

**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 Customer Payments After the Covid-19 Pandemic Emergency)
)
) **File No. AW-2020-0356**

STAFF REPORT ON UTILITY DATA REQUEST RESPONSES

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and for its *Staff Report on Utility Data Request Responses* respectfully states as follows:

1. On August 19, 2020, the Commission issued its *Order Directing Staff to Gather Information about Utility Disconnections*, and directed Staff to gather information from the state’s utilities regarding current levels of disconnection for non-payment, anticipated levels of such disconnections by those utilities in the next six months, number of customers with past due accounts, number of customers that have received a final disconnection notice, and number of customers participating in payment plans.

2. As more thoroughly discussed in Staff’s Report, attached hereto as Appendix A, Staff has received information from the state’s utilities, and now presents the data for the Commission’s review.

3. Staff’s next report, per Commission order, will be filed on October 15.

WHEREFORE, Staff respectfully submits its *Staff Report on Utility Data Request Responses* for the Commission’s knowledge and consideration.

Respectfully Submitted,

/s/ Travis J. Pringle

Travis J. Pringle

Missouri Bar No. 71128

Associate Counsel for the Staff of the

Missouri Public Service Commission

P.O. Box 360

Jefferson City, Mo 65102-0360

(573) 751-4140 (Telephone)

(573) 751-9285 (Facsimile)

(Email) travis.pringle@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand delivered, transmitted by facsimile or electronically mailed to all parties and/or counsels of record this 21st day of September, 2020.

/s/ Travis J. Pringle

MISSOURI PUBLIC SERVICE COMMISSION

STAFF REPORT



**A WORKING CASE TO CONSIDER BEST PRACTICES
FOR RECOVERY OF PAST-DUE UTILITY CUSTOMER PAYMENTS
AFTER THE COVID-19 PANDEMIC EMERGENCY**

FILE NO. AW-2020-0356

SEPTEMBER 21, 2020

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FOR RECOVERY OF PAST-DUE UTILITY CUSTOMER PAYMENTS
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Staff Report on Utility Data Request Responses in

File No. AW-2020-0356

On August 19, 2020, the Missouri Public Service Commission (“Commission” or “PSC”) issued its *Order Directing Staff to Gather Information about Utility Disconnections*. In its Order, the Commission directed Staff to gather information from the state’s utilities regarding current levels of disconnections for non-payment, anticipated levels of such disconnections by those utilities in the next six months, number of customers with past due accounts, number of customers that have received a final disconnection notice, and number of customers participating in payment plans. The Staff was then directed to file a report to share its findings no later than September 21, 2020.

In response to the Order¹, Staff submitted data requests to specific Missouri utilities listed below requesting the following information pertaining to the July and August 2020 billing cycles (providing clarification that “billing cycles” is defined as all billing cycles that are read in a calendar day in a given month):

1) (a) the number of disconnections for non-payment of services as of each month-end; (b) the number of customers with past-due accounts as of each month-end, with an explanation of the criteria used by your company to define “past-due;” (c) the number of customers who have received a final disconnection notice, but have not been disconnected for non-payment of services as of each month-end; and (d) the number of customers at each month-end participating in payment plans. 2) Please provide your company’s estimate of the number of disconnections for non-payment of service for the six-month period of September 2020 through February 2021, with an explanation of the methodology and assumptions used to develop these projections. 3) Please provide the same information requested in 1)(a) through 1)(d) applicable to your Company’s August 2019 through February 2020 billing cycles.

¹ File No. AW-2020-0356 *Order Directing Staff to Gather Information About Utility Disconnections*, page 2, Section 1.

The following utilities responded to this Staff data request, and their responses are included in this report: Ameren Missouri (“Ameren Missouri - Electric”); The Empire District Electric Company (“Empire - Electric”); The Empire District Gas Company (“Empire - Gas”); Spire Missouri, Inc. (“Spire – Gas”); Liberty Utilities (Missouri Water), LLC (“Liberty – Water”); Liberty Midstates Gas (“Liberty – MNG – Gas”); Missouri-American Water Company (“Missouri American Water – Water”); and The Raytown Water Company (“Raytown Water”).

The following utilities did not respond to the Staff data request in time to incorporate the information into this report: Evergy Missouri Metro, Inc.; Evergy Missouri West; Summit Natural Gas of Missouri; Confluence Rivers Utility Operating Company, Inc., Elm Hills Utility Operating Company, Inc., Hillcrest Utility Operating Company, Inc., Indian Hills Utility Operating Company, Inc., and Raccoon Creek Utility Operating Company, Inc. Information for these utilities will be provided in the updated reports from Staff starting in October 2020.

For the responding utilities, there were no clear or consistent patterns in the responses received. Some utilities disconnected more customers in August 2020 than in August 2019, and some less; some utilities had more past-due customers in August 2020 than in August 2019, and some less; some utilities had more customers receiving final disconnection notices in August 2020 than in August 2019, and some less; and some utilities had more customers participating in payment plans in August 2020 than in August 2019, and some less. It is possible that the discrepancies in some categories relate to differences in timing for when each utility resumed “normal” disconnection activities after earlier ceasing such activities with the onset of the COVID-19 pandemic, and that more consistent results will be reported in later months.

In some instances, the data provided by the utilities appeared to be possibly inconsistent from question to question. Staff intends to follow up with the applicable utilities to inquire

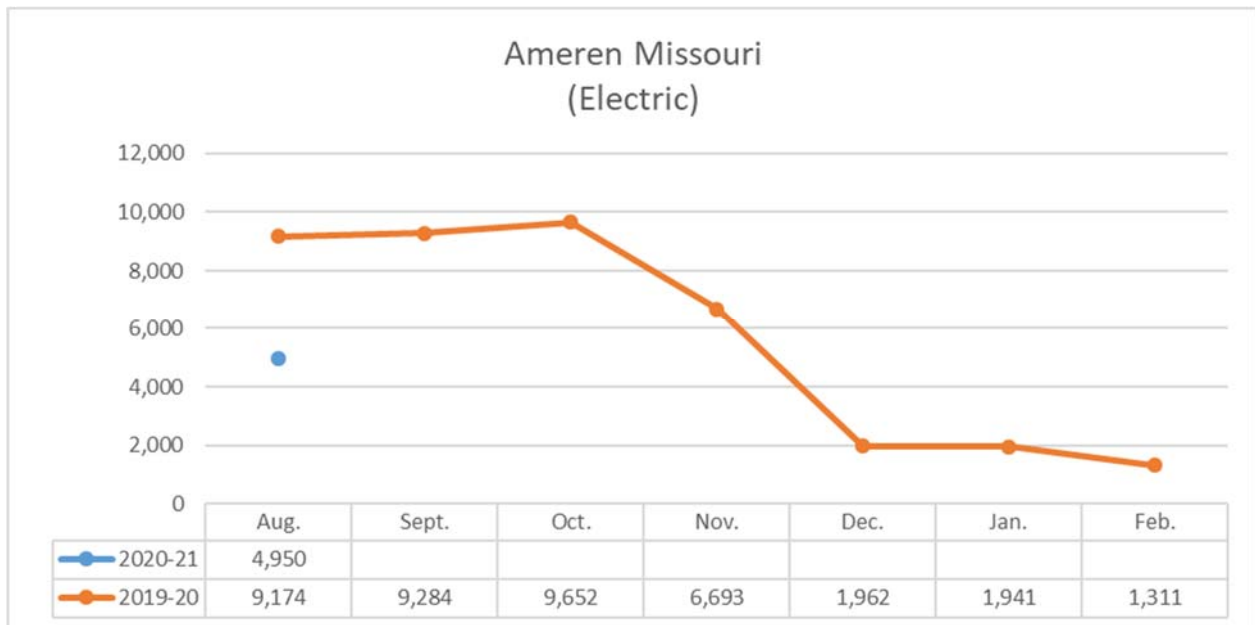
about possible data anomalies or inconsistencies, and when appropriate will address in later updated reports.

The following discussion presents the utilities’ responses to Questions 1 and 3 in a series of graphs. This information is followed by tables providing the utilities’ responses to Question 2.

The information reported below for Questions 1 and 3 is presented for the period August 2019 through February 2020 (orange dots and line), and for the period of August 2020 through February 2021 (blue dots and line). This will allow for a direct comparison of the reported information for each month from August 2020 to February 2021 with the same month one year earlier. As utilities continue to report the requested information to Staff for additional months beyond August 2020, the blue dot will accordingly be expanded into a line.

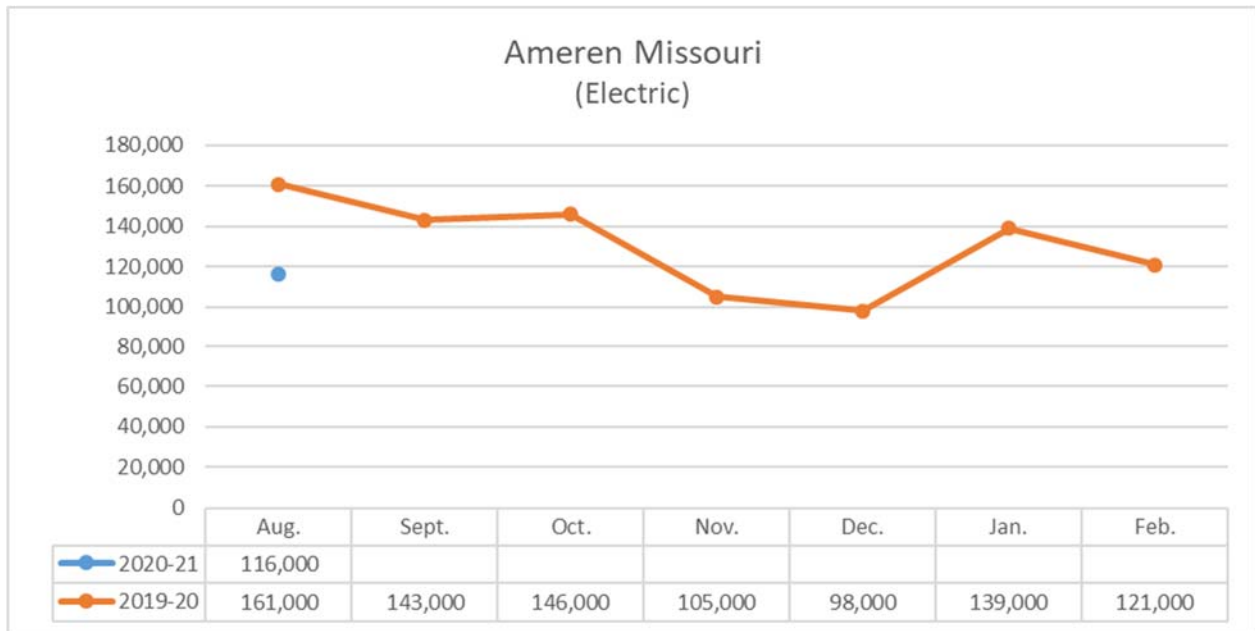
Questions 1 & 3 (Ameren Missouri – Electric)

a) The number of disconnection for non-payment of services as of each month-end



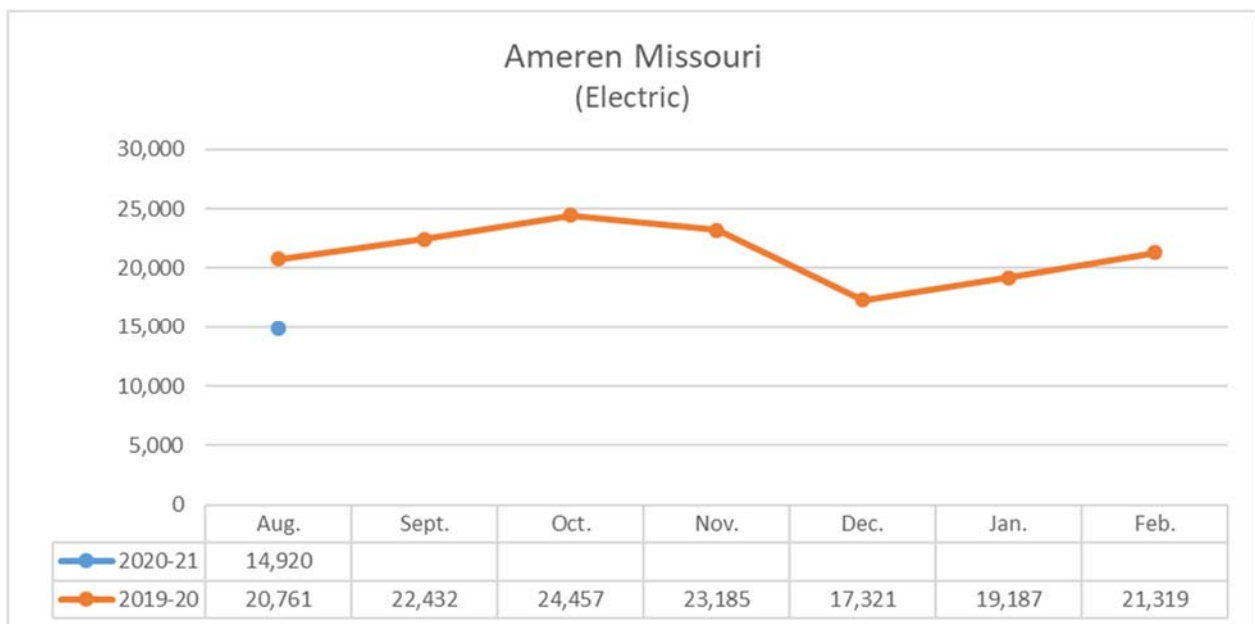
As shown in the previous graph, Ameren Missouri performed approximately 46% fewer disconnections for non-payment in August 2020 versus August 2019.

