

MEMORANDUM

To: Missouri Public Service Commission Official Case File,
Case No. WR-2017-0285

From: Geoff Marke, Chief Economist
Missouri Office of the Public Counsel

Subject: District 2 Low-Income Pilot Program Data

Date: March 23, 2018

FILED²

MAY 3 2018

Missouri Public
Service Commission

Pilot Study Program Overview:

Discount: The current fixed monthly 5/8" meter minimum customer charge for District 2 is \$15.33, the discount applied to the customer's monthly bill would be \$12.66 (e.g., "fixed" customer charge is \$2.67 with volumetric charge unchanged).

Eligibility: The minimum customer charge rate for low-income customer pilot in District 2 is eligible for ratepayers whose overall household earnings meet the low-income guidelines for the Missouri Low-Income Home Energy Assistance Program ("LIHEAP").

Criteria: Customers that default on payments for two (2) consecutive months will no longer be eligible for this rate, and will not be allowed to requalify for twelve (12) months. Customers must establish eligibility on an annual basis.

Question posed by Chairman Hall:

Chairman Hall: Well, how many—what is the participation in the program thus far?

Mr. Weston: Let—let me check real quick. We think it's about 120 customers at this point.

Chairman Hall: Any idea as to how that compares to---to the number that would be eligible?

Mr. Weston: I—I don't know that off the top of my head, Chairman. I don't know if—if we know that right now at this point in time.

Chairman Hall: Because I would—I would have to believe that that is a number that is attainable. I mean, you could go the Community Action Center, and I—

Dr. Marke: Chairman, we could get a hold of that number. Probably the easiest way would be to contact Social Services that administers LIHEAP and just find out the LIHEAP percentage that was allocated last year for the St. Joe Area.¹

OPC Exhibit No. 230
Date 5-2-18 Reporter —
File No. WR-2017-0285

¹ WR-2017-0285: *Transcript of the Proceedings* March 8, 2017. p. 787, 24-25 & p. 788, 1-18.

Response:

With data provided by Missouri American Water and the Missouri Department of Social Services, Table 1 provides a breakdown of District 2 by zip code, residential customer accounts and LIHEAP recipients living within the same zip code. It should be noted that LIHEAP recipients may or may not be Missouri American Water customers.

Table 1: 2017 MAWC District 2 Residential Customers by Zip Code and LIHEAP recipients by same zip code

Service Area	ZIP	Customers	LIHEAP Recipients
Brunswick	65236	325	49
Total Brunswick		325	49
Parkville	64113	1	3
Parkville	64116	1	144
Parkville	64129	1	1
Parkville	64150	691	179
Parkville	64151	778	132
Parkville	64152	4,320	71
Total Parkville		5,792	530
St. Joseph	64401	396	16
St. Joseph	64439	89	5
St. Joseph	64440	22	8
St. Joseph	64448	413	9
St. Joseph	64501	3,332	514
St. Joseph	64502	5	3
St. Joseph	64503	4,486	416
St. Joseph	64504	3,757	317
St. Joseph	64505	3,786	270
St. Joseph	64506	7,444	168
St. Joseph	64507	4,619	273
Total St. Joseph		28,349	1,999
Grand Total		34,466	2,578

Contextual Information on LIHEAP

LIHEAP is not an entitlement program. Therefore, the program’s grantees are unable to serve all of the households that are income eligible under the federal maximum income eligibility standard. On a nation-wide basis, in Fiscal Year 2014, only 16 percent of income eligible households received heating and/or winter crisis assistance. Given that limitation, the LIHEAP statute requires LIHEAP grantees to provide, in a timely manner, that the highest level of assistance will be furnished to those households that have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size.

Individual states have the option of imposing a lower maximum annual income level, but no state outside of Hawaii and Alaska can disperse LIHEAP funding to households who annual income exceeds 150% of the federal poverty level (\$36,450 for a family of four).

Missouri utilizes a lower maximum annual income eligibility level at 135% of the federal poverty line as can be seen in Table 2

Table 2: Missouri LIHEAP Household Income threshold

Household Size	Maximum Annual Income	Bi-Monthly pay
1	\$16,038	\$668.25
2	\$21,627	\$901.13
3	\$27,216	\$1,134.00
4	\$32,805	\$1,366.88
5	\$38,394	\$1,599.75
6	\$43,983	\$1,832.63
7	\$49,586	\$2,066.08
8	\$55,202	\$2,300.08

Table 3 provides a breakdown of differences between Missouri households eligible to receive LIHEAP and households that are actual recipients of LIHEAP funding.

Table 3: LIHEAP Home Energy Notebook for FY2014-threshold differences for Income Eligible Household Estimates (Three-year American Community Survey Averages 2011-2013)

Income Eligible Standard % of federal poverty	# of households eligible 2014	# of households provided service 2014	% of household recipients in 2014
Federal Maximum 150%	726,878	148,453	20.4%
State Maximum 135%	503,506	148,453	29.48%

Total household served in Missouri dropped to 135,638 in 2016 and to 126,597 in 2017.


BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

AFFIDAVIT OF GEOFF MARKE

STATE OF MISSOURI)
) SS.
COUNTY OF COLE)

COMES NOW GEOFF MARKE and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Motion to Accept Exhibit as a Part of the Record Related to Request from the Commission*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.




Geoff Marke
Chief Economist

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 23rd day March, 2018.



JERENE A. BUCKMAN
My Commission Expires
August 23, 2021
Cole County
Commission #13754037



Jerene A. Buckman
Notary Public

My Commission expires August 23, 2021.