

Exhibit No.: _____

Issues: **Affordability Concerns**
 Residential Rate Design
 Assistance Program

SURREBUTTAL TESTIMONY
OF
JIM THOMAS

ON BEHALF OF
THE CONSUMERS COUNCIL OF MISSOURI

Case No. ER-2024-0261

September 17, 2025

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INTRODUCTION AND PURPOSE OF TESTIMONY

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Jim Thomas. My address is 5412 South 37th Street, St. Louis MO 63116.

Q. ARE YOU THE SAME JIM THOMAS WHO PRESENTED DIRECT TESTIMONY IN THIS CASE?

A. Yes, I submitted direct testimony on behalf of Consumers Council of Missouri on July 21, 2025.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. In response to rebuttal testimony, I will be clarifying certain contextual elements from my earlier testimony, as well as responding to specific aspects of rebuttal testimony filed by other parties to this case.

Primarily, I will be addressing testimony relating to the utility's proposed Low Income Pilot Program (LIPP) / Fresh Start Program, and the Office of the Public Counsel's ("OPC's") proposal for an Income Eligible Rate Discount Plan (or "Income Eligible Rate").

CONTEXT OF TESTIMONY

Q. WHY ARE YOU FOCUSING ON THESE TWO ELEMENTS?

A. In my direct testimony, I included recommendations across nine Liberty programs or activities that touch on residential customers who, because of their income level, have trouble maintaining consistent payment of their utility bills. While I believe all were important, the size and scope of the LIPP / Fresh Start Program set it apart.

1 Also on July 21, Dr. Geoff Marke of the Office of Public Counsel submitted testimony in
2 which he proposed a significant program covering a different aspect of assistance with an
3 Income Eligible Residential Rate Discount ("Income Eligible Rate").

4 Relevant testimony to both proposals has since been filed by Jessica Polk Sentell of
5 Renew Missouri Advocates, Amy L. Eichholz from the PSC staff, and Nathaniel W. Hackney
6 on behalf of Liberty. In addition, Dr. Marke filed rebuttal testimony addressing both
7 proposals. The following testimony responds to those rebuttal testimonies.

8 **Q. ARE THERE QUALITATIVELY DIFFERENT KINDS OF ASSISTANCE PROGRAM NEEDS FOR**
9 **UTILITY CUSTOMERS EXPERIENCING DIFFICULTIES IN PAYING THEIR BILLS?**

10 A. Yes. In my experience working with low-income families, three overarching needs and
11 three connected and hoped for outcomes exist for these families.

12 **Affordability:** All of us face inflation in utility rates and other costs of living, along with
13 such factors as wage growth (or lack thereof), that make it difficult to pay bills. For those
14 on the lower levels of the income ladder, such issues are intense. Attention to affordability
15 allows us to consider how best to provide support to families and individuals BEFORE they
16 get into trouble with their bills. Dr. Marke's Income Eligible Rate is such a program in its
17 reduction of the bill from the start. The recommendations of multiple parties to keep the
18 residential customer fixed charge at a lower level are also partly aimed at this goal of
19 affordability.

20 **Crisis Assistance:** Life happens. Millions of full-time workers are hired at wages that just
21 keep their heads above water. It doesn't take much to disrupt their ability to pay the bills.
22 Assuming it survives, the federally funded LIHEAP program is the first line of help for a

1 family that falls behind on their utility bill. However, the LIHEAP summer crisis cap in
2 Missouri is \$300. That covers about 1½ months of the summer electricity bill in the
3 apartment I used to rent. And then it's done, no more assistance. I spend every workday
4 dealing with exactly the population under discussion, those at or below 200% of the
5 federal poverty guidelines. That eligibility level closely approximates the 60% of state
6 median income recommended in multiple testimony submissions. I regard the lack of true
7 Crisis Assistance as by far the most important deficiency in available resources for the
8 hundreds of people I see who come to my agency for help.