b) The number of customers with past-due accounts as of each month-end, with an explanation of the criteria used by your company to define “past-due



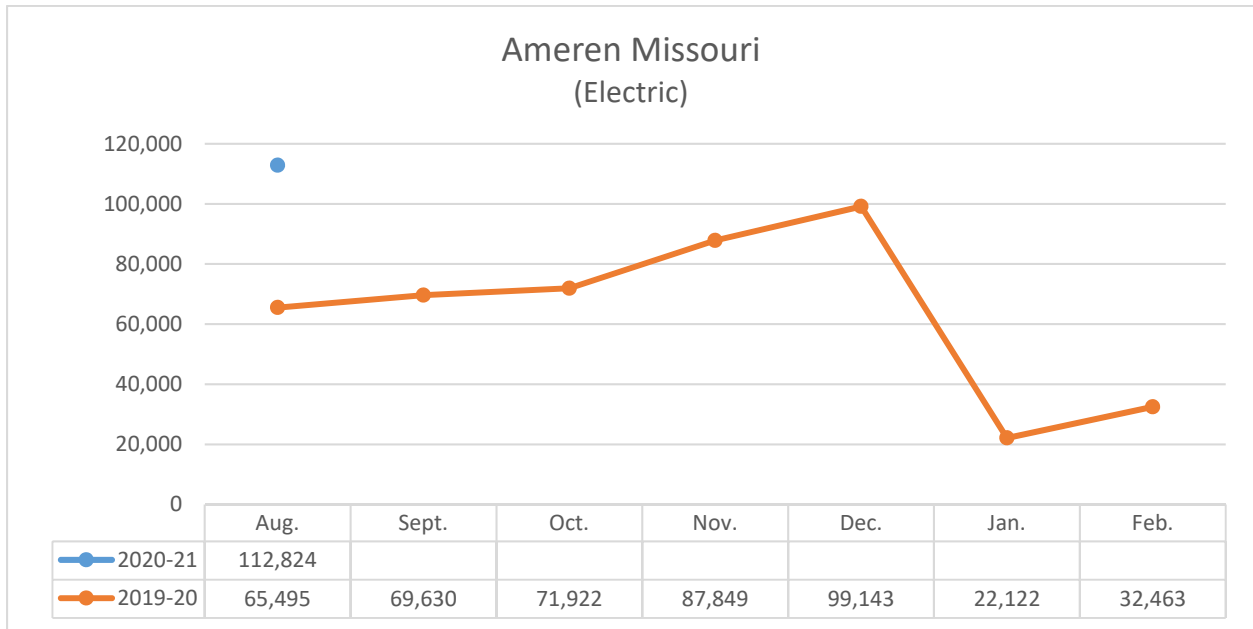
The previous data indicates that there were about 28% fewer Ameren Missouri customers with past-due accounts in August 2020 versus August 2019. Ameren Missouri did not provide the criteria it uses to define “past-due.”

c) The number of customers who have received a final disconnection notice, but have not been disconnected for non-payment of services as of each month-end



As shown by Ameren Missouri’s data, for those customers who received a final disconnection notice there were about 28% fewer customers who were not disconnected in August 2020 versus August 2019.

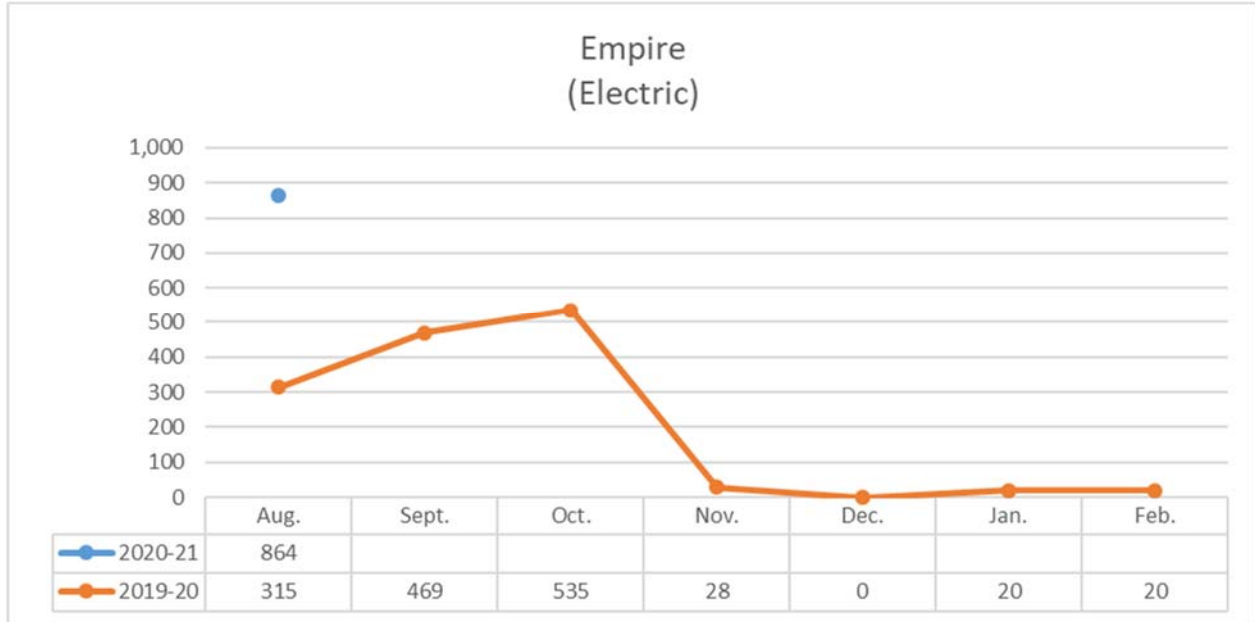
d) The number of customers at each month-end participating in payment plans



The previous graph illustrates that there were approximately 72% more Ameren Missouri customers who participated in payment plans in August 2020 versus August 2019.

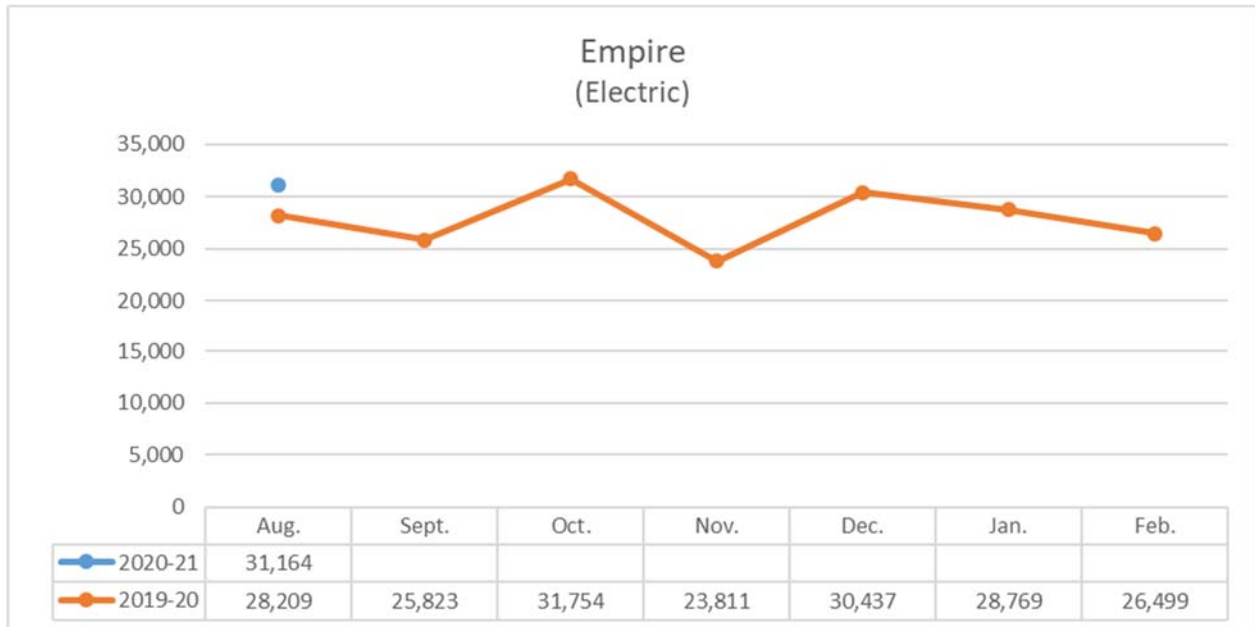
Questions 1 & 3 (Empire – Electric)

a) The number of disconnection for non-payment of services as of each month-end



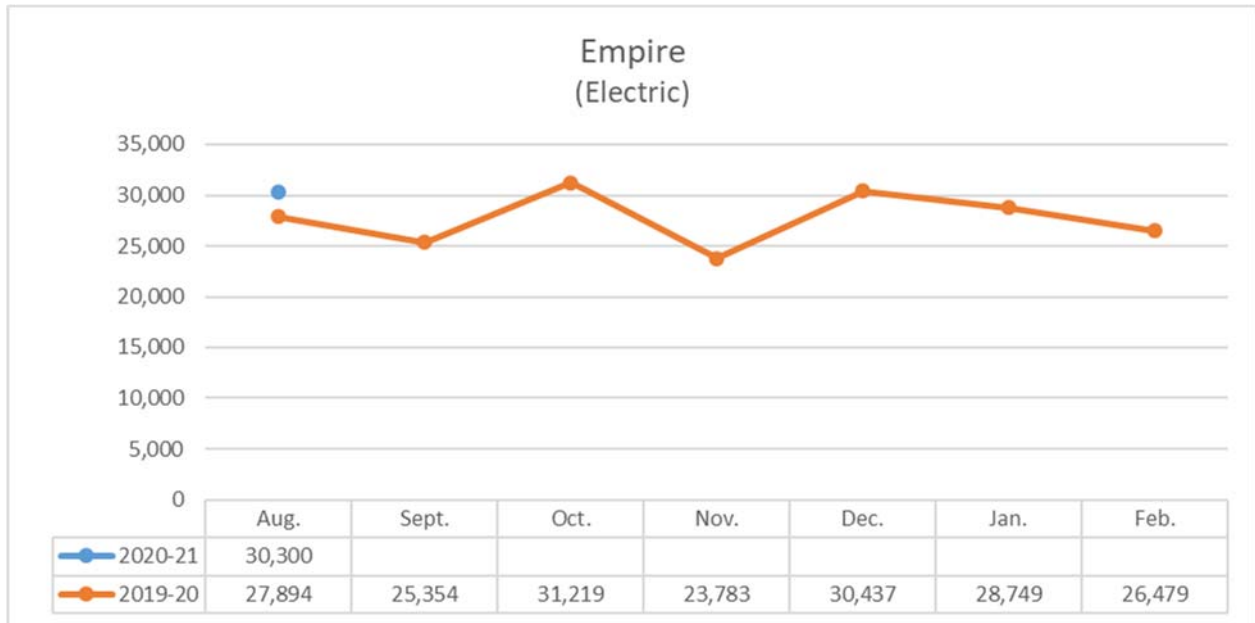
As shown in the previous graph, Empire performed approximately 174% more disconnections for non-payment in August 2020 versus August 2019.

