Jason Kander

Secretary of State
Administrative Rules Division

RULE TRANSMITTAL

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SECRETARY OF STATE
ADMINISTRATIVE RULES

Rule Number 4 CSR 240-13.020

COPY

Use a "SEPARATE" rule transmittal sheet for EACH individual rulemaking.

Name of person to call with questions about this rule:
Content Morris Woodruff Phone 573-751-2849 FAX 573-526-6010
Email address morris.woodruff@psc.mo.gov

Data Entry Chris Koenigsfeld Phone 573-751-4256 FAX 573-526-6010
Email address christine.koenigsfeld@psc.mo.gov

Interagency mailing address GOB 9th Floor

TYPE OF RULEMAKING ACTION TO BE TAKEN

☐ Emergency rulemaking, include effective date
☒ Proposed Rulemaking
☐ Withdrawal ☐ Rule Action Notice ☐ In Addition ☐ Rule Under Consideration
☐ Request for Non-Substantive Change
☐ Statement of Actual Cost
☐ Order of Rulemaking

Effective Date for the Order __________
☐ Statutory 30 days OR Specific date __________
Does the Order of Rulemaking contain changes to the rule text? ☐ NO
☒ YES—LIST THE SECTIONS WITH CHANGES, including any deleted rule text:
New Section 13

Small Business Regulatory Fairness Board (DED) Stamp

SMALL BUSINESS REGULATORY FAIRNESS BOARD
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JOINT COMMITTEE ON
JAN 22 2016
ADMINISTRATIVE RULES

Commissioners
DANIEL Y. HALL
Chairman
STEPHEN M. STOLL
WILLIAM P. KENNEY
SCOTT T. RUPP
MAIDA J. COLEMAN

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
http://www.psc.mo.gov

SHELLEY BRUEGGEMANN
General Counsel
MORRIS WOODRUFF
Secretary
WESS A. HENDERSON
Director of Administration
NATELLE DIETRICH
Staff Director

January 22, 2016

Jason Kander
Secretary of State
Administrative Rules Division
600 West Main Street
Jefferson City, Missouri 65101

Re: 4 CSR 240-13.020 Billing and Payment Standards

Dear Secretary Kander,

CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed rulemaking lawfully submitted by the Missouri Public Service Commission.

The Public Service Commission has determined and hereby certifies that this proposed rulemaking will not have an economic impact on small businesses. The Public Service Commission further certifies that it has conducted an analysis of whether there has been a taking of real property pursuant to section 536.017, RSMo 2000, that the proposed rulemaking does not constitute a taking of real property under relevant state and federal law, and that the proposed rulemaking conforms to the requirements of 1.310, RSMo, regarding user fees.

The Public Service Commission has determined and hereby also certifies that this proposed rulemaking complies with the small business requirements of 1.310, RSMo, in that it does not have an adverse impact on small businesses consisting of fewer than fifty full or part-time employees or it is necessary to protect the life, health, or safety of the public, or that this rulemaking complies with 1.310, RSMo, by exempting any small business consisting of fewer than fifty full or part-time employees from its coverage, by implementing a federal mandate, or by implementing a federal program administered by the state or an act of the general assembly.

Statutory Authority: sections 386.250(6) and 393.140(11), RSMo 2000

If there are any questions regarding the content of this proposed rulemaking, please contact:

Morris L. Woodruff, Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102
(573) 751-2849
morris.woodruff@psc.mo.gov

Morris L. Woodruff

Morris L. Woodruff
Chief Regulatory Law Judge

Enclosures

AFFIDAVIT

PUBLIC COST

STATE OF MISSOURI)
)
COUNTY OF COLE)

I, Mike Downing, Director of the Department of Economic Development, first being duly sworn, on my oath, state that it is my opinion that the cost of proposed amendment to rule, 4 CSR 240-13.020, is less than five hundred dollars in the aggregate to this agency, any other agency of state government or any political subdivision thereof.

Mike Downing
Director
Department of Economic Development

Subscribed and sworn to before me this 12th day of January, 2016, I am commissioned as a notary public within the County of COLE, State of Missouri, and my commission expires on 17 JULY 2019.

Notary Public

NOTARY PUBLIC
NOTARY SEAL
STATE OF MISSOURI

ANNETTE KEHNER
My Commission Expires
July 17, 2019
Cole County
Commission #15492656

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SECRETARY OF STATE
ADMINISTRATIVE RULES

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

Proposed Amendment

4 CSR 240-13.020 Billing and Payment Standards. The Commission is adding a new section (13).

PURPOSE: This amendment limits the use of payday loan type lending entities as authorized pay agents for collection of payments to utilities.

(13) No utility may enter into any contractual or authorized pay agent relationship with any pawnshop, auto title loan company, payday loan company, or other short-term lending entity engaged in the business of making unsecured loans of five hundred dollars or less, with original payment terms of thirty-one (31) days, or less, or where repayment of the loan is secured by the borrower's postdated check. This restriction shall not apply if the lending entity offers such loans at an aggregate, effective annual percentage interest rate of less than thirty-six (36) percent.

