

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

PROPOSED AMENDMENT **OPC DRAFT**

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4 CSR 240-13.055 Cold Weather Maintenance of Service: Provision of Residential Heat-Related Utility Service During Cold Weather.

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PURPOSE: This amendment provides additional repayment plans for residential users of natural gas for heating purposes.

(14) This section only applies to providers of natural gas services to residential customers. Other providers of heat-related utility services will continue to provide such service under the terms of sections (1) through (13) of this rule. The provisions of sections (1) through (13) of this rule continue to apply to providers of natural gas service except where inconsistent with the terms of this section.

(A) From November 1 through March 31, notwithstanding paragraph (10)(C)2. of this rule to the contrary, a gas utility shall restore service upon initial payment of the lesser of fifty percent (50%) or \$250 of the preexisting arrears, with the deferred balance to be paid as provided in subsection (10)(B). Any reconnection fee, trip fee, collection fee or other fee related to reconnection, disconnection or collection shall also be deferred. From November 1 through March 31, any customer threatened with disconnection may retain service by entering into a payment plan as described in this section. Any payment plan entered into under this section shall remain in effect (as long as its terms are adhered to) for the term of the payment plan, which shall be twelve months duration, unless the customer requests a shorter period or the utility agrees to a longer period. However, a gas utility shall not be required to offer reconnection or retention of service under this subsection (14)(A) more than once every two years for any customer. Any customer who has defaulted on a payment plan under this section three or more times loses the \$250 reconnection option but may reconnect with an initial payment of fifty percent (50%) of the preexisting arrears, with the deferred balance to be paid as provided in Section 10(B).

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(B) Any customer who is not disconnected or in receipt of a disconnect notice shall, at the customer's request, be permitted to enroll immediately in a gas utility's equal payment, budget-billing or similar plan. Any current bill or existing arrearage at the time of enrollment shall be dealt with consistent with paragraphs 10(B)1. through (10)(B)4. of this rule, provided that the customer agrees to make the initial payment prescribed in paragraph 10(C)1. or subsection (14)(A) as applicable.

(C) If a customer enters into a cold weather rule payment plan under this section:

1. Late payment charges shall not be assessed except with respect to failure to make timely payments under the payment plan; and
2. The gas utility shall not charge customers interest on the account balance for any deferral period.

(D) Any customer who enters into a cold weather rule payment agreement under this section and fully complies with the terms of the payment plan shall be treated, going forward, as not having defaulted on any cold weather rule payment agreement.

(E) A gas utility shall describe the provisions of section (14) in any notices or contacts with customers. In telephone contacts with customers expressing difficulty paying their gas bills, gas utilities shall inform those customers of their options under section (14).

[Public Counsel believes subsections (F) and (G) should be deleted from the rule. By making Section (14) a permanent rule, the process for recovering expenses should be the same as other sections of the Cold Weather Rule – through Section (12). If the Commission includes (F) and (G), Public Counsel proposes the following changes.]

(F) A gas utility shall be permitted to recover the costs of complying with this section as follows:

1. The cost of compliance with this section shall include any reasonable costs incurred to comply with the requirements of this section;
2. No gas utility shall be permitted to recover costs under this section that would have been incurred in the absence of this section, provided that the costs calculated in accordance with Section (14)(F)4. shall be considered costs of complying with this section;
3. Any net cost resulting from this section as of June 30 each year shall accumulate interest at the utility's annual short-term borrowing rate until such times as it is recovered in rates; and
4. No bad debts accrued prior to the effective date of this section may be included in the costs to be recovered under this section. The costs eligible for recovery shall be measured by the cumulative net change in the amounts of money due the Company from customers at the time they are reconnected by virtue of this rule (after the reconnection payment under this rule), compared to the amount owed to the Company by the same customers at the time of a subsequent disconnection for nonpayment. The costs eligible for recovery under this rule shall be reduced by any benefit received from customers reconnected or retained because of the provisions of this rule, that make their required payments.

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(G) A gas utility shall be permitted to defer and recover the costs of complying with this rule through a one-time Accounting Authority Order until the conclusion of the period established by the Commission for updates for known and measurable changes in the next general rate proceeding so long as such rates are effective within two (2) years following the effective date of this rule:

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1. The commission shall grant an Accounting Authority Order, as defined below, upon application of a gas utility, and the gas utility may book to Account 186 for review, audit and recovery all incremental expenses incurred and incremental revenues that are caused by this section. Any such Accounting Authority Order shall be effective until September 30, of each year for the preceding winter;

2. From September 30 through October 31 each year, if a utility intends to seek recovery of any of the cost of compliance with this section, the utility shall file a request for a determination of the cost of compliance with this section for the preceding winter season. The request by the utility shall include all supporting documentation. The utility bears the burden of proof to show the costs of compliance with this section. Such costs shall be amortized in rates over a period of no greater than five (5) years and such amortization shall be separately identified in the revenue requirement recommendation of any party addressing this issue.

3. The commission has adopted the Uniform System of Accounts in 4 CSR 240-4.040. Accounting Authority Orders are commission orders that allow a utility to defer certain expenses to Account 186 under the Uniform System of Accounts for later recovery as determined by the commission in a subsequent general rate case; and

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4. Although the Accounting Authority Order allows the gas utility to recover the reasonably incurred expenses only within the context of a general rate case, all such reasonably incurred expenses shall be recovered by the gas utility, together with interest thereon, as set forth above.

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Deleted: The failure of a gas utility to be subject to a rate case within a specific period of time shall not in any way abrogate its rights to recover such reasonably incurred costs and interest in a subsequent general rate case.