b) The number of customers with past-due accounts as of each month-end, with an explanation of the criteria used by your company to define “past-due



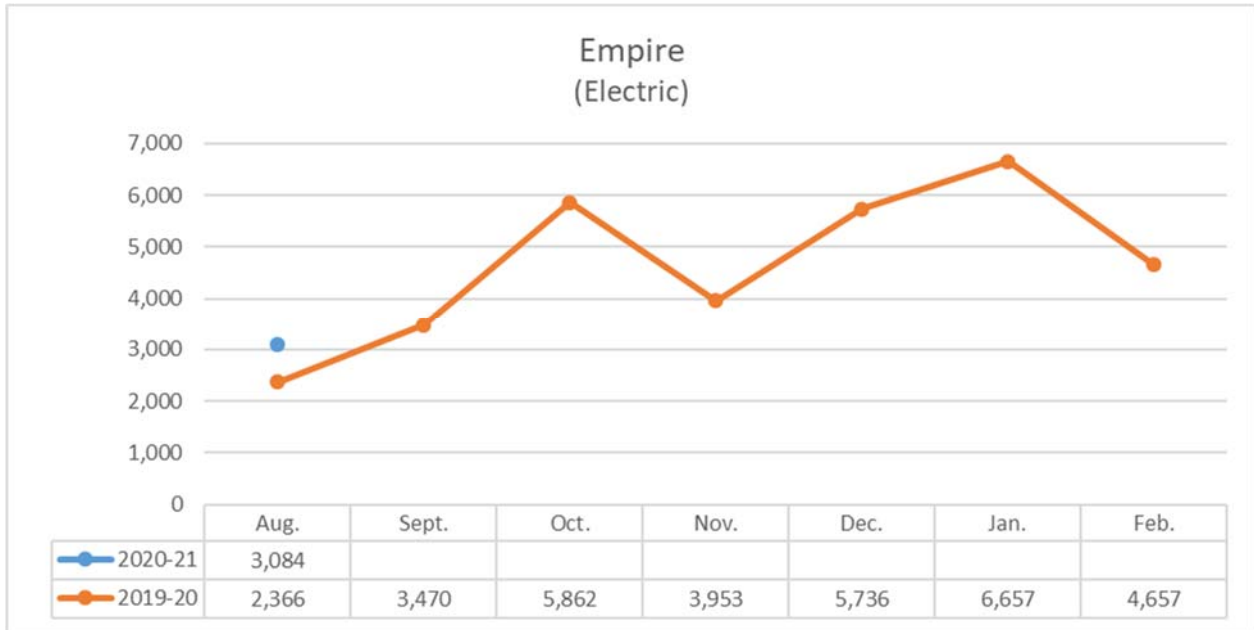
The previous data indicates that there were about 10% more Empire customers with past-due accounts in August 2020 versus August 2019. Empire reported that a shut-off notice is sent for any account that owes \$50.00 or more after the statement due date.

c) The number of customers who have received a final disconnection notice, but have not been disconnected for non-payment of services as of each month-end



As shown by Empire’s data, for those customers who received a final disconnection notice there were about 9% more customers who were not disconnected in August 2020 versus August 2019.

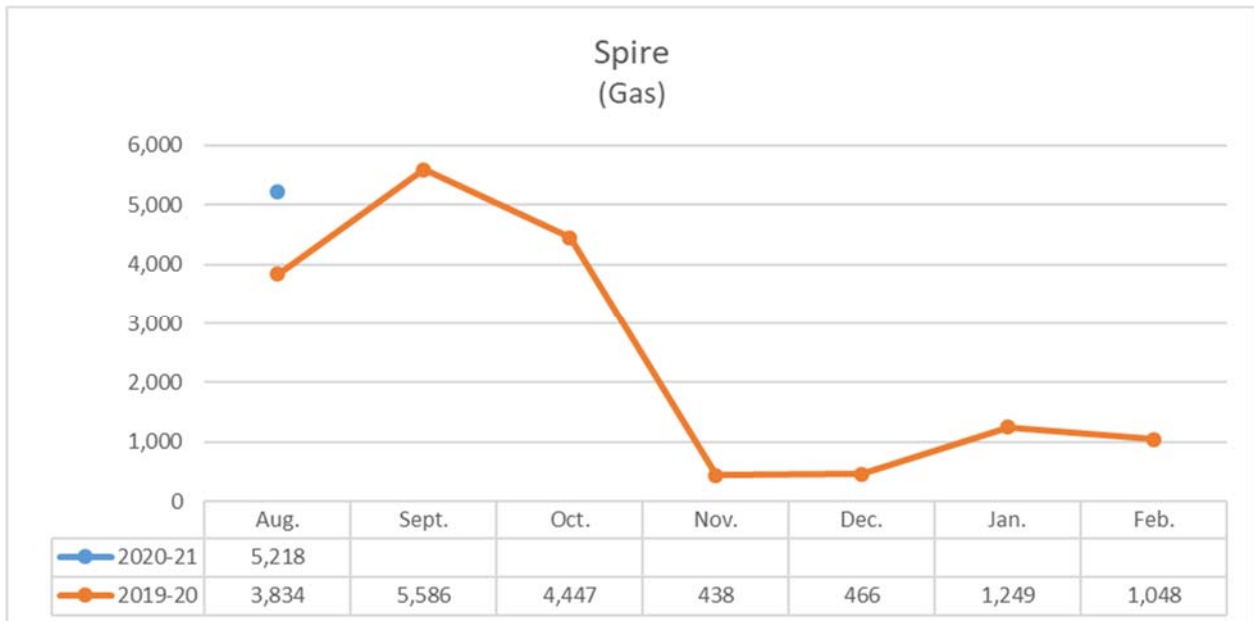
d) The number of customers at each month-end participating in payment plans



The previous graph illustrates that there were approximately 30% more Empire customers who participated in payment plans in August 2020 versus August 2019.

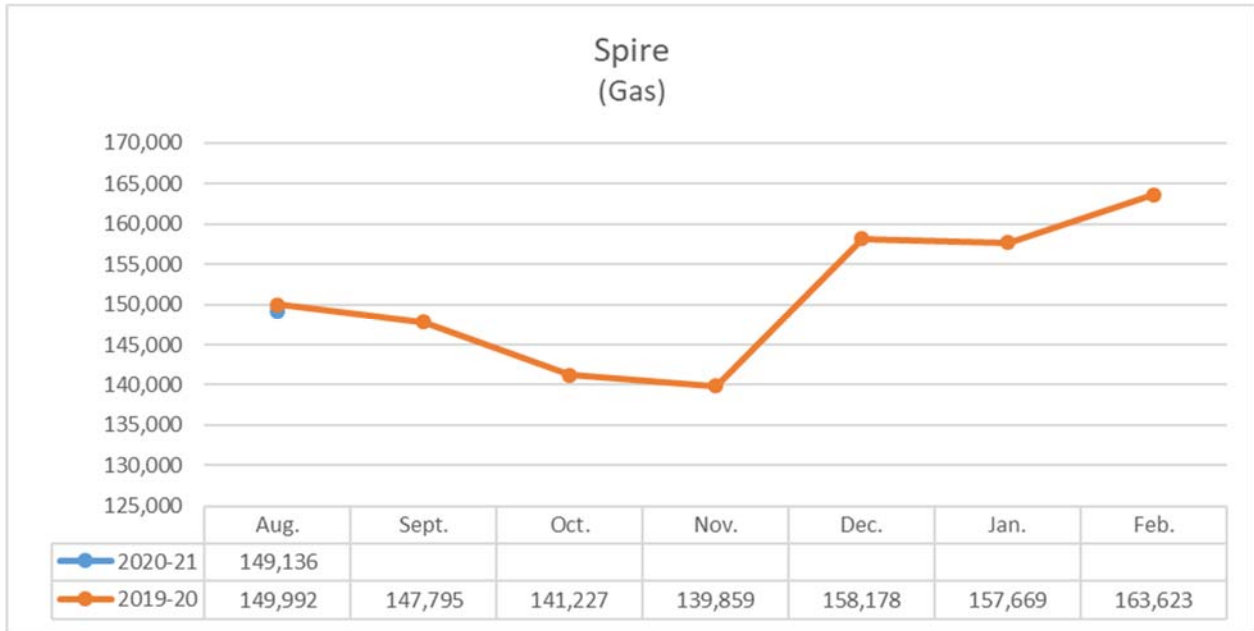
Questions 1 & 3 (Spire - Gas)

a) The number of disconnection for non-payment of services as of each month-end



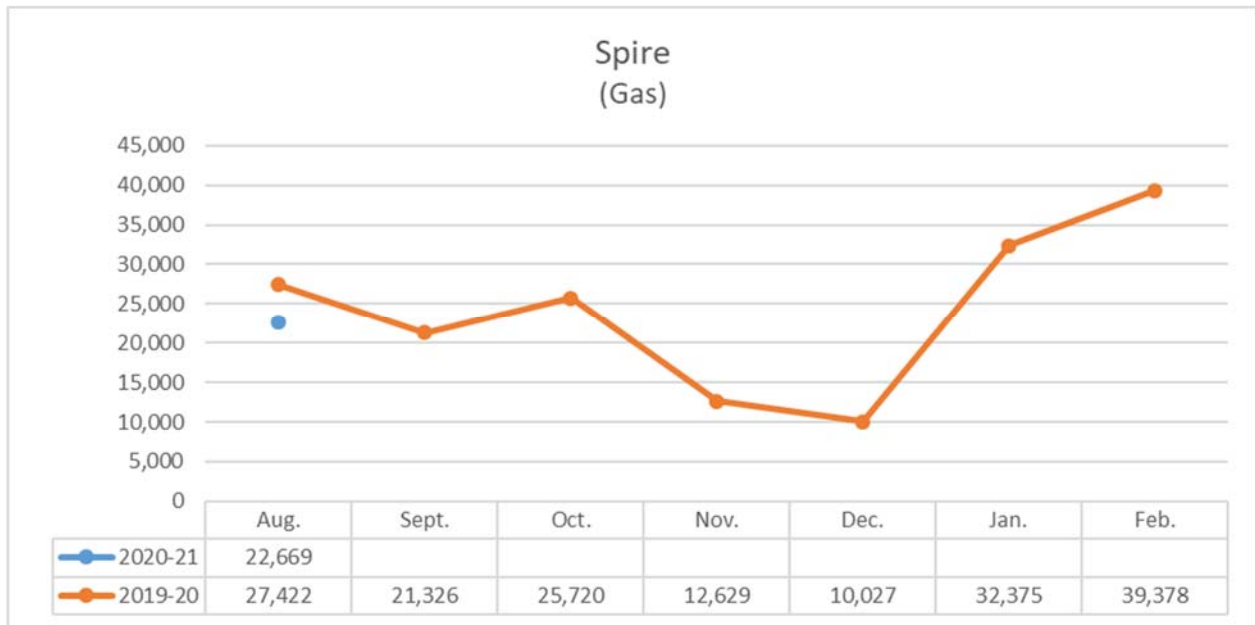
As shown in the previous graph, Spire performed approximately 36% more disconnections for non-payment in August 2020 versus August 2019.

