

**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 Customer Payments) File No. AW-2020-0356
After the COVID-19 Pandemic)
Emergency.)

RESPONSE TO STAFF REPORT

COMES NOW Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri" or "Company") and, in accordance with the *Order Directing Responses to Staff Report* ("*Order Directing Responses*") issued August 12, 2020, by the Missouri Public Service Commission ("Commission"), submits this *Response to Staff Report* ("*Response*").

In support of its position, Ameren Missouri states as follows:

1. On May 13, 2020, the Commission opened this working file and asked Commission Staff ("Staff") to "investigate how Missouri utilities may best collect past-due accounts-receivable without unduly burdening their vulnerable customers, as well as any other relevant concerns arising from the COVID-19 pandemic emergency..."¹ On June 16, 2020, Staff filed its *Motion to Terminate Working Docket or Staff Request for Commission Order* ("*Motion or Request*"). Included with Staff's *Motion or Request* was Appendix A, which contained several questions for Missouri utilities. On June 24, 2020, the Commission issued its *Notice of Ex Parte and Extra-Record Communications Concerns and Order Directing Responses* ("*Notice and Order*"), asking utilities to answer the questions contained in Appendix A. Several utilities and interested parties, including Ameren

¹ *Order Opening a Working Case to Consider Best Practices for Recovery of Past-Due Customer Payments after the COVID-19 Pandemic Emergency*, issued May 13, 2020, Ordering Paragraph 1.

Missouri, submitted comments to the Commission on July 15, 2020. On August 12, 2020, Staff filed its *Staff Report* which summarized the information and recommendations made in the filed comments, as well as additional information regarding actions taken in other states and potential legislative action. On August 12, 2020, the Commission issued its *Order Directing Responses*.

2. Ameren Missouri appreciates the work done by Staff to summarize the many comments received in this proceeding, as well as actions taken by various states, discussions conducted by NARUC, and legislative actions. This was no small undertaking. In providing responses to the recommendations summarized in the *Staff Report*, Ameren Missouri will address three overarching themes:

- I. Proactive Actions of Utilities
- II. Support for Low-Income Customers
- III. Balancing Customer Interests
- IV. Conclusion

I. Proactive Actions of Utilities

3. As Ameren Missouri noted in its *Comments* provided to the Commission on July 15, 2020, the Company has undertaken significant efforts to assist its customers during these difficult times. Attachment A includes a description of actions the Company has taken to assist its customers. These actions, taken on the Company's own volition, include:

- Ceased discontinuances for several months;
- Reconnected customers who had been disconnected immediately before it ceased disconnections;
- Obtained a waiver to ensure Keeping Current participants were not removed from the program if they fell into temporary arrears;

- Provided \$1 million in energy assistance funding beginning in March;²
- With the assistance of the Office of the Public Counsel, allocated \$3.5 million in assistance funds for low income assistance during calendar year 2020;³
- Created a relief program for small businesses;
- Allocated \$250 to its customer service advocates for distribution to customers during service calls;
- Increased customer communications regarding arrearages;
- Added the option to contribute to the Dollar More program via credit card;
- Offered \$25,000 in matching funds for Dollar More to encourage donations to the program.
- Extended payment arrangements with reduced down payments; and
- Increased visibility and availability of energy assistance information.

4. Additionally, Ameren Missouri has also worked to find creative solutions to keep its energy efficiency programs functional for the benefit of not only its customers, but its vendors and others who benefit from continued project opportunities that provide economic value to the communities. Ameren Missouri has actions with regard to its energy efficiency programs such as:

- Modified Single Family Income Eligible and Multifamily Income Eligible programs to focus on unoccupied homes, virtual assessments, and exterior projects;
- Modified Small Business Direct Install, Business Social Services, and Business Standard programs to increase incentives caps, created new measures, and encourage other additional opportunities for project completion; and

² The Company allocated \$500,000 for distribution through the United Way of Greater St. Louis and another \$500,000 through heatupmissouri.org and heatupstlouis.org, as noted at page 3 of the Company's initial *Comments*.

