

Title 20 – DEPARTMENT OF COMMERCE AND INSURANCE
Division 4240 – Public Service Commission
**Chapter 13 – Service and Billing Practices for Residential Customers of Electric,
Gas, Sewer, and Water Utilities**

ORDER OF RULEMAKING

By the authority vested in the Public Service Commission under section 386.250, and 393.140, RSMo 2016, the commission adopts a rule as follows:

20 CSR 4240-13.075 Service Disconnection Reporting Requirements for Electric, Gas, Sewer, and Water Utilities **is adopted.**

A notice of proposed rulemaking containing the proposed rule was published in the *Missouri Register* on June 15, 2023 (48 MoReg 1025-1026). Changes to the proposed rule are reprinted here. This proposed amendment becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: The public comment period ended July 15, 2023, and the commission held a public hearing on the proposed rule on July 20, 2023. The commission received timely written comments from Eric Vandergriff, Legal Counsel, on behalf of the staff of the commission (Staff), Jenn DeRose, on behalf of Sierra Club, John B. Coffman, Attorney, on behalf of Consumers Council of Missouri (Consumers Council), Roger W. Steiner, Attorney, on behalf of Evergy Missouri Metro and Evergy Missouri West (Evergy Missouri), Diana C. Carter, Attorney, on behalf of Liberty Utilities, J. Antonio Arias and Matthew Aplington, Attorneys, on behalf of Spire Missouri, David Konisky, Lynton K. Caldwell, Professor and Co-Director of the Energy Justice Lab at the Paul H. O'Neill School of Public and Environmental Affairs at Indiana University, on behalf of himself, and Brett Felber, on behalf of himself. The commission received comments at the hearing regarding the Rule from Eric Vandergriff, Legal Counsel, on behalf of Staff, Contessa King, Manager of the Customer Experience Department, on behalf of Staff, Tyrone Thomason, Senior Research/Data Analyst for the Customer Experience Department, on behalf of Staff, Lindsey VanGerpen, Associate Counsel, on behalf of the Office of the Public Counsel (Public Counsel), Geoff Marke, Economist, on behalf of Public Counsel, Rachel L. Niemeier, Attorney, on behalf of Missouri American Water Company (MAWC), Jim Fischer, Fischer & Dority, PC, on behalf of Evergy Missouri, Germaine Grubbs, Attorney, on behalf of Ameren Missouri, Jenn DeRose, on behalf of Sierra Club, John B. Coffman, Attorney, on behalf of Consumers Council of Missouri, Andrew J. Linhares, Attorney, on behalf of Renew Missouri, Phillip Fracica, Attorney, on behalf of Renew Missouri, and David Konisky, Lynton K. Caldwell, Professor and Co-Director of the Energy Justice Lab at the Paul H. O'Neill School of Public and Environmental Affairs at Indiana University, on behalf of himself.

COMMENT #1: Geoff Marke made comments at the hearing on behalf of Public Counsel. Dr. Marke explained that Public Counsel filed a petition for a working docket in November of 2019 to discuss data disconnection standardization practices and answer questions about delinquencies and disconnections. Those questions are: 1) Do utilities report the number of involuntary disconnections? 2) Is that information publicly available? 3) Have the number of disconnects reported by the utilities changed over time? 4) If so, how have they changed? Public Counsel concluded that gas and electric, but not water, utilities report the number of disconnection in two periodic filings with the commission – in their annual reports and in the monthly cold weather reports. However, those numbers were not consistent when examined on a year-to-year basis. A series of workshops were held with stakeholders from Ameren Missouri electric and gas; Evergy Missouri Metro and West; Liberty gas, electric, and water; Spire Missouri; Summit Natural Gas; MAWC; Central States Water Resources; and Raytown Water. Public Counsel looked at a number of different poverty measures affecting disconnections. Dr. Marke notes that a federal survey showed that only 37 percent of adults could cover the expense of a \$400 emergency. Additionally, Public Counsel states that Americans have nearly a trillion dollars in credit card debt. Given increases in capital expenditures by utilities, Public Counsel sees disconnection data as the “canary in the coal mine” for determining the well-being of utility customers.