b) The number of customers with past-due accounts as of each month-end, with an explanation of the criteria used by your company to define “past-due



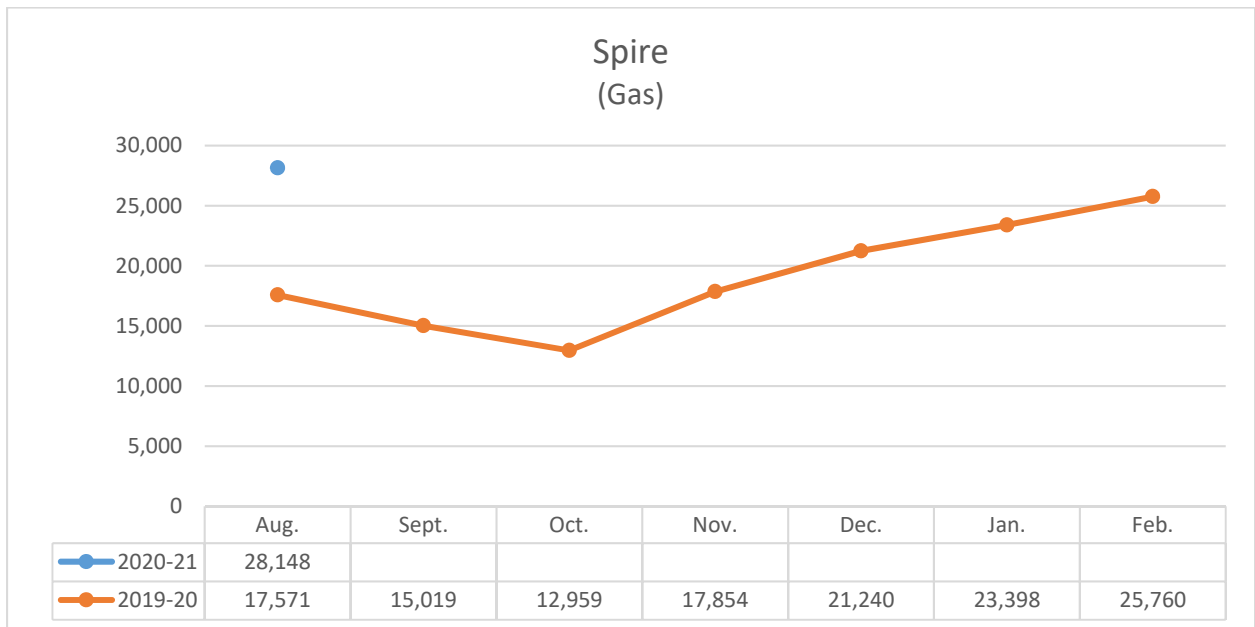
The previous data indicates that there were about 1% fewer Spire customers with past-due accounts in August 2020 versus August 2019. Spire reported that past-due accounts are defined as accounts with arrear amounts owed for over 30 days that were not final billed at month’s end.

c) The number of customers who have received a final disconnection notice, but have not been disconnected for non-payment of services as of each month-end



As shown by Spire’s data, for those customers who received a final disconnection notice there were about 17% fewer customers who were not disconnected in August 2020 versus August 2019.

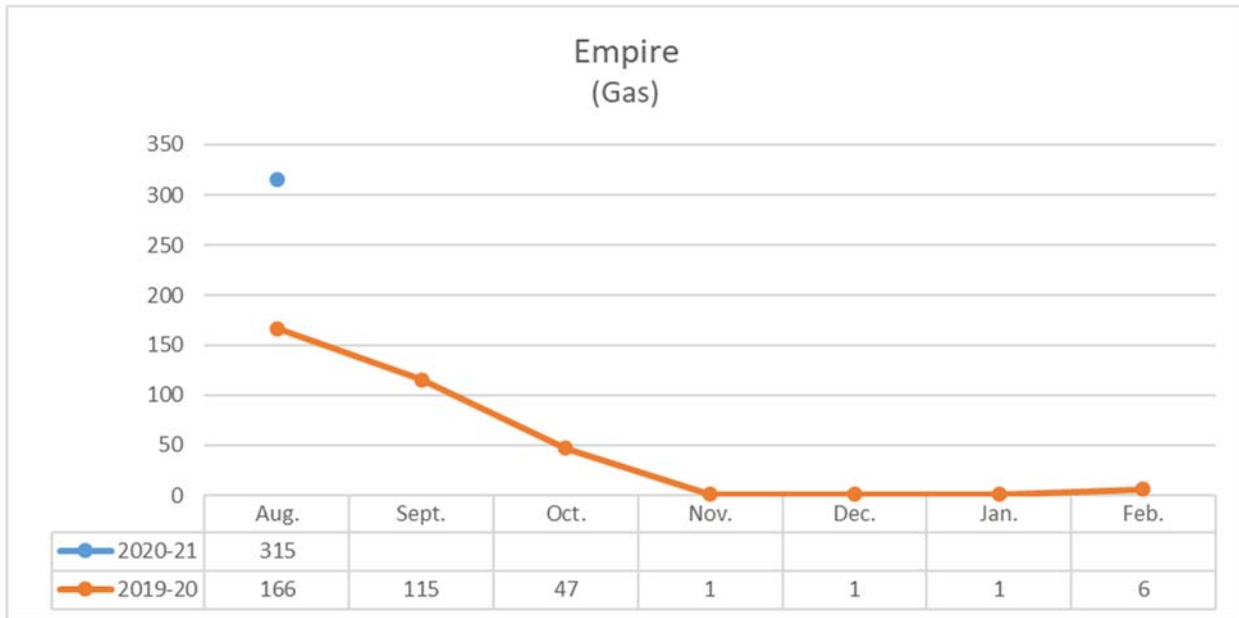
d) The number of customers at each month-end participating in payment plans



The previous graph illustrates that there were approximately 60% more Spire customers who participated in payment plans in August 2020 versus August 2019.

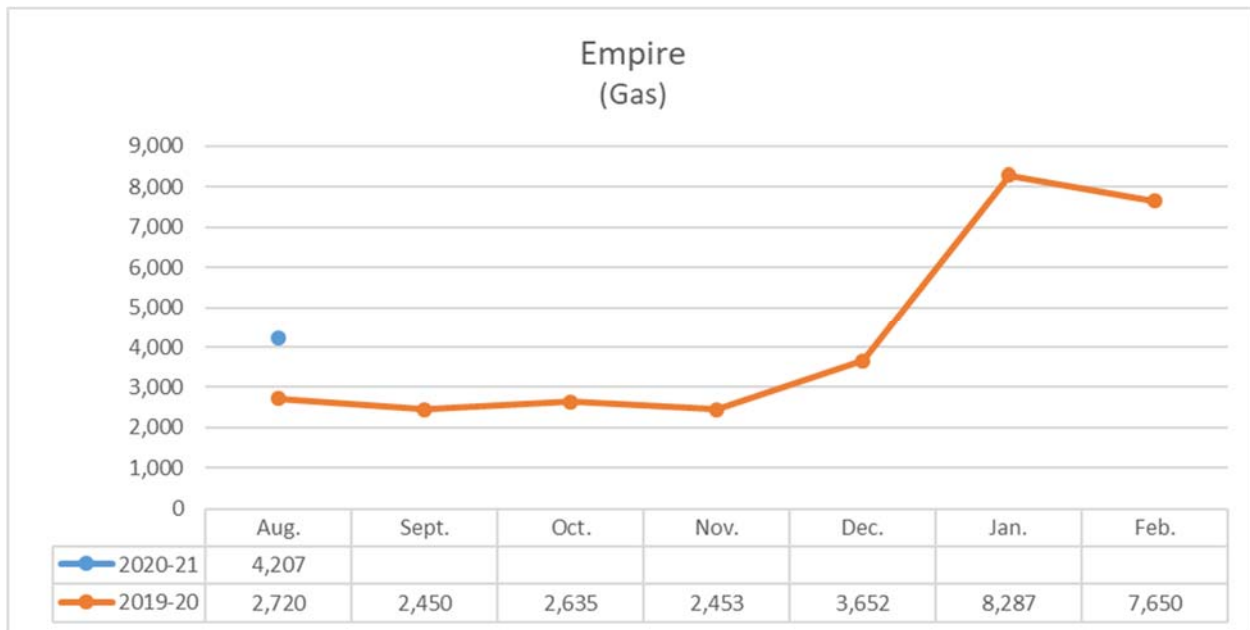
Questions 1 & 3 (Empire - Gas)

a) The number of disconnection for non-payment of services as of each month-end



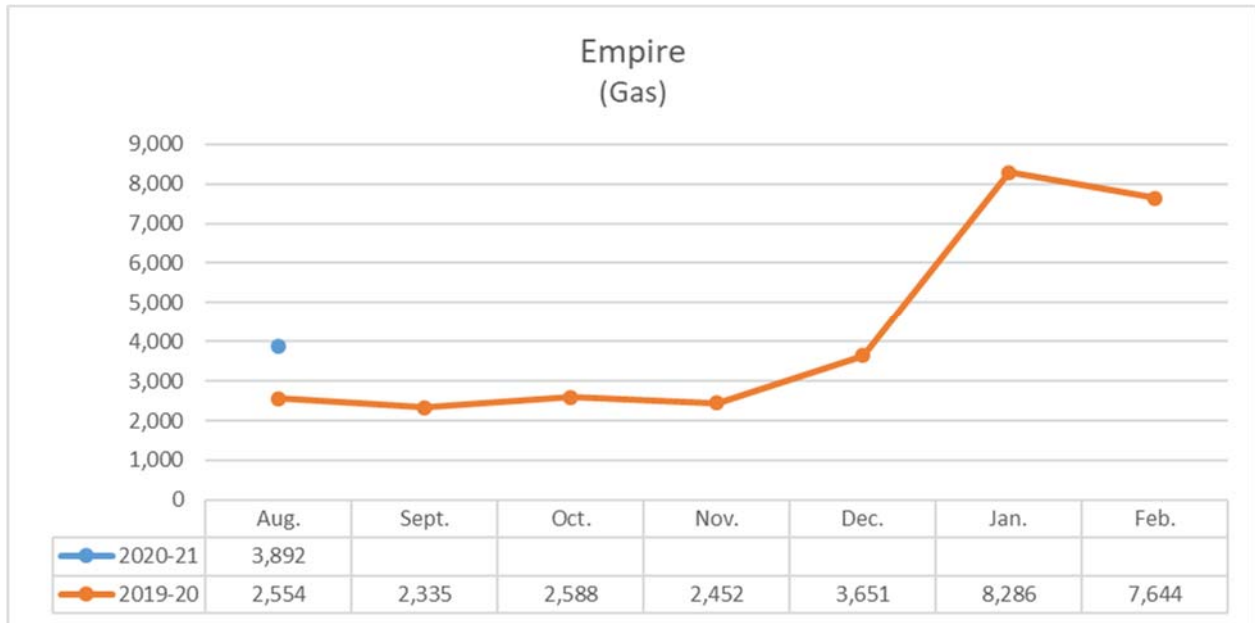
As shown in the previous graph, Empire performed approximately 90% more disconnections for non-payment in August 2020 versus August 2019.

b) The number of customers with past-due accounts as of each month-end, with an explanation of the criteria used by your company to define “past-due