³ As noted in its initial *Comments* in this proceeding, Ameren Missouri accomplished this allocation via an execution of an agreement with the Office of the Public Counsel through a *Joint Motion to Modify Requirement of Second Stipulation and Agreement* filed May 4, 2020 in File No. ER-2019-0335, and approved by the Commission effective May 31, 2020.

- Revised real estate education programs to minimize the need to have auditors enter the home.

5. In addition to energy efficiency initiatives, Ameren Missouri also has continued to move forward on its Smart Energy Plan in 2020, including the smart meter upgrade project,⁴ economic development grant programs designed to attract economic growth to communities,⁵ and the attraction of a distribution facility to the St. Louis area which created 55 new jobs.⁶

6. In other words, Ameren Missouri has strived to be a good corporate citizen during these difficult times. We have worked to find ways to help our customers keep the power on without accumulating unmanageable arrearages. We have worked to find ways to keep energy efficiency programs in a way that help customers reduce energy usage while also allowing vendors to continue earning money, all while reducing the amount of in-person contact.

7. Ameren Missouri is not the only Missouri utility to take positive and proactive steps. No Missouri utility had to be ordered to temporarily cease disconnections, to create and promote customer assistance programs, etc. We have undertaken these actions thoughtfully and deliberately, and will continue to assess the ongoing needs of our customers as these pandemic conditions continue. Accordingly, we do not believe there is any need to order a particular action at this time.

⁴ <https://ameren.mediaroom.com/2020-07-02-Ameren-begins-upgrading-1-2-million-electric-meters-throughout-Missouri-as-part-of-companys-Smart-Energy-Plan>

⁵ <https://ameren.mediaroom.com/2020-06-10-Ameren-Missouri-launches-new-economic-development-grant-program-to-help-communities-prosper-by-attracting-new-businesses>

⁶ <https://ameren.mediaroom.com/2020-05-04-Ameren-Missouris-Smart-Energy-Plan-Helps-Bring-Dollar-General-Distribution-Facility-to-North-County>

II. Support for Low-Income Customers

8. Section IV. of the *Staff Report* addressed non-utility input regarding pandemic activities. Several commenters made recommendations with regard to low-income assistance that Ameren Missouri supports. In particular, these commenters addressed LIWAP⁷ and LIHEAP.⁸ Some commenters in particular recommended criteria regarding these programs be modified. While this isn't within the Commission's jurisdiction, the Company does generally support some of the recommendations made by the parties, and would be happy to support these recommendations in the appropriate forum.

9. With regard to LIHEAP, Consumers Counsel of Missouri ("CCM") recommended several revisions:

- Increase eligibility guidelines above the current 135% of the poverty level;
- Increase 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; and
- Redefine the definition of "crisis" currently being used by Missouri LIHEAP using broader definitions used in other states that allow more flexibility and assistance to those in need.

EEFA⁹ also recommended there be greater opportunity for automatic eligibility for assistance, stating that "if one is eligible for Medicaid or SNAP (Supplemental Nutrition Assistance Program), they should also immediately qualify for assistance..."¹⁰

⁷ Low-Income Weatherization Assistance Program.

⁸ Low Income Home Energy Assistance Program.

⁹Missouri Energy Efficiency for All coalition.

¹⁰ *Joint Comments* of EEFA, p. 1; *Staff Report* p. 32.

10. As Staff noted, these particular recommendations "are outside the jurisdiction of the Commission and involve multiple parties to work toward expansion of eligibility."¹¹ Still, these are recommendations worth addressing in the appropriate venues. If the Company can provide assistance in supporting recommendations such as these before the appropriate decision-makers, it is happy to do so.

III. Balancing Customer Interests

11. The Company understands that, given the ongoing pandemic, it is can be difficult to determine the best course of action for utility customers. Certain parties recommended that disconnections and certain fees continue to be delayed because of the pandemic.¹² Ameren Missouri believes a better plan of action is to assist customers with arrearage management. This is why, even during the disconnection moratorium, the Company worked to provide its customers with assistance funds and payment arrangement options.

