

**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.)

**CONSUMERS COUNCIL OF MISSOURI'S
RESPONSES TO STAFF QUESTIONS**

The Consumers Council of Missouri (“Consumers Council” or “CCM”), is a non-governmental, nonpartisan, nonprofit corporation that is dedicated to educating and empowering consumers statewide and to advocating for their interests. Consumers Council of Missouri was originally founded in 1971 as Utility Consumers Council of Missouri and has participated in numerous cases at the Missouri Public Service Commission (“Commission”) since that time.

Consumers Council is especially interested in issues that impact low-income utility customers, as well as consumer protections for vulnerable customers and emergency relief for the many residential customers who are currently suffering from the Covid-19 pandemic and related economic crisis. In response to the questions sent by the Commission’s Staff to non-utility organizations, Consumers Council is pleased to provide its perspective on some best practices for addressing past-due utility payments while mitigating undue burdens on those households who are currently suffering, as follows:

1. Please describe the Low-Income Home Energy Assistance Program (LIHEAP) and please describe any COVID-19 related changes to the program. Please describe any final or proposed changes to LIHEAP for the 2020-2021 Cold Weather Rule period.

There should be an opportunity to make recommended revisions to the state of Missouri DHSS guidelines for LIHEAP, in light of COVID-19 pandemic and additional funds that have been made available through the Cares Act. These funds have been allocated to Missouri but not yet received, and will require public comment.

Some of the changes that Consumers Council would recommend:

- Increase Missouri's LIHEAP eligibility guidelines above the current 135% of the poverty level,
- Increase the benefit amount above the current maximums for each household size,
- Allow payment of past-due heating bills with LIHEAP funds, prior to the winter heating season. At this time, funds are not being allowed for heating utility bills, although the state should be preparing for the upcoming difficult winter season.
- Redefining the definition of "crisis" currently being used by Missouri LIHEAP using broader definitions used in other states that allow for more flexibility and assistance to those in need.

2. Please describe any final or proposed COVID-19 related changes to the Low-Income Weatherization Assistance Program (LIWAP).

Consumers Council has no additional information.

3. Please explain if there is a state and/or federal policy regarding the loss of rental assistance (i.e. Section 8 voucher) and potential eviction if a tenant's utility service is disconnected for nonpayment.

Consumers Council has no additional information.

4. Please explain how utilities may best collect past due accounts without unduly burdening their vulnerable customers. Additionally, share other relevant concerns arising from the COVID-19 pandemic; please include how the pandemic is affecting your organization and the people your organization serves.

From the gathering data on economic indicators and the experiences shared from community action agencies in Missouri, Consumers Council believes that the impact of the COVID-19 pandemic on the ability households to pay for and to keep utility service connected is one that will continue to grow this year, becoming even more critical as we approach the upcoming winter season.

Below are some policy changes that Consumers Council recommends that the Commission implement to protect vulnerable customers of all electric, natural gas, and water utilities during this difficult time. Such changes could be implemented through emergency rules or through utility-specific orders. The Commission has clear and specific authority to address the billing practices of the utilities it regulates in order to address economic emergencies in order to protect the health and safety of the public.¹

¹ Sections 386.250(6) and 393.140(11), RSMo.

A. Require Flexible and extended deferred payment plans.

Consumers Council of Missouri concurs in the recommendation of Legal Services of Eastern Missouri:

Provide flexible and extended deferred payment plans that allow all customers verbally expressing financial hardship to pay off utility arrearages over a twenty-four (24) month period and, in the event of a one-time default, the opportunity for customers to renegotiate a payment arrangement with the same terms.⁸ Prior to any deferred payment agreement, a customer service representative should assess the customer for eligibility under all available bill assistance programs, inform the customer whether any such program is available to reduce the customer's arrearage, and provide information on how the customer can access such assistance.

Those customers verbally expressing financial hardship and those who are LIHEAP-qualified should be offered deferred payment arrangements with no down payment. Self-certification should be sufficient to waive the down payment. For all other customers, utilities should be limited to requiring down payments that do not exceed ten percent (10%) of the deferred payment amount. Such deferred payment arrangements increase a customer's likelihood of successfully completing a payment plan, while reducing the utility company's uncollectible expense and increasing its chance of recouping costs from customers.