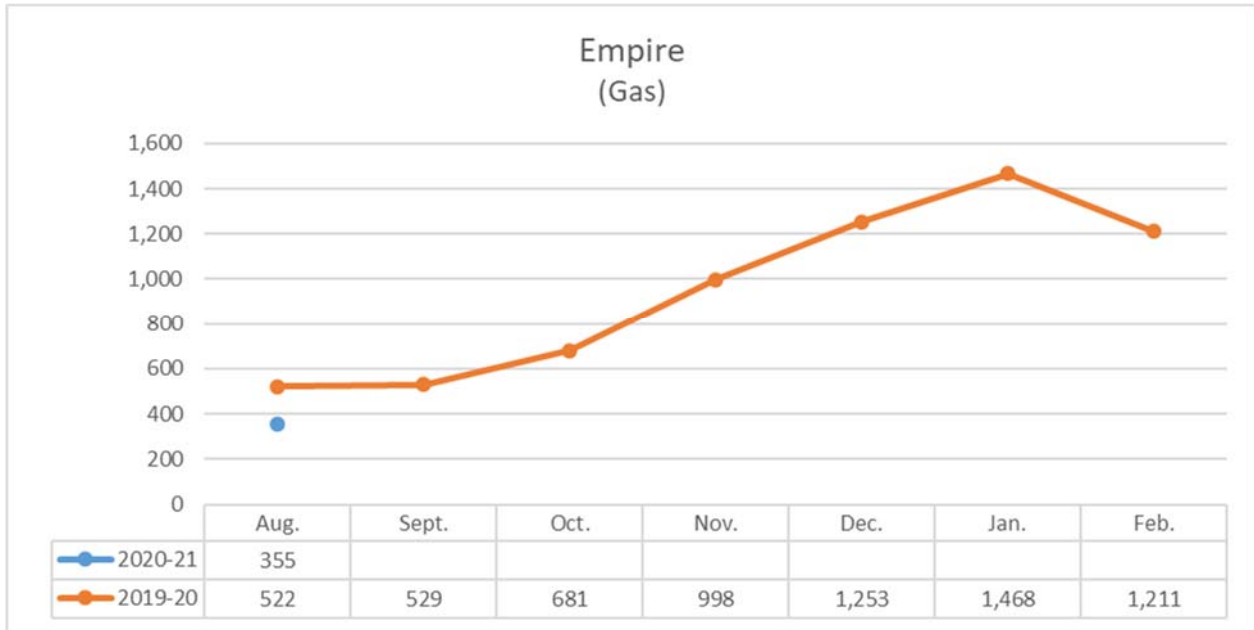
The previous data indicates that there were about 55% more Empire customers with past-due accounts in August 2020 versus August 2019. Empire reported that a shut-off notice is sent for any account that owes \$50.00 or more after the statement due date.

c) The number of customers who have received a final disconnection notice, but have not been disconnected for non-payment of services as of each month-end



As shown by Empire’s data, for those customers who received a final disconnection notice there were about 52% more customers who were not disconnected in August 2020 versus August 2019.

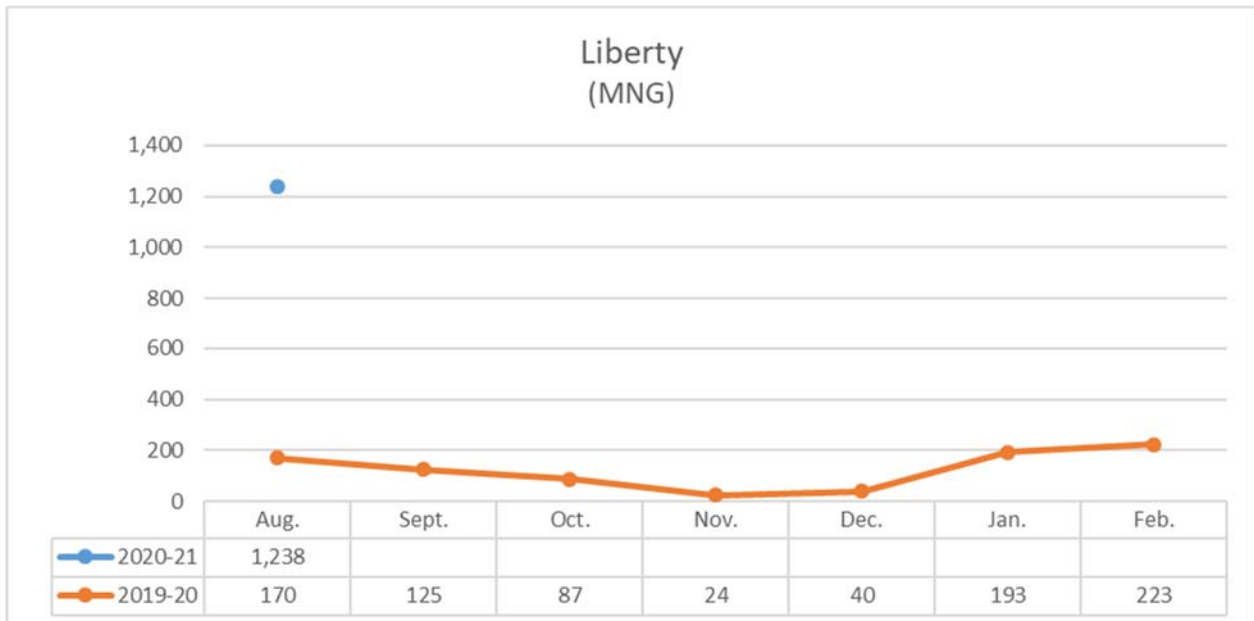
d) The number of customers at each month-end participating in payment plans



The previous graph illustrates that there were approximately 32% fewer Empire customers who participated in payment plans in August 2020 versus August 2019.

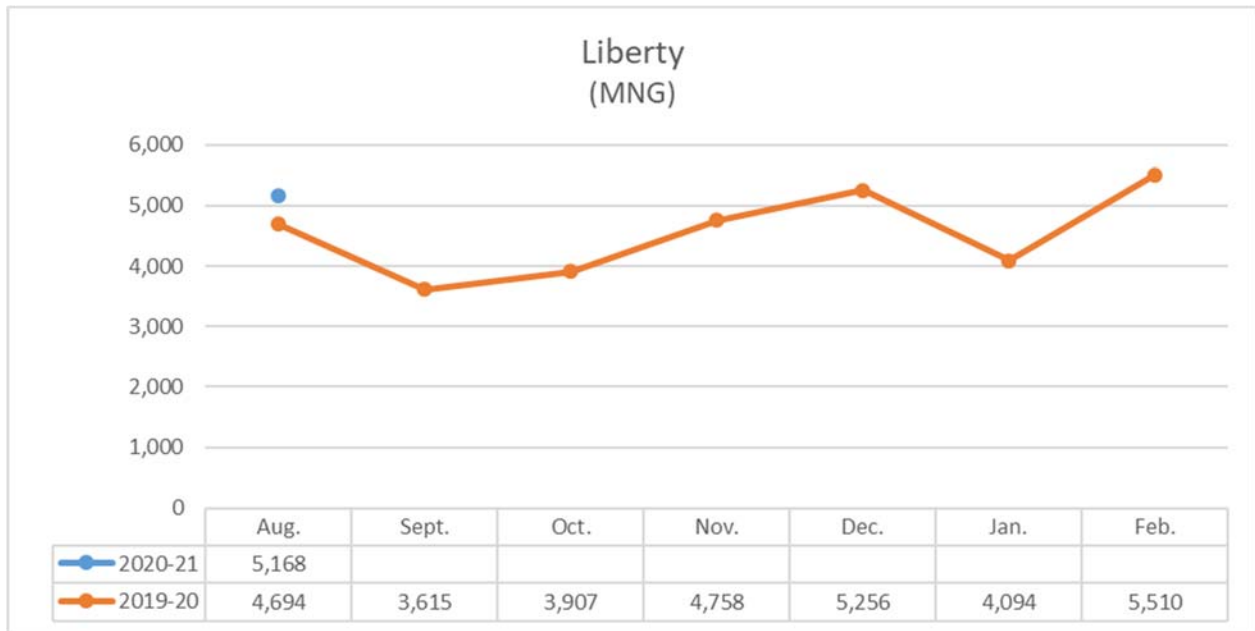
Questions 1 & 3 (Liberty - MNG)

a) The number of disconnection for non-payment of services as of each month-end



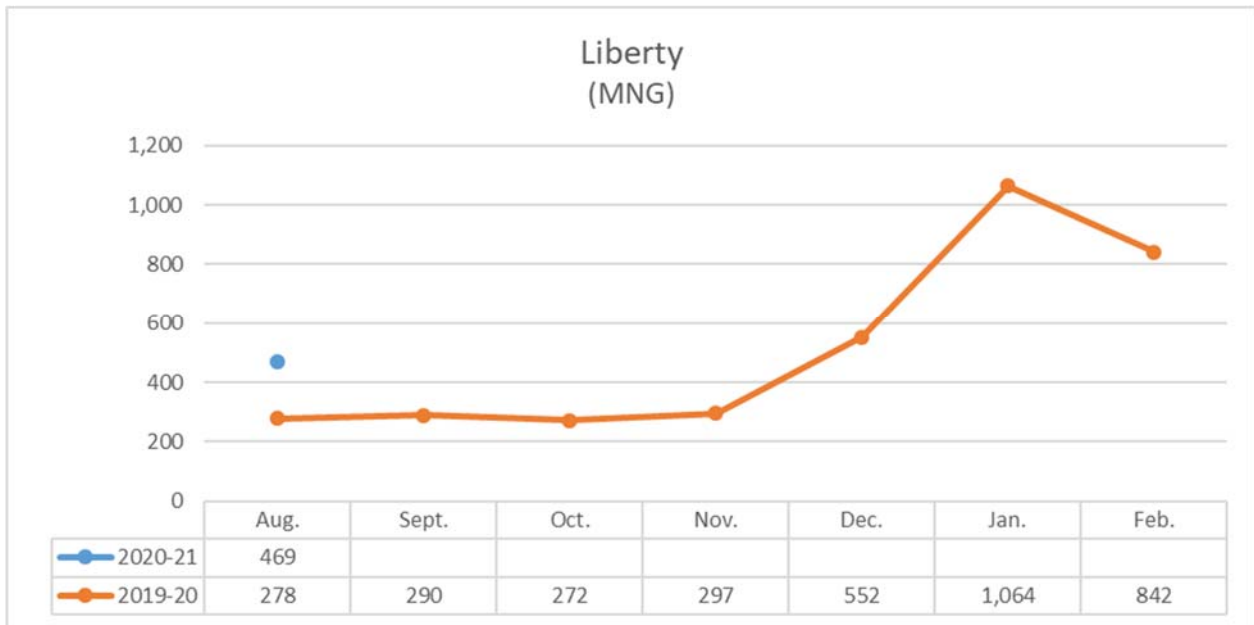
As shown in the previous graph, Liberty (MNG) performed approximately 628% more disconnections for non-payment in August 2020 versus August 2019.

b) The number of customers with past-due accounts as of each month-end, with an explanation of the criteria used by your company to define “past-due



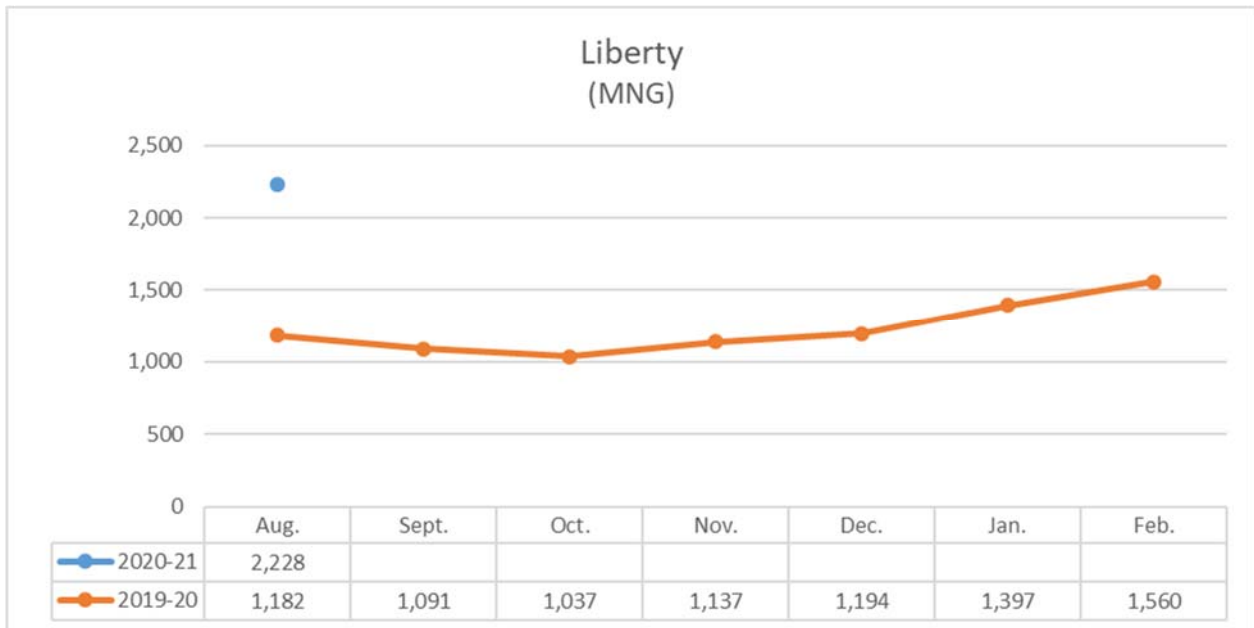
The previous data indicates that there were about 10% more Liberty (MNG) customers with past-due accounts in August 2020 versus August 2019. Liberty (MNG) reported that it considers accounts past-due when they have a past-due balance for greater than two days and they are not on budget billing.

c) The number of customers who have received a final disconnection notice, but have not been disconnected for non-payment of services as of each month-end



As shown by Liberty (MNG)'s data, for those customers who received a final disconnection notice there were about 69% more customers who were not disconnected in August 2020 versus August 2019.