12. It is worth noting that the Department of Social Services ("DSS") noted in its July 15, 2020, *Comments* that LIHEAP saw fewer applications for assistance in 2020, even with the program's extension through May 31, 2020.¹³ DSS noted that, "there has not been an increase in LIHEAP applications due to the utilities extending their moratorium for disconnections," and that it anticipated requests for LIHEAP assistance "will increase ... due to the ending of the moratoriums and the economy." From a practical perspective, moratoriums on disconnections cannot continue indefinitely. As LSEM¹⁴ pointed out,

¹¹ *Staff Report*, p. 33.

¹² *Joint Comments* of EEFA, p. 1; Missouri Community Action Network; *Staff Report* pp. 28-29.

¹³ LIHEAP assistance usually sees an annual end date of March 31, but it was extended in 2020 because of the pandemic.

¹⁴ Legal Services of Eastern Missouri.

some families may be faced with choosing between paying rent or paying a utility bill.¹⁵ Whichever the family chooses, an outstanding arrearage will remain on the unpaid account. Simply discontinuing the disconnection process only provides a short-term solution; in the longer term, arrearages only continue to grow. With a consequence in place, more customers are likely to reach out and seek the available assistance. Assisting customers with managing their debt provides a more helpful long-term solution than allowing customers to accrue more debt.

13. We have made a significant effort to not only provide additional assistance options, but to communicate multiple assistance options for its customer. We know that in-person events are not feasible in the current environment, but we are committed to getting information to our customers about ways to manage their balances through energy assistance, account management tools like Budget Billing, Pick A Due Date, alerts, and other energy saving tips:

- We sent copies of a new Ameren Missouri Customer Assistance Resources flyer (included as Attachment B) to a network of Health and Human Services organizations, in coordination with OPC, to distribute to vulnerable customers such as those on Meals on Wheels and other programs;
- We participate on existing calls and in meetings that organizations are having with parents, residents, and various audiences to share news about assistance options;
- We provided the Customer Assistance Resources flyer to several other community networks and superintendents of schools across Missouri;
- We are conducting the Empowering U! program, which focuses on support for schools in low-income communities;

¹⁵ LSEMA *Comments*, p. 2; *Staff Report* p. 28.

- We are working with Cool Down Missouri on a virtual outreach event that will include Ameren Missouri, Spire, and several energy assistance agencies; and
- We will participate in the Environmental Protection Agency's Interagency Interfaith Collaboration for Vulnerable Communities Virtual Event to inform leaders and administrators from the clergy community so they can inform their congregants and parishioners.

Additionally, the Company's communications regarding the recommencement of disconnections also included information regarding potential payment assistance options such as Clean Slate. Further, individuals performing disconnections in the field are provided with energy assistance information to give customers, and are given the discretion delay a disconnection if customer needs time to pay. We also have a dedicated COVID-19 web page where people can find easy links to assistance, including Company-funded programs and LIHEAP.¹⁶

14. As a utility, we strive to balance not just the immediate needs, but also the long-term needs, of our customers. Our customers need power, but they also need a way to reduce debt that does accrue. It is also worth noting that in a rate case, a utility's bad debt expense is included in the rates the utility is allowed to collect from its customers. This means that when a customer defaults on a debt, all customers end up paying for it. Helping customers manage debt not only helps that customer, but all customers.

IV. Conclusion

15. After reviewing all of the comments, Ameren Missouri is proud that it has accomplished many of these recommendations proactively. Ameren Missouri has established additional assistance funding for its customers, provided extended payment

¹⁶ <https://www.ameren.com/account/customer-service/covid-19>

arrangements, discontinued disconnections for several months, communicated often and extensively with its customers about available assistance options, reconfigured its energy efficiency programming to both benefit customers and keep vendors operational, and continued its Smart Energy Plan in 2020 to encourage job creation and economic stability. While some parties have recommended additional measures such as continued moratoriums, the Company does not see these as advisable. We do not know how long the pandemic and its impacts will continue. In the interim, customers need continued communication, assistance, and education rather than the opportunity to accrue additional debt.

Respectfully submitted,

UNION ELECTRIC COMPANY,
d/b/a Ameren Missouri

/s/ Paula N. Johnson

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to the parties of record on this 31st day of August, 2020.

/s/ Paula N. Johnson _____
Paula N. Johnson