AUTHORITY: sections 386.250(6) and 393.140(11), RSMo 2000. Original rule filed Dec. 19, 1975, effective Dec. 30, 1975. Amended: Filed Oct. 14, 1977, effective Jan. 13, 1978. Rescinded and readopted: Filed Sept. 22, 1993, effective July 10, 1994. Amended: Filed Aug. 1, 2013, effective March 30, 2014.*

**Original authority: 386.250(6), RSMo 1939, amended 1963, 1967, 1980, 1987, 1988, 1991 and 393.140(11), RSMo 1939, amended 1949, 1967.*

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

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS AND NOTICE OF PUBLIC HEARING: Anyone may file comments in support of or in opposition to this proposed rule with the Missouri Public Service Commission, Morris L. Woodruff, Secretary of the Commission, PO Box 360, Jefferson City, MO 65102. To be considered, comments must be received at the commission's offices on or before March 31, 2016, and should include a reference to Commission Case No. AX-2015-0061. Comments may also be submitted via a filing using the commission's electronic filing and information system at http://www.psc.mo.gov/efis.asp. A public hearing regarding this proposed amendment is scheduled for April 8, 2016, at 10:00 a.m., in Room 305 of the Governor Office Building, 200 Madison St., Jefferson City, Missouri. Interested persons may appear at this hearing

JOINT COMMITTEE ON

JAN 22 2016

to submit additional comments and/or testimony in support of or in opposition to this proposed rule, and may be asked to respond to commission questions. Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392-4211 or TDD Hotline 1-800-829-7541.

Small Business Regulator Fairness Board
Small Business Impact Statement

Date: October 15, 2014

Rule Number: 4 CSR 240-13.020

Name of Agency Preparing Statement: Missouri Public Service Commission

Name of Person Preparing Statement: Morris Woodruff

Phone Number: 573-751-2849 Email: Morris.Woodruff@psc.mo.gov

Name of Person Approving Statement: Joshua Harden

Please describe the methods your agency considered or used to reduce the impact on small businesses *(examples: consolidation, simplification, differing compliance, differing reporting requirements, less stringent deadlines, performance rather than design standards, exemption, or any other mitigating technique).*

During the Missouri PSC's review and work on the proposed rule modifications, the PSC solicited the involvement of small water and sewer utility businesses to participate in the working group to determine possible difficulties in compliance and standards. It appears there are no significant difficulties in compliance or any other mitigating techniques that would impact small businesses.

Please explain how your agency has involved small businesses in the development of the proposed rule.

The Commission held workshops and solicited informal comments from affected entities, including small businesses.

Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.

None

Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.

Small water and sewer utilities are subject to the requirements of the proposed amendment, however, because they provide services to a small number of customers in a small area, they are unlikely to use the services of authorized pay agents. The amendment is assumed to have no fiscal impact on the small water and sewer utilities.

Payday lenders are not subject to the proposed rule amendment, but it could affect their revenues. Approximately 30 payday lenders that currently operate as authorized pay agents for public utilities will no longer be allowed to do so.

Please list direct and indirect costs (in dollars amounts) associated with compliance.

If it is assumed that each of the 30 lenders annual revenues is decreased by $4,800 per year, the annual decrease in revenue would be $144,000 per year.

Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.

Large utilities and payday loan-type lenders.

Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?

Yes___ No_X_

If yes, please explain the reason for imposing a more stringent standard.

For further guidance in the completion of this statement, please see §536.300, RSMo.

FISCAL NOTE

PRIVATE COST

I. RULE NUMBER

Rule Number and Name	Type of Rulemaking
4 CSR 240-13.020	Proposed Amendment

II. SUMMARY OF FISCAL IMPACT

Estimated number of entities by class that will likely be affected by adoption of the rule.	Types of entities that will likely be affected by adoption of the rule.	Estimated aggregate cost of compliance with the rule by the affected entities.
4	Large Public Electric, Natural Gas, and Water Utilities that currently use payday lenders as authorized pay agents	$0 to unknown
69	Small Water and Sewer Public Utilities	$0
30	Utility Pay Agents	$0

III. WORKSHEET

IV. ASSUMPTIONS

(1) In preparing this fiscal note, the commission invited comments from affected stakeholders regarding the fiscal impact of the rule. Only one large utility submitted a fiscal impact comment. That comment suggested that there would be some fiscal impact on the utility because of the need to ensure compliance with the rule. The comment did not offer a specific estimate of those costs. The other large utilities did not offer any comment about fiscal costs. Such costs, to the extent that they exist, are assumed to be minimal.

(2) Small water and sewer utilities are subject to the requirements of the rule, but none currently use a payday lender as an authorized agent and, since they provide services to a small number of customers in a compact service area, they are unlikely to use the services

of an authorized pay agent in the future. Thus the rule is assumed to have no fiscal impact on them.

(3) The rule does not impose any requirements on authorized pay agents. Current pay agents that offer pay day loans will lose the revenue they now earn from the utilities. But, to the extent the pay agent services are needed, the utilities will transfer those payments to a new pay agent that does not make pay day loans. As a result, the net cost impact on authorized pay agents will be zero.