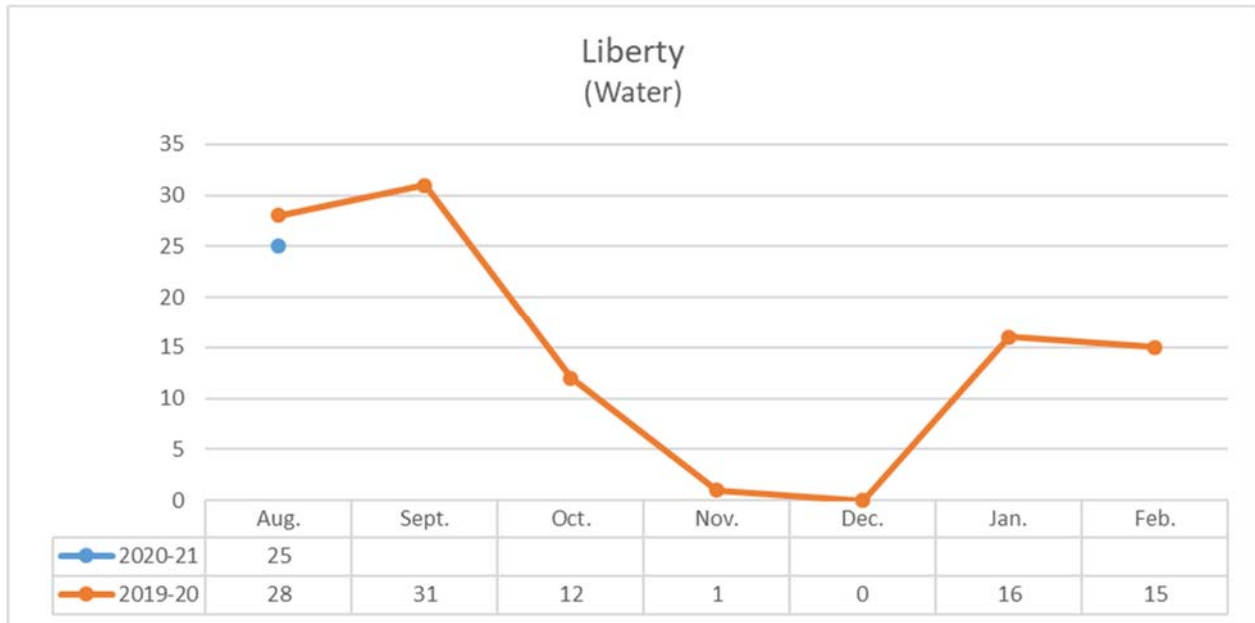
d) The number of customers at each month-end participating in payment plans



The previous graph illustrates that there were approximately 88% more Liberty (MNG) customers who participated in payment plans in August 2020 versus August 2019.

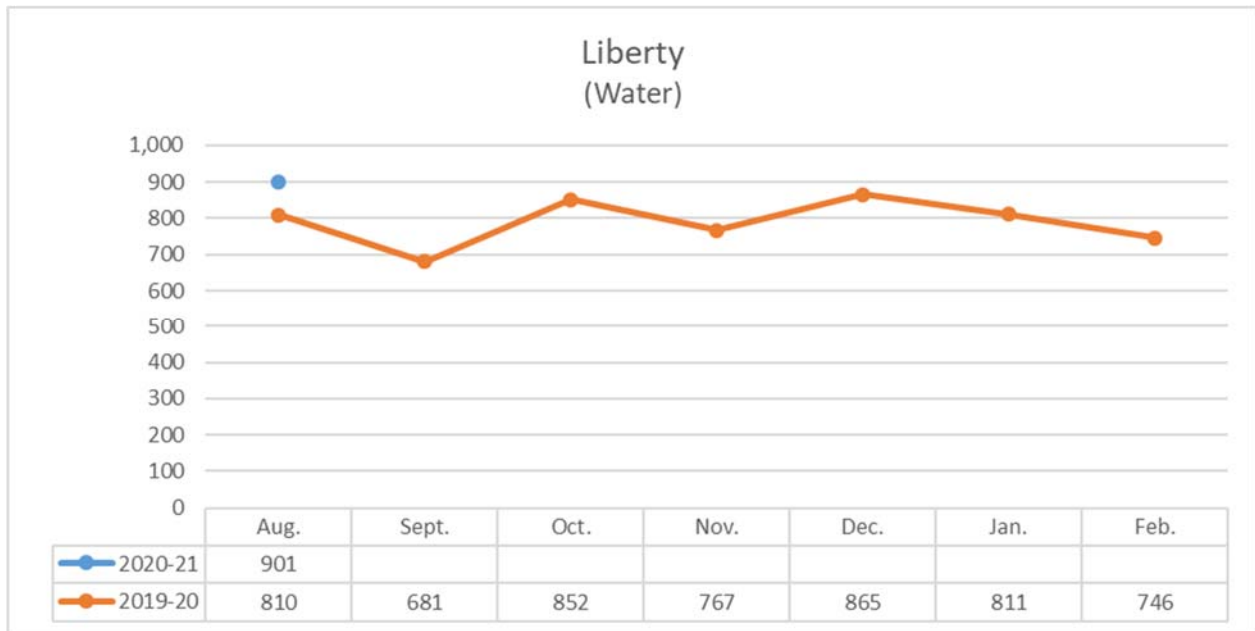
Questions 1 & 3 (Liberty - Water)

a) The number of disconnection for non-payment of services as of each month-end



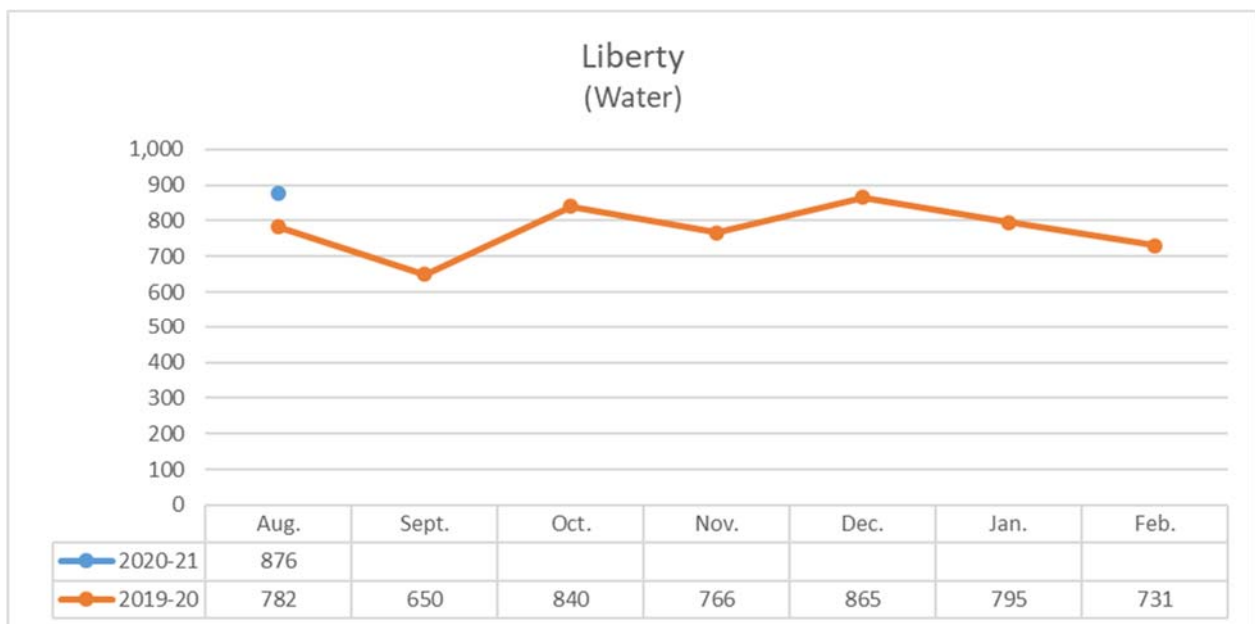
As shown in the previous graph, Liberty performed approximately 11% fewer disconnections for non-payment in August 2020 versus August 2019.

b) The number of customers with past-due accounts as of each month-end, with an explanation of the criteria used by your company to define “past-due



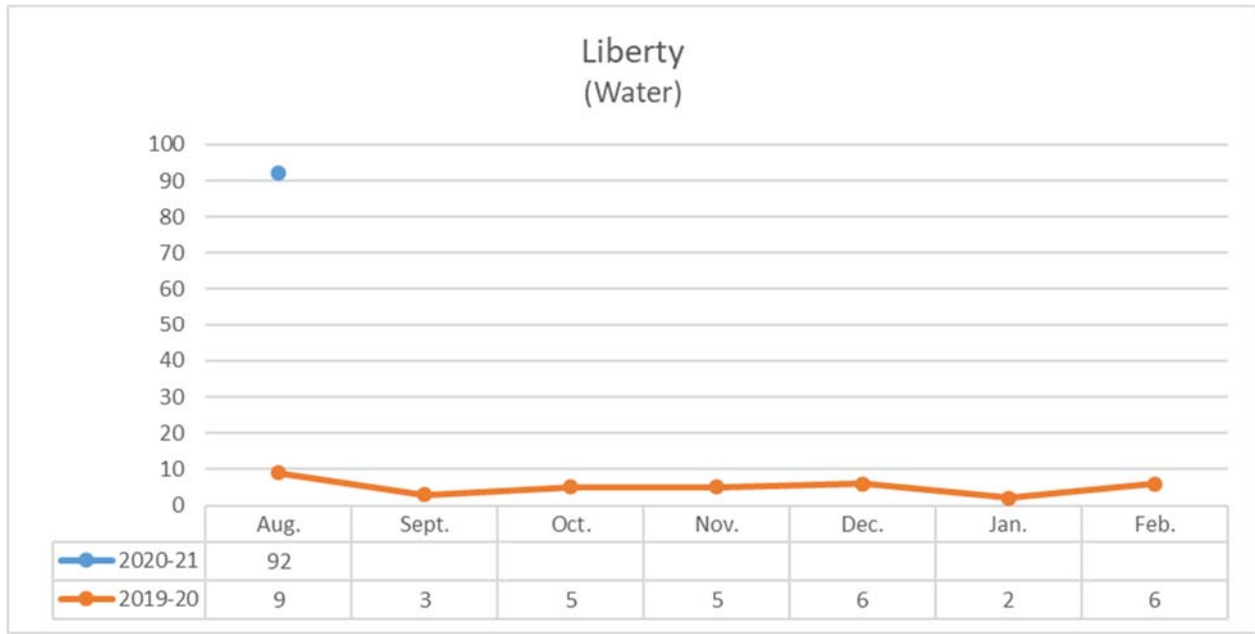
The previous data indicates that there were about 11% more Liberty customers with past-due accounts in August 2020 versus August 2019. Liberty reported that a shut-off notice is sent for any account that owes \$50.00 or more after the statement due date.

c) The number of customers who have received a final disconnection notice, but have not been disconnected for non-payment of services as of each month-end



As shown by Liberty’s data, for those customers who received a final disconnection notice there were about 12% more customers who were not disconnected in August 2020 versus August 2019.