9 **Re-establishing Stability:** Once a family has successfully navigated a crisis, it is important
10 to re-establish equilibrium. Programs like Ameren's Keeping Current, upon which Liberty
11 is modeling its Fresh Start Program, are meant to do this. Yes, it helps with arrearage, but
12 it is primarily a stabilization program designed to establish regularity of timely payment
13 and budgeting behavior. In fact, Ameren has run into problems because agencies, in the
14 absence of adequate crisis resources, were signing up families for Keeping Current who
15 were not appropriate participants, as they were in crisis rather than ready for re-
16 establishing stability.

17 Dr. Marke, in his testimony of July 21, 2025, cited three different kinds of programs that
18 are similarly structured to what I've outlined here. He places Crisis Programs first, followed
19 by Stability Programs, then Affordability Programs. These are, of course, the same
20 elements I cite, but they give a different progression of someone in need.

21 A genuinely successful suite of programs would address all three needs: affordability,
22 crisis assistance, and re-establishing stability. Certainly, they are interwoven; nonetheless,

1 these truly are separate issues and a program designed to meet only one need will leave
2 the others to fester unaddressed. Families caught in the trap will have trouble emerging
3 from it without addressing all three needs.

4 Conceived in a more holistic fashion, a successful suite of programs would result in
5 healthier and more productive families and communities, while utility companies
6 maintain a customer base with a lower burden of struggle and thus continuing to provide
7 revenue to the company.

8 **SUMMARY OF RELEVANT TESTIMONY**

9 **Q. CAN YOU SUMMARIZE THE RELEVANT TESTIMONY SUBSEQUENT TO THE TESTIMONY OF**
10 **YOURSELF AND DR. MARKE OF JULY 21?**

11 A. Yes.

12 Ms. Sentell from Renew Missouri recommends a compromise between Liberty's low
13 funding figure of \$300,000 and Dr. Marke's high figure of \$4,000,000, suggesting \$500,000
14 and using the Fresh Start framing rather than Dr. Marke's Income Eligible Rate. She would
15 maintain a "pilot" status to her version and suggests future reevaluation of the new
16 version of the old LIPP, without giving a timeline for the reevaluation.

17 Ms. Eichholz from the PSC staff believes that Dr. Marke's proposal is premature, given
18 plans by the Commission to initiate consultations with stakeholders about how best to
19 deal with customer assistance programs under the new utility burden law. She, too,
20 recommends maintaining the LIPP / Fresh Start model. However, she also recommends
21 funding at \$1,000,000.

1 Mr. Hackney demurs on whether the Fresh Start or the Income Eligible Rate schema is
2 best for customers in need. One gives “deeper” help per enrolled customer while the
3 other touches a far greater number of customers but with lesser benefits.

4 Dr. Marke, in his rebuttal testimony, maintains that his model is the far better option. He
5 highlights that Liberty customers have an average “arrearage amount of \$498.36 across
6 31,653 accounts or roughly 22% of all of Liberty residential customers.” Further, he states
7 that the Liberty proposal “is a painfully underwhelming recommendation”.

8 **RECOMMENDATIONS**

9 **Q. WHAT ARE YOUR RECOMMENDATIONS NOW IN LIGHT OF THE TESTIMONY YOU’VE**
10 **REVIEWED?**

11 A. My recommendations are as follows:

12 **1) I stand by my recommendations for the Fresh Start Program. Fresh Start provides**
13 **some crisis mitigation through arrearage forgiveness and allows for stabilization.**

- 14 • The program should be funded at \$900,000, as I recommended in my July 21
15 testimony
- 16 • The cost should be split 50/50 between shareholders and ratepayers.
- 17 • The initial enrollment target for the program should be between 1250 and 1600,
18 with a cap of 2000.
- 19 • Unexpended funding should be rolled over into future years of the program.
- 20 • I still believe there is value in studying the role of budget billing in the success of
21 the program. However, I am open to funding this at a lesser amount than I initially

recommended. Nonetheless, if this is deemed as important to study, I don't believe doing so through the stakeholder collaborative process will suffice. Some specialized expertise is in order.

