

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

EMERGENCY AMENDMENT

4 CSR 24-13.055 Cold Weather Maintenance of Service: Provision of Residential Heat-Related Utility Service During Cold Weather. The commission is amending the rule to add a section (13).

PURPOSE: This emergency amendment modifies the existing provisions of this rule (Known as the “Cold Weather Rule”) to: provide more lenient terms for reconnection of gas utility service to disconnected residential customers, prohibit assessing or billing of deposits, prohibit the assessment of late payment charges on deferred amounts, prohibit interest charges on account balances for the deferral period, require application of existing deposits and accrued interest to avoid discontinuance of service or reduce the amount needed to avoid discontinuance of service, require that budget billing plans be available to all customers and that they incorporate current and past due amounts for some customers, permit customers to get a clean slate if they fall behind in their gas bills this winter but become current before next winter, require that notice of this emergency rule be given to customers and to allow the gas utilities to collect expenses associated with this emergency amendment.

*EMERGENCY STATEMENT: This emergency amendment temporarily modifies in part the existing provisions of the Commission’s Cold Weather Rule to ease restoration of service requirements to residential customers of gas utilities, to make it easier for residential gas customers to afford drastically higher gas bills expected during the coming winter, to create incentives for those who fall behind in paying their gas bills to bring their bills current and to allow the gas utilities to collect expenses associated with this emergency amendment. Many customers are likely to face disconnection if they are unable to pay bills resulting from record high market prices for natural gas this winter. Also, because of the record high gas prices, many customers may find themselves unprepared to immediately pay a given month’s gas bill. Under the provisions of the Cold Weather Rule, utilities may require payment from some customers of as much as 80 percent of arrearages as a condition of restoration of service. In addition, utilities are not currently required to offer budget billing to customers who are already behind in their gas bills. In its Order Finding Necessity for Rulemaking issued November __, 2005 the Missouri Public Service Commission found that amendments to the Cold Weather Rule were necessary. For the same reasons, the Missouri Public Service Commission finds that there is an immediate danger to the public health, safety, and welfare and a compelling governmental interest because thousands of Missourians potentially face immediate and irreparable harm from the impending winter weather without a source of heat. This immediate danger requires emergency action. Because the emergency is the result of unprecedented market conditions this year, and will be addressed for this winter by this emergency amendment, no permanent change to the cold weather rule is being proposed at this time. The scope of this emergency amendment is limited to the circumstances creating the emergency and complies with the protections extended in the *Missouri* and *United States Constitutions*. The procedures followed by the Missouri Public Service Commission included the opportunity for interested entities, including representatives of all Missouri regulated natural gas local distribution companies, to file pleadings commenting on a draft of the proposed amendments, to file pleadings*

proposing their own amendments, and to offer sworn testimony on the record. The Missouri Public Service Commission believes this emergency amendment is fair to all interested parties under the circumstances. This emergency amendment was filed on November __, 2005, effective November __, 2005 and expires March 31, 2006.

(14) Special Provisions for the 2005-2006 Heating Season. This amendment only applies to providers of natural gas services. 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) Notwithstanding section (10)(C)(2) of this rule to the contrary, a gas utility shall restore service upon initial payment of twenty-five (25) percent of the preexisting arrears or \$250, whichever is less, with the deferred balance to be paid in equal installments over the following eighteen (18) months. The customer and the gas utility may by mutual agreement reduce or extend the installment period. Any reconnection fee, trip fee, collection fee or other fee related to reconnection, disconnection or collection shall also be deferred. Any customer threatened with disconnection may retain service by entering into a payment plan as described in this paragraph, and all disconnect notices shall inform customers of this option. Any payment plan entered into under this emergency amendment shall remain in effect (as long as its terms are adhered to) for the term of the payment plan even after the effective period of this amendment has expired.

(B) Default on an agreement entered into under this section can be cured by payment of all installments delinquent under the agreement.

(C) No deposits shall be required of any customer for reconnection of service under this section except for amounts owed due to unauthorized interference, diversion or unauthorized use of the gas utility’s service.

(D) Notwithstanding section (6) of this rule to the contrary, before discontinuance of service for nonpayment of a delinquent amount, the gas utility shall apply the balance of any of the customer’s security deposit plus accrued interest to the delinquent amount to eliminate or reduce the amount required to avoid the discontinuance. This section shall not apply to customers who have an amount owed due to unauthorized interference, diversion or unauthorized use of the gas utilities service.

(E) Late payment charges shall not be assessed on the deferral amount of any agreements entered into under this section, nor shall the utility charge customers interest on the account balance for the deferral period.

(F) Any equal payment, budget billing, or similar plan established by a gas utility which allows customers to mitigate the impact of seasonal variations in gas bills by making relatively equal monthly payments over a 12 month period shall be made available to any residential customer who requests it and shall be offered to any customer who falls into arrears during the period this rule is in effect. This billing method shall be made available to the customer for future billings whether or not the customer is currently in good standing. For any such customer who was in good standing as of November 1, 2005, the calculation of monthly amounts due under the budget billing or equal payment plan shall include any current or past due balance for bills rendered

on or after November 1, 2005. Any equal payment or budget billing plan entered into under this subsection shall remain in effect until October 31, 2006 or until terminated at the customer's request or because of the customer's failure to pay monthly amounts due under the plan.

(G) Any customer in good standing on November 1, 2005 whose payments fall into arrears during the period this rule is in effect but who manages to bring all balances current prior to November 1, 2006 shall be treated, as of the date the customer's account is brought up to date, as if the customer had not missed any payments or defaulted on any payment agreements or cold weather agreements.

(H) Notice to the customer of the terms of this emergency amendment shall be provided by the gas utility by bill insert or bill notice in the customer's next monthly bill or by separate written notice. Each gas utility shall submit the text of its notice for approval to the Staff of the Commission in accordance with the minimum acceptable language guidelines established by the Commission.

(I) The Commission shall grant an Accounting Authority Order, as defined in subsection (J), 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 emergency amendment. Any such Accounting Authority Order shall be effective until September 30, 2007.

(J) 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 possible recovery later. *State ex rel. Office of the Public Counsel v. Public Service Commission*, 858 S.W.2d 806 (Mo. App. 1993); *Missouri Gas Energy v. Public Service Commission*, 978 S.W.2d 434 (Mo. App. 1998).

(K) This section shall be in effect through March 31, 2006.

AUTHORITY: sections 386.250, 393.130 and 393.140, RSMo [1994] 2000. Original rule filed June 13, 1984, effective Nov. 15, 1984. Amended: Filed Dec. 30, 1992, effective Oct. 10, 1993. Amended: Filed March 10, 1995, effective Jan. 30, 1996. Emergency amendment filed Nov. __, 2005, effective Nov. __, 2005, expires March 31, 2006.