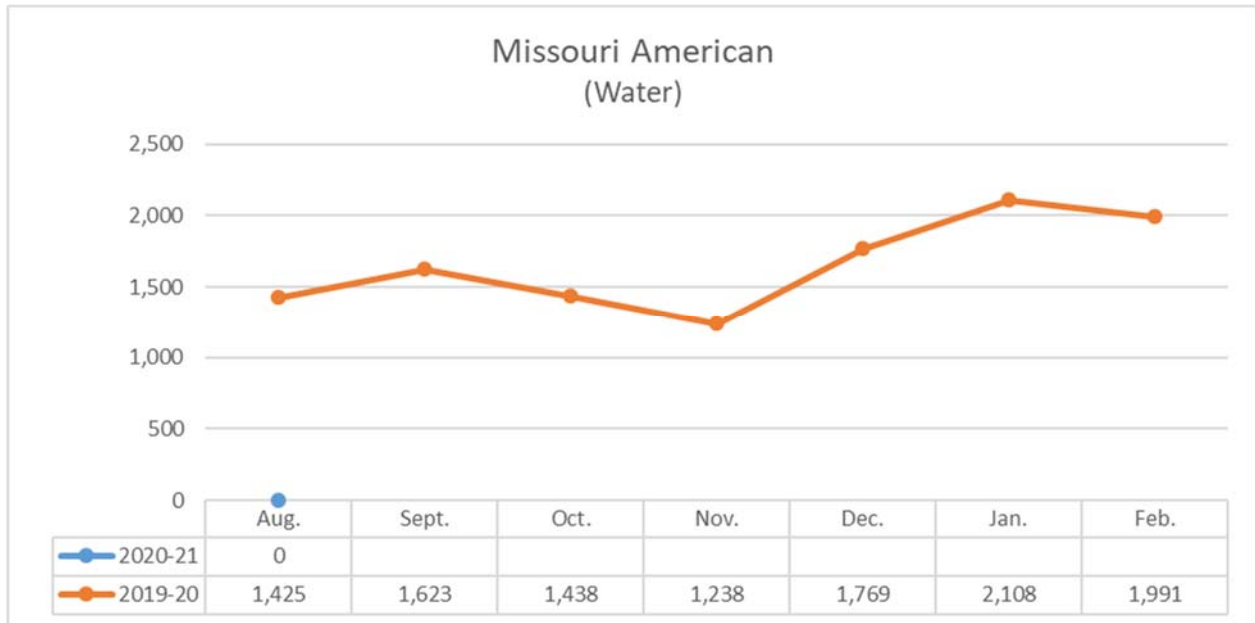
d) The number of customers at each month-end participating in payment plans



The previous graph illustrates that there were approximately 922% more Liberty customers who participated in payment plans in August 2020 versus August 2019.

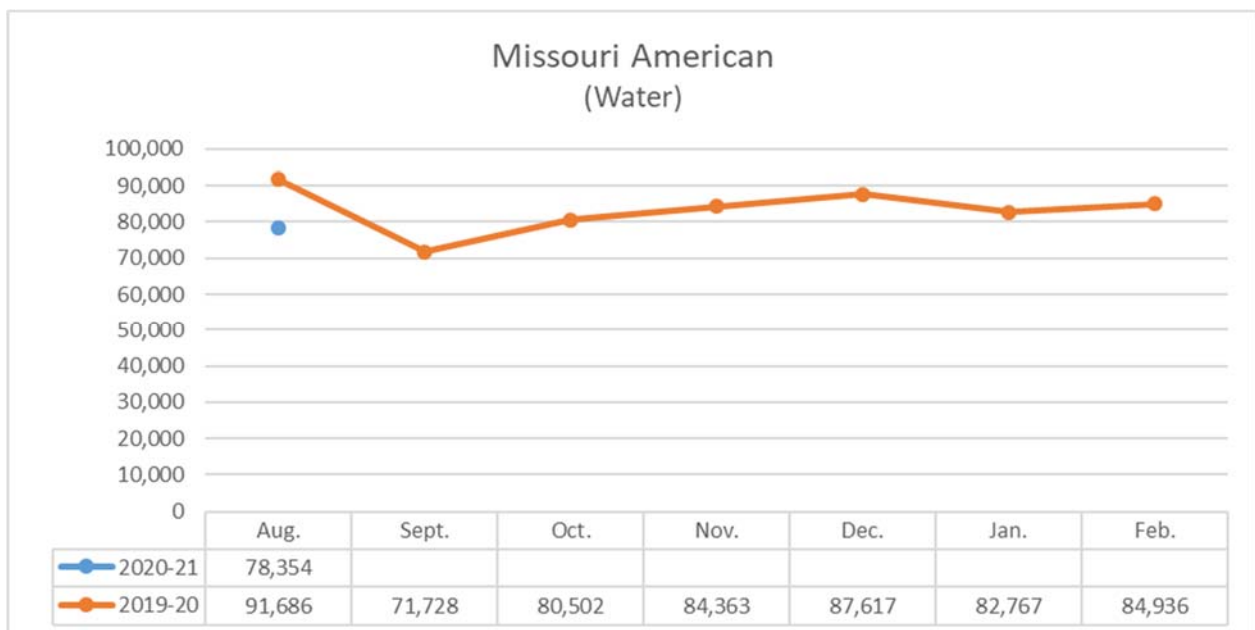
Questions 1 & 3 (Missouri American - Water)

a) The number of disconnection for non-payment of services as of each month-end



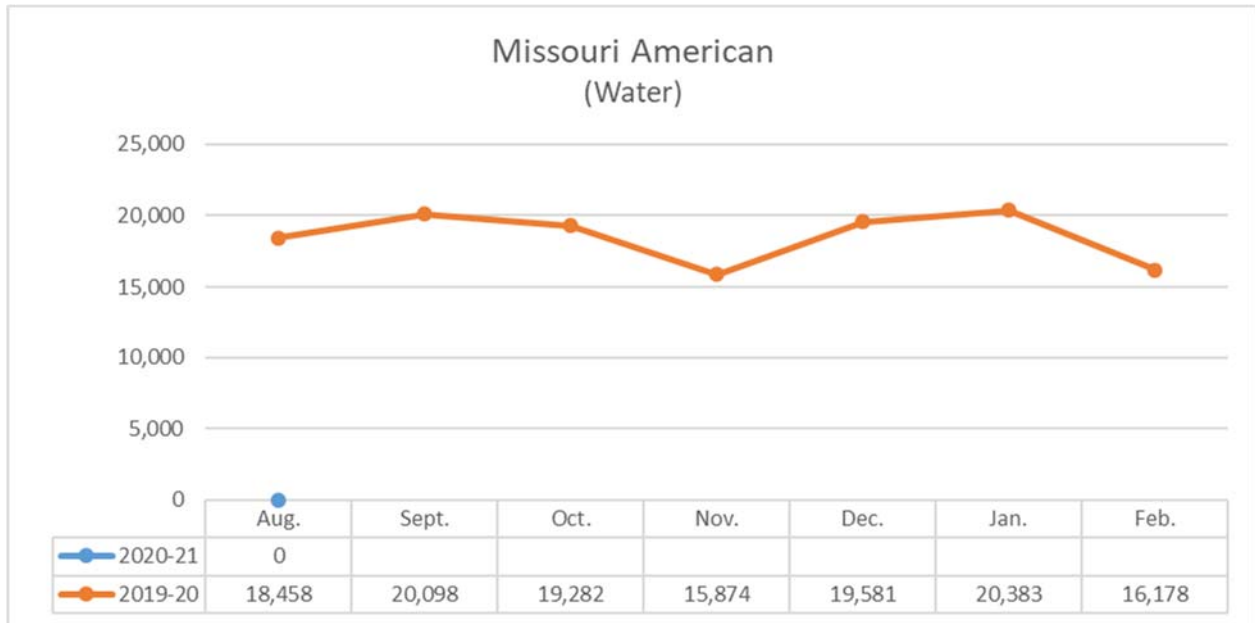
As shown in the previous graph, Missouri American did not perform disconnections in August 2020 although it did 1,425 disconnections for non-payment in August 2019.

b) The number of customers with past-due accounts as of each month-end, with an explanation of the criteria used by your company to define “past-due



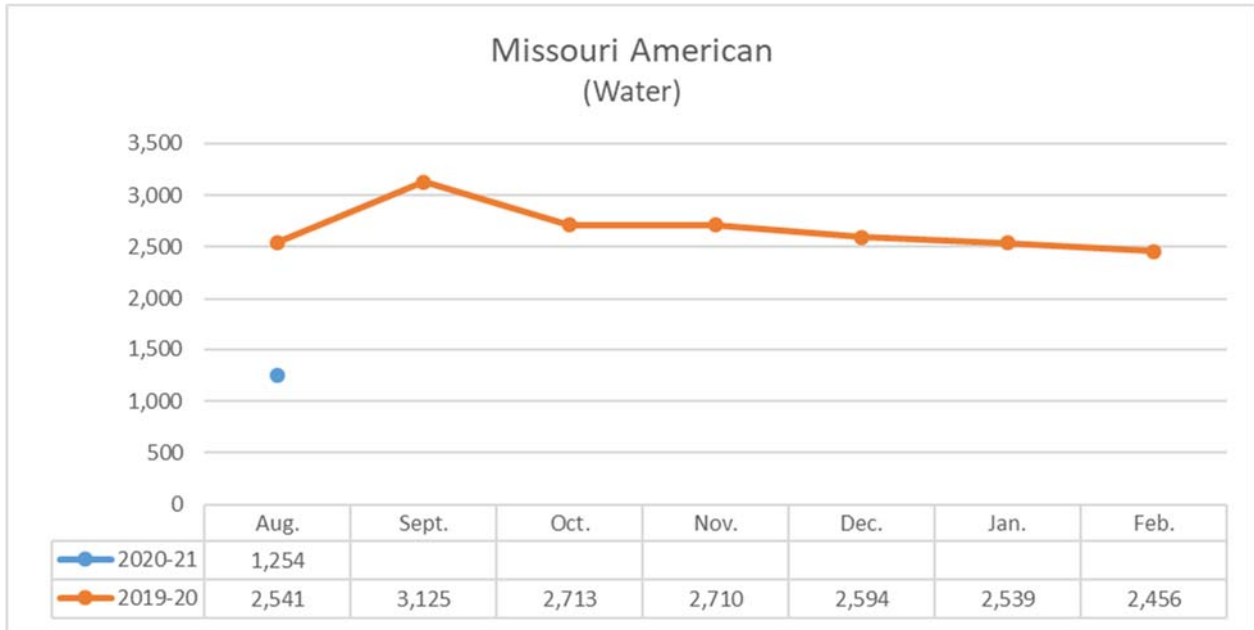
The previous data indicates that there were about 15% fewer Missouri American customers with past-due accounts in August 2020 versus August 2019. Missouri American reported that it defines “past-due” as any unpaid amount past the due date on the customer bill.

c) The number of customers who have received a final disconnection notice, but have not been disconnected for non-payment of services as of each month-end



As shown by Missouri American’s data, final disconnection notices were not mailed in August 2020, although 18,458 were mailed in August 2019.

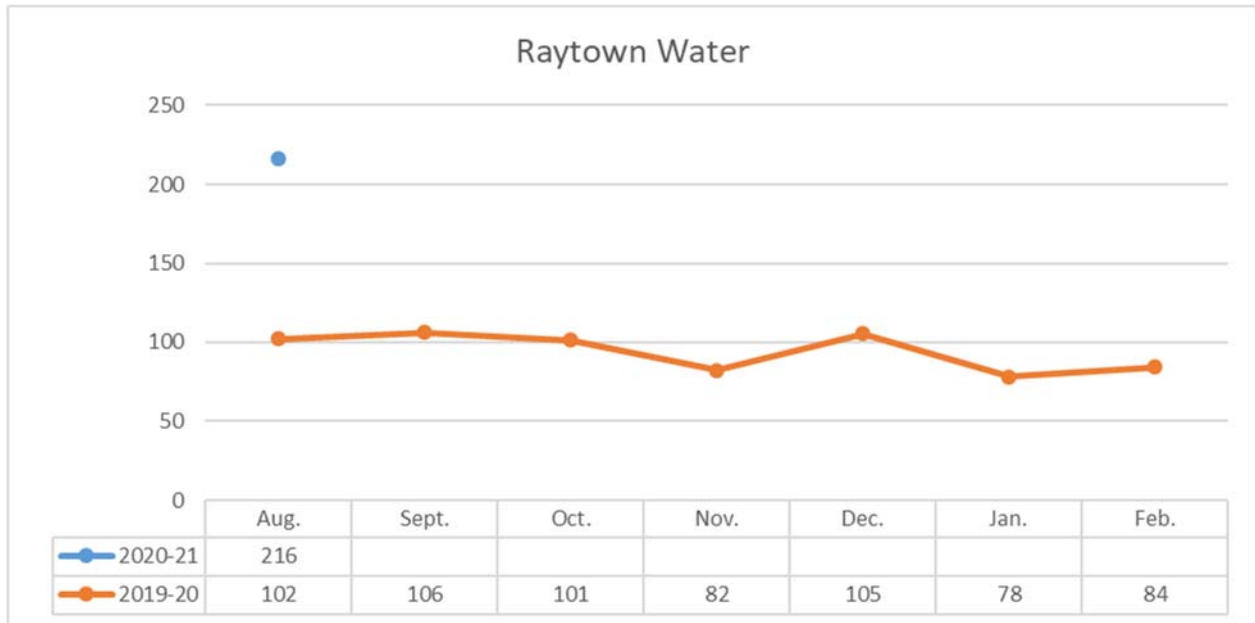
d) The number of customers at each month-end participating in payment plans



The previous graph illustrates that there were approximately 51% fewer Missouri American customers who participated in payment plans in August 2020 versus August 2019.

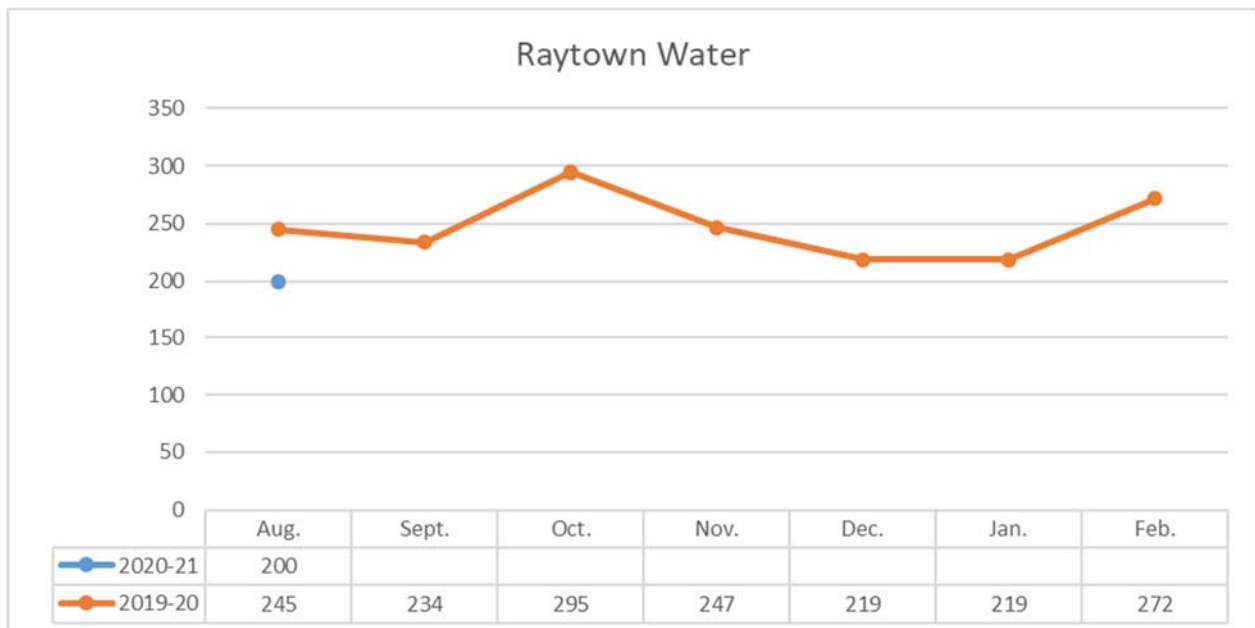
Questions 1 & 3 (Raytown Water)

a) The number of disconnection for non-payment of services as of each month-end



As shown in the previous graph, Raytown Water performed approximately 112% more disconnections for non-payment in August 2020 versus August 2019.

b) The number of customers with past-due accounts as of each month-end, with an explanation of the criteria used by your company to define “past-due



The previous data indicates that there were about 18% fewer Raytown Water customers with past-due accounts in August 2020 versus August 2019. Raytown Water reported that it defines “past-due” as accounts with balances that are over 31 days.

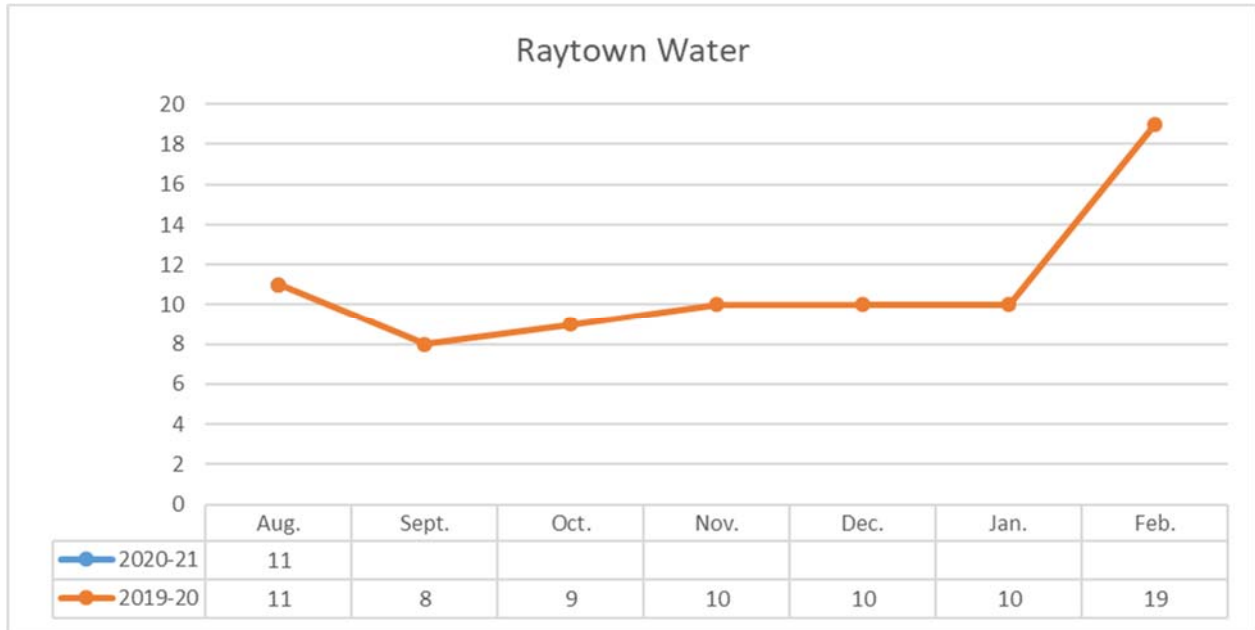
c) The number of customers who have received a final disconnection notice, but have not been disconnected for non-payment of services as of each month-end



* Raytown Water responded in Data Request No. 0009 that this information is not readily available.

As shown by Raytown Water’s data, 91 customers received a final disconnection notice in August 2020 but were not disconnected for non-payment of service. The Company’s data request response stated that this information was not readily available for the August 2019 through February 2019 time period.

d) The number of customers at each month-end participating in payment plans



The previous graph illustrates that there were 11 Raytown customers who participated in payment plans in both August 2020 and August 2019.

Question 2

Please provide your company’s estimate of the number of disconnections for non-payment of service for the six-month period of September 2020 through February 2021, with an explanation of the methodology and assumptions used to develop these projections

Ameren Missouri (Electric)

9/2020	10/2020	11/2020	12/2020	1/2021	2/2021
7,032	7,032	7,032	7,032	7,032	7,032

Ameren Missouri responded with an estimated total of 42,190 disconnections for non-payment of service for the six-month period of September 2020 through February 2021 but did not provide an estimated breakdown by month. While Staff has presented this information in assumed even increments by month, keep in mind that typically disconnections are significantly less in winter

months for electric and gas utilities than in other months for various reasons. Ameren Missouri stated that the total number was based on a 35% increase from last year because, since resuming disconnects in August 2020, the disconnect orders have increased 35% over August 2019.

Empire (Electric)

9/2020	10/2020	11/2020	12/2020	1/2021	2/2021
1,600	1,600	50	50	50	50

Empire responded that several factors prevent it from working disconnects in the winter season (November-February). These factors include: temperatures and several holidays in November and December. Also, during this time period many customers participate in the cold weather agreement to avoid being disconnected for non-pay. Empire looked at the historical averages, and stated the current disconnects in August were higher than the previous years due to COVID. It was unable to disconnect for non-payment during the moratorium from March to July. It has also enlisted the help of its service centers, which will enable Empire to work more disconnects, weather permitting. With the help of its service department, Empire is projecting a maximum of 1,600 disconnects per month for September and October.

Spire (Gas)

9/2020	10/2020	11/2020	12/2020	1/2021	2/2021
5,673	5,379	1,091	963	862	2,249

Spire responded that its estimate includes a 3-year average each month and Sept/Oct with 30% added due to expected volume.

Empire (Gas)

9/2020	10/2020	11/2020	12/2020	1/2021	2/2021
1,140	1,140	1,140	50	50	50

Empire responded that normally in November through December it is not able to disconnect very many customers because the Credit reps are on the phones helping to keep up the service level. Also, the temperatures aren't usually the most favorable during that time period. Empire is normally able to start disconnects again the beginning of the year, weather permitting. It believes that the bills are going to be quite a bit higher due to the pandemic. It is projecting a maximum of 1,140 disconnects per month for September and October, with the probability of disconnects being very minimal in November-February due to taking calls and weather.

Liberty (MNG - Gas)

9/2020	10/2020	11/2020	12/2020	1/2021	2/2021
1,200	1,200	25	25	120	120

Liberty responded that its estimates are based on August 2020 disconnections for September and October. It used historical averages of the past three years for the winter months of November thru February. It also said that weather constraints will play a major part in disconnects especially in its Northern areas.

Liberty (Water)

9/2020	10/2020	11/2020	12/2020	1/2021	2/2021
60	60	40	40	40	40

Liberty responded that several factors prevent it from working disconnects in the winter season (November-February). These factors include: temperatures and several holidays in November and

December. Liberty also looked at the historical averages and found that the current disconnects in August were higher than the previous years due to COVID. Liberty was unable to disconnect for non-payment during the moratorium from March to July.

Missouri American (Water)

9/2020	10/2020	11/2020	12/2020	1/2021	2/2021
Do not forecast	-	-	-	-	-

Missouri American responded that it does not forecast disconnections for non-payment.

Raytown Water (Water)

9/2020	10/2020	11/2020	12/2020	1/2021	2/2021
105	208	71	88	85	72

Raytown Water responded that its estimated numbers are based on an average of 2018-2019 data for the same month.