2) I find Dr. Marke's arguments for the Income Eligible Rate compelling and Ms. Eichholz's for delay unconvincing, given the acute need for customer assistance now. Unlike others considered here, I don't regard these as competing possibilities. Therefore, I recommend a modified version of Dr. Marke's proposal.

- I support Dr. Marke's Income Eligible Rate, which is waiving the Residential Customer Charge for households that apply and meet the requirement of 60% of median income or below.
- I would observe that using the current average application rate of 20% for LIHEAP, the cost of the proposal would be approximately \$1,500,000. However, I would not recommend linking the rate specifically to successful LIHEAP application, since for a variety of reasons, a household may not qualify for LIHEAP yet be income eligible for the rate, thus making it advisable to assume an additional \$500,000. Even accounting for the need beyond the linked LIHEAP households, the revenue requirement is unlikely to exceed \$2,000,000.
- Ideally, the cost should be split 50/50 between shareholders and ratepayers.

Q. DO YOU WISH TO ADD ANYTHING ELSE?

A. Yes, I want to reiterate that my eight recommendations beyond the Fresh Start proposal and now, the Income Eligible Rate, remain. The eight were:

- Keep the fixed residential customer charge at its present level of \$13.00.

- 1 • All of Liberty's reconnect charges, collection trip charges, and punitive late fees
2 should be eliminated.
- 3 • I recommend continuation of the moratorium on disconnections.
- 4 • Liberty should create a Low-Income Programs Collaborative beyond or in place of
5 its annual stakeholder outreach meeting. However, the collaborative should
6 meet quarterly.
- 7 • For the Critical Medical Needs Program, Liberty should create a clear and
8 systematic process of establishing need, annual budgeting, annual targets of
9 customers served, and annual achievement of targets, all reportable to
10 stakeholders and partner agencies.
- 11 • For its Action to Support the Elderly program (EASE), Liberty should create a clear
12 and systematic process of establishing need, annual budgeting, annual targets of
13 customers served, and annual achievement of targets, all reportable to
14 stakeholders and partner agencies.
- 15 • While acknowledging that as a private donation program, Project Help is outside
16 of the purview of the PSC, it remains Liberty's potentially most significant
17 program to address crisis cases. Thus, I addressed it in the overall context of
18 considering Liberty's assistance activities. Liberty should expand the scope of
19 crisis situations it covers to include all households in crisis.
- 20 • Liberty should target specific resources and programs to educate customers
21 about the availability and services of their low-income customer assistance
22 programs. This marketing should focus on high energy burden communities.

1 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

2 A. Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

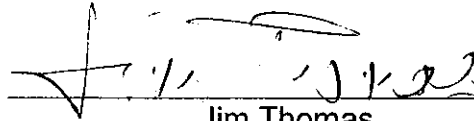
In the Matter of the Request of The Empire)
District Electric Company d/b/a Liberty for)
Authority to File Tariffs Increasing Rates for)
Electric Service Provided to Customers in)
Its Missouri Service Area)

File No. ER-2024-0261

AFFIDAVIT OF JIM THOMAS

I, the undersigned, being duly sworn, states that my name is Jim Thomas, and that the foregoing Surrebuttal Testimony of Jim Thomas, including attachments, was prepared by me on behalf of the Consumers Council of Missouri. This testimony was prepared in written form for the purpose of its introduction into evidence in the above utility case at the Missouri Public Service Commission.

I hereby swear and affirm that the attached testimony is true and correct to my best knowledge, information, and belief, and I adopt said testimony as if it were given under oath in a formal hearing.



Jim Thomas

Subscribed before me on this 17th day of September, 2025:



