

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

In the Matter of a Working Case to Draft a	)	
Rule regarding Utility Pay Stations and	)	File No. AW-2014-0329
Loan Companies.	)	

**CONSUMERS COUNCIL OF MISSOURI  
RESPONSE TO STAFF REPORT**

The Consumers Council of Missouri (“Consumers Council” or “CCM”) hereby responds to the Staff Report filed on August 13, 2014, specifically with regard to statements made about the Commission’s rulemaking authority.

On page 10 of the Staff Report, an opinion is given that the “Commission’s authority to regulate the use by public utilities of payday lenders as authorized utility pay stations is at best unclear.”<sup>1</sup> Consumers Council could not disagree more. The Commission’s rulemaking authority over the billing practices of the utilities that it regulates is made abundantly clear in this subsection of the Commission’s jurisdictional statute:

Section 386.250(6) To the adoption of rules as are supported by evidence as to reasonableness and which prescribe the conditions of rendering public utility service, disconnecting or refusing to reconnect public utility service and billing for public utility service. . . [Emphasis added].

Implicit in this rulemaking authority is the Commission’s ability to set reasonable limits on the official time, place and manner by which utilities are allowed to collect on the bills

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<sup>1</sup> Staff Report, p. 10.

that are rendered to consumers. Section 386.250(6) is the statutory source for the Commission's Chapter 13.<sup>2</sup> This chapter already contains limits on the amount of time from billing a customer before utility payments are required,<sup>3</sup> