILITY SERVICE AFFORDABLE**

Issue Date: August 8, 2012

Effective Date: August 8, 2012

Over the last several utility rate cases, the Commission conducted numerous local public hearings around the state regarding requests for rate increases. Many witnesses at those hearings testified that any rate increase places a heavy and disproportionate financial burden on low-income residential customers. The Commission wants to hear from utilities, organizations, individuals, and other stakeholders on ideas to reduce the financial burden on low-income customers while providing a fair and adequate return to the regulated utilities.

The Commission wants stakeholders to specifically address the feasibility and advisability of establishing a low-income customer class based on the federal poverty level. Comments should include an analysis of : 1) the practicality of establishing such a class, including the effect on revenues and costs, 2) proposed guidelines for inclusion in such a class, 3) proposed verification procedures for participants, 4) the effect on the company's bad debt expense, 5) similar low-income rate-classes established in other

states, 6) the legality of establishing a low-income rate-class and 7) the appropriate rate or rate-formula for a low-income rate-class.

In addition, the Commission wants stakeholders to address any other means by which to assist low income residential customers (i.e., California's Low Income Oversight Board and programs administered by the California Public Utilities Commission such as the Energy Low Income Program (CARE), the Energy Savings Assistance Program, and the Family Rate Program (FERA)).

This file will serve as a repository for documents and comments. Using this file, any person with an interest in this matter may view documents and may submit comments or documents. As this is not a contested case, anyone may file a comment without legal counsel and without *ex parte* constraints. Intervention requests are not necessary to submit comments or view documents.

The public is welcome to submit comments by forwarding electronic communications through the Commission's electronic filing and information system (EFIS) or by mailing written comments. You may submit electronic comments at the Commission's website at <http://www.psc.mo.gov>. (Click on the EFIS/Case filings link on the left side of the page. Scroll down and click on the public comment link. Please refer to File No. WW-2013-0047). Written comments in hard copy should be addressed to the Commission at P.O. Box 360, Jefferson City, Missouri 65102 and should also reference File No. WW-2013-0047. The public can view the contents of the file by following the link at <http://www.psc.mo.gov>.

The Commission establishes the following schedule for the filing of comments.

THE COMMISSION ORDERS THAT:

1. Interested utilities, organizations, individuals, and other stakeholders may file initial comments and enter exhibits addressing the financial burden on low-income water consumers no later than September 7, 2012.
2. Interested utilities, organizations, individuals, and other stakeholders may file reply comments responding to any analysis or proposals brought forth in the initial comments by September 24, 2012.
3. This order shall become effective upon issuance.

BY THE COMMISSION



Steve C. Reed
Secretary

(S E A L)

Gunn, Chm., Jarrett, Kenney, and
Stoll, CC., concur.

Woodruff, Chief Regulatory Law Judge