Utilities should offer such deferred payment plans to customers for up to 6 months following the end of Governor Parson's Executive Orders declaring a state of emergency or until June 30, 2021, whichever is later.²

B. Arrearage Management Incentives.

While programs are being considered for adoption or for expansion, Consumers Council strongly recommends the incorporation of provisions for arrearage management (sometimes referred to as "arrears forgiveness" components). Some arrearage management is already an important component of Ameren Missouri's successful Keeping Current program.

² LSEM Comments filed in this case on July 13, 2020, p. 3. Emphasis added.

Arrearage management should be implemented or expanded by all essential regulated utilities because it has so many potential benefits for consumers, for improved public assistance administration, and for the utilities themselves--as it encourages the habit of regular timely payments on past-due accounts.

There are many ways to design an arrearage management program, but most include a requirement for making timely monthly payments on utility bills along with a required percentage payment towards the customer's arrears. In return for the timely payment towards arrears, or a series of timely payments, a percentage of the customers over-due amounts are written off. In addition to making it easier for customers to get on top of their debt, and to encouraging the prioritization of utility bill payments over other bills, it can allow the utility to recover more of the over-due amounts than it would in the absence of such incentives.

C. Require all regulated energy utilities to implement “clean slate” programs.

The Commission should require or otherwise encourage all regulated energy companies to adopt programs similar to the Ameren Missouri Clean Slate Program, allowing the most vulnerable customers to start over with a zero balance.

D. Utilities should be encouraged to expanding sources of funding for affordability programs.

Gas and electric companies should utilize a collaborative process to engage State LIHEAP providers and other utility assistance providers in developing or expanding on affordably programs that would allow for greater benefits to assist those who are needy. For example, Spire should consider increasing donations of corporate funds to Dollar Help and the Affordability program.

E. Reconsider Cold Weather Rule Protections.

Consideration should be given to revising the Cold Weather Rule³ to assure that it provides maximum protections for vulnerable customers. Consumers Council anticipates that economic needs will grow dramatically as we approach the upcoming winter season. Acting now to initiate rule changes could alleviate the need to issue an emergency rule in the middle of the winter.

F. Consider MO-CAN Recommendations.

The Missouri Community Action Network (MO-CAN) recommends several consumer protection measures be considered in the comments that it filed in this case.⁴ These recommendations are some of the best practices promoted by the National Consumer Law Center for addressing the growing economic need and growing past-due amounts resulting from the Covid-19 pandemic:

- Restore access to service for any utility customer whose service has been cut off without requiring a down payment.
- Waive late payment fees and security deposits.
- For past-due bills, provide deferred plan options that are affordable based on a household's actual income and expenses.

³ Commission Rule 20 CSR 4240-13.055.

⁴ MO-CAN Comments filed in this case on July 15, 2020, p. 3.

- For households with low incomes, use debt forgiveness programs that avoid adding to current monthly bills.
- Expand bill payment programs that reduce monthly bills to an affordable level.
- As weatherization crews safely return to work, expand access to comprehensive whole-house energy efficiency and retrofit opportunities.
- Require more comprehensive utility tracking and reporting of data on residential customer overdue bills, disconnections, and repayment efforts, while still respecting billpayer privacy.

Some of these points overlap with other recommendations, and with other initiatives that are already being considered by the Commission, but it serves as a good list to consider at this time.

Consumers Council concurs in all of these recommendations and is willing to work collaboratively with the Commission and regulated utilities to assist in developing and promoting such protections.

Thank you for this opportunity to comment.

Respectfully submitted,

Dated: July 15, 2020

/s/ John B. Coffman

John B. Coffman MBE #36591
John B. Coffman, LLC
871 Tuxedo Blvd.
St. Louis, MO 63119-2044

Ph: (573) 424-6779
E-mail: john@johncoffman.net

Attorney for the Consumers Council of
Missouri