RESPONSE: No change was made as a result of this comment.

COMMENT #2: Evergy Missouri is generally supportive of the proposed rule and appreciative of its inclusion in the working docket where the rule was developed. Evergy Missouri questions whether the rule’s reference to “residential meters” requires clarity. Evergy interprets “residential meters” to mean service agreements with an active meter billing at a residential rate. The proposed rule currently provides that “residential meter(s) means a device or devices, owned by a utility, used for measuring the volume of services of a customer’s electric, gas, sewer, or water consumption for residential service at a single point of delivery.”

RESPONSE: No change was made as a result of this comment.

COMMENT #3: Evergy (in Exhibit 1 attached to its written comments) identified the format Evergy would like to use to submit disconnection information.

RESPONSE: No change was made as a result of this comment.

COMMENT #4: Public Counsel, at the rulemaking hearing, expressed that it did not agree with Evergy’s format for disconnection information. Public Counsel noted that the proposed rule already includes how the disconnection reporting data should be provided. Public Counsel pointed out that the proposed rule currently provides that the data should be provided in a native electronic spreadsheet with all links and formulas intact.

RESPONSE: No change was made as a result of this comment.

COMMENT #5: Evergy also does not agree that subsection (2)(L), allowing for any other information the commission orders the utility to provide, is necessary. Evergy explains that the commission already has authority to direct the company to provide information as needed without this provision to the rule.

RESPONSE: No change was made as a result of this comment.

COMMENT #6: Ameren Missouri clarified in its comments that the annual disconnection report contains different information than the proposed rule, containing both residential and nonresidential disconnection data. The Cold Weather Rule just requires residential disconnection data.

RESPONSE: No change was made as a result of this comment.

COMMENT #7: Liberty does not oppose a service disconnection reporting rule with the goal of uniformity in disconnection reporting. Liberty notes that there are significant differences in how utilities operate that may be affected by this rule. By way of example Liberty offers that billing increments between companies are not identical, that some wastewater accounts are not traceable to specific activity, that some data varies month to month, and that Liberty will be implementing a new customer information system that may be affected by new reporting requirements. Liberty submits that a good cause variance from the rule is necessary.

RESPONSE: Chapter 13 already has a good cause variance provision for any provision of Chapter 13. No change was made as a result of this comment.

COMMENT #8: Liberty also requests a delay between adoption of this proposed rule and the due date for submission of the first required report under section (2) of the rule. Section (2) is the rule's reporting provision.

RESPONSE AND EXPLANATION OF CHANGE: The commission will amend section (2) of the proposed rule to incorporate a delay between when this proposed rule becomes effective and when the first monthly report pursuant to this proposed rule is due).

COMMENT #9: Ameren Missouri proposes a 90-day delay between adoption and a required first report.

RESPONSE AND EXPLANATION OF CHANGE: The commission will amend the proposed rule to incorporate a 90-day delay between the effective date of the rule and when the first monthly report is due.

COMMENT #10: Spire Missouri comments that it appreciates the opportunity to participate in this rulemaking and favors simplification of the reporting requirements.

RESPONSE: No change was made as a result of this comment.

COMMENT #11: MAWC does not oppose the adoption of a new disconnection reporting rule and appreciates the opportunity to provide comments. MAWC believes that it would be simpler to provide information on the first day and the last day of the month rather than at 00:00 of the first and 24:00 of last day of the calendar month.

RESPONSE AND EXPLANATION OF CHANGE: The commission agrees that this could be more understandable. The commission will amend subsections (1)(B), (2)(A), and (2)(B) to incorporate language that the monthly reporting period is from the first minute on the first day of the calendar month to the last minute on the last day of the calendar month.

COMMENT #12: MAWC also proposed adding a waiver provision to allow the commission to waive requirements of the rule for good cause shown.

RESPONSE: No change was made as a result of this comment.

COMMENT #13: Consumers Council commented in support of the proposed rule, which it says would solve existing disconnection reporting problems under the commission's Cold Weather Rule. Consumers Council notes that differing interpretations of the cold weather disconnection reporting rule have limited the usefulness of the data obtained and confusion has existed about what information is publically available. Consumers Council comments that the proposed rule would standardize numbers for more comparison and provide additional consistency and transparency (as the information would be publicly available through a link on the commission's home page) concerning utility disconnections.

RESPONSE: No change was made as a result of this comment.

COMMENT #14: Consumers Council commented that disconnections have been linked to serious health issues, emergency room visits, and evictions. More granular publically available data would assist community action agencies. Consumers Council proposes that the commission require the disconnection data be reported by five digit zip code. Consumers Council believes that requiring information by zip code would assist in addressing future problems. Consumers Council also asserts that regulated utilities have the ability to track disconnection information by zip code. Every Missouri expressed concerns over having to report data by zip code.

Consumers Council proposes the following language be added to disconnection information a utility must provide:

(2)(M) the numbers of residential meters to be reported pursuant to subsections (2)(A) through (2)(F) shall be provided in a format that breaks down those numbers into five-digit zip code regions;

RESPONSE: No change was made as a result of this comment.

COMMENT #15: Jenn DeRose made comments to the commission on behalf of Sierra Club and herself. Sierra Club appreciates the opportunity to comment on this rulemaking. Sierra Club notes that communities of color are facing higher household energy burdens due to hotter summer temperatures and are vulnerable to disconnection and the negative health impacts of hotter weather (including reduced air quality). Sierra Club echoes Consumer Council's comments about standardized reporting allowing for more accurate comparison of disconnection data between utilities. Standardized disconnection data would lead to better utility policies and potentially prevent disconnections. Sierra Club believes that nonprofits focused on community health and financial assistance would find disconnection data reported by zip code helpful.

RESPONSE: No change was made as a result of this comment.

COMMENT #16: Professor Konisky commented to the commission about energy insecurity. He defines energy insecurity as the inability of a household to meet its energy needs due to financial limitations. Energy insecurity predominantly affects vulnerable populations such as low-income groups, people of color, and families with young children. Energy insecurity negatively affects physical and mental health. He noted that recent data shows that one in five American households reported having to reduce or forgo medicine or food to pay energy costs and one in ten households have received a disconnect notice. Twenty-one percent of households were unable to pay an energy bill in full from June 7 through June 19 of 2023. Professor Konisky's data through Indiana University shows that gas and electric companies disconnected roughly three million households in 2022. Professor Konisky states that there is currently no consistent source of data concerning disconnections and the data that currently exists is state specific as there are no national disconnection reporting requirements. Some of the disconnection reporting requirements were put in place by state commissions in response to COVID and disconnection moratoriums. Professor Konisky comments that the proposed rule would fill an important void left by the discontinuance of COVID information collection. The proposed rule would provide a clearer understanding of energy insecurity among residential customers in Missouri and provide valuable information about disconnections.

RESPONSE: No change was made as a result of this comment.

COMMENT #16: Professor Konisky asks the commission to report disconnections by zip code. He would also like the commission to require a breakdown by census block group. He states that this will enable analysis of demographic and socioeconomic patterns of disconnections, essential for informing future rulemakings and programs to reduce utility disconnections. At the hearing Professor Konisky commented that many other states already require the reporting of this information. Konisky noted that Illinois, Minnesota, New Jersey, and California require disconnection reporting in some form.

RESPONSE: No change was made as a result of this comment.

COMMENT #17: Ameren Missouri responded to Professor Konisky's comments concerning providing information by census block. Ameren Missouri commented that it did not believe utilities have the ability to collect information by census block group.

RESPONSE: No change was made as a result of this comment.

COMMENT #18: Renew Missouri provided comments in support of Public Counsel's position on the proposed rule. Renew Missouri comments that liberal waivers or variances defeat the purpose of the rule.

RESPONSE: No change was made as a result of this comment.

COMMENT #19: Brett Felber provided written comments to the commission that he believes would provide better transparency between the utility, customers, and the commission prior to a disconnection of a customer's service. Felber states that when a utility sends a disconnection notice it preys on customers that don't understand their rights under the commission's rules. As monopolies utilities can force customers to pay balances they may not agree with. Felber believes utilities should have to follow a better process for disconnections than they currently follow. Felber proposes that the utilities and commission establish a database so that prior to disconnection the utility, the customer, and the commission can see the status of the customer's account including information such as when the disconnection notice was sent and if the customer was allowed to dispute the bill or the disconnection. Felber states that this database would reduce the number of customer disconnection complaints the commission hears. Felber proposed numerous changes to the rule to implement his comments.

RESPONSE: Many of Felber's comments were not specific to this proposed rule, but were instead comments on how disconnections of service should be conducted. Those comments would involve changes to existing commission rules not the subject of this rulemaking. No change was made as a result of this comment.

COMMENT #20: Tyrone Thomason and Contessa King offered comments for Staff about duplicative reporting. Staff believes that the proposed rule would gather general data, but miss some of the specific data required under the Cold Weather Rule. By way of example Staff noted that the Cold Weather Rule requires utilities to report the number of elderly, disabled and low-income customers registered under the Cold Weather Rule.

RESPONSE AND EXPLANATION OF CHANGE: The commission will incorporate into section (3) Staff's proposed language about reporting under the Cold Weather Rule (see COMMENT #21 below).

COMMENT #21: Staff filed written comments that the language in section (2) of the proposed rule could lead to some utilities failing to distinguish between operating units. Staff also recommends adding language to the rule that provides a utility providing a disconnection report under the proposed rule need not provide an additional report under

the Cold Weather Rule requiring a disconnection report, 20 CSR 4240-13.055(15). Staff proposes adding the following bolded language to section (3):

- (3) Any utility that provides a report pursuant to this rule, 20 CSR 4240-13.075, need not provide a separate report pursuant to 20 CSR 4240-13.055(15) **outside the Commission's Cold Weather Rule period. During the Commission's designated Cold Weather 2 Rule period, November 1 through March 31, each utility providing heat-related utility service shall file a report pursuant to 20 CSR 4240-13.055(15) no later than the twentieth (20) day of the following month.**

RESPONSE AND EXPLANATION OF CHANGE: The commission agrees that there is a difference in the quality of data reported between this proposed rule and the Cold Weather Rule. To that end, the commission will incorporate Staff's proposed language in section (3).

COMMENT #22: Ameren Missouri commented stating it did not agree with Staff's addition to require duplicative reporting under the Cold Weather Rule and this proposed rule.

RESPONSE: No change was made as a result of this comment.

COMMENT #23: Public Counsel commented that its cost estimation that the public and private costs would not exceed \$500 is supported because utilities already collect this information and were able to produce the data for this rulemaking's workshop timely.

RESPONSE: No change was made as a result of this comment.

COMMENT #24: Ameren Missouri commented that it estimates the cost of compliance with this rule to be between \$8,000 and \$15,000 and would require less than 120 hours work a year.

RESPONSE: No change was made to the proposed rule as a result of this comment. The commission will complete provide a private fiscal note and attach it to this order of rulemaking.

COMMENT #25: Liberty commented that \$5,000 would possibly cover the up-front costs of compliance.

RESPONSE: No change was made to the proposed rule as a result of this comment. The commission will complete provide a private fiscal note and attach it to this order of rulemaking.

COMMENT #26: MAWC comments that it believes compliance with this rule would exceed \$500 in the aggregate, but does not know the cost of compliance with this proposed rule. MAWC indicated that it might require an additional employee to address administrative tasks associated with compiling and filing the disconnection reports.

RESPONSE: No change was made to the proposed rule as a result of this comment. The commission will complete provide a private fiscal note and attach it to this order of rulemaking.

COMMENT #27: Staff comments that the proposed rule might necessitate another full-time employee if Staff was responsible for reviewing information provided by zip code.

RESPONSE: The commission is not requiring that utilities report information by zip code. No change was made as a result of this comment.

COMMENT #28: Consumers Council stated that the costs of having to report information by five digit zip code or by having to hire an additional full-time employee would be worth it. Consumer's Council supports utilities being able to recover the costs of compliance with this rule in rates.

RESPONSE: No change was made as a result of this comment.

20 CSR 4240-13.075 Service Disconnection Reporting Requirements for Electric, Gas, Sewer, and Water Utilities

(1) For purposes of this rule:

(A) Residential meter(s) means a device or devices, owned by a utility, used for measuring the volume of services of a customer's electric, gas, sewer, or water consumption for residential service at a single point of delivery.

(B) Average customer arrearage means the mean average of the total of all delinquent charges, late payment charges, and reconnection fees per residential meter. This shall be calculated as the sum of all delinquent charges, late payment charges, and reconnection fees associated with all residential meters as of the last minute on the last calendar day of the calendar month, divided by the total number of residential meters with delinquent charges, late fees, or reconnection fees as of the last minute on the last calendar day of the calendar month.

(2) Each utility, as that term is defined in 20 CSR 4240-13.015(1)(FF), serving more than 2,000 residential customers shall separately provide a report in the commission's electronic filing information system ("EFIS") within twenty (20) days of the end of each calendar month. For those utilities that provide more than one type of utility service, individual

reports must be provided for each type of utility service. The utility shall provide an electronic copy of each report to the Office of the Public Counsel. All information provided shall be considered public information; however, no customer-specific information shall be reported or made public. All information shall be provided in a native electronic spreadsheet format with all links and formulas intact. The first required monthly report shall be submitted ninety (90) days after this rule becomes effective. Each utility shall report the following information as it relates to the immediately preceding calendar month:

- (A) the total number of residential meters actively receiving service as of the first minute on the first calendar day of the calendar month;
- (B) the total number of residential meters actively receiving service as of the last minute on the last calendar day of the calendar month;
- (C) the total number of residential meters for which there was a termination of service, as that term is defined in 20 CSR 4240-13.015(1)(EE), during the calendar month;
- (D) the total number of residential meters for which there was a discontinuance of service, as that term is used in 20 CSR 4240-13.050(I)(A), (B), (C), and (E), during the calendar month;
- (E) the total number of residential meters that did not receive service as of 00:00 on the first calendar day of the calendar month and began receiving service before 24:00 on the last calendar day of the calendar month;
- (F) the total number of residential meters for which at least one delinquent charge, as that term is defined in 20 CSR 4240-13.015(1)(1), exists as of 24:00 on the last calendar day of the calendar month;
- (G) the average customer arrearage;
- (H) the total dollar value of any monies received from the Low-Income Home Energy Assistance Program, Low-Income Household Water Assistance Program, or Energy Crisis Intervention Program to pay for a residential meter's delinquent charge, as that term is defined in 20 CSR 4240-13.015(1)(1), during the calendar month;
- (I) the total dollar value of any monies received from any assistance program other than those referred to in subsection (2)(H) to pay for a

residential meter's delinquent charge, as that term is defined in 20 CSR 4240-13.015(1)(1), during the calendar month;

(J) the total number of residential meters for which payment is made for utility services under a payment agreement, as that term is defined in 20 CSR 4240-13.015(I)(W); settlement agreement, as that term is defined in 20 CSR 4240-13.015(I)(CC); or payment agreement, as that term is used in 20 CSR 4240-13.055(10), as of 24:00 on the last calendar day of the calendar month;

(K) the mean average volume of services billed to each residential meter recorded during the calendar month in kilowatt-hours for electric services, centum cubic feet for gas services, and thousand gallons of water for water services; and

(L) any other information the commission orders the utility to provide.

- (3) Any utility that provides a report pursuant to this rule, 20 CSR 4240-13.075, need not provide a separate report pursuant to 20 CSR 4240-13.055(15) outside the Cold Weather Rule period. During the designated Cold Weather Rule period, November 1 through March 31, each utility providing heat-related utility service shall submit a report pursuant to 20 CSR 4240-13.055(15) no later than the twentieth (20th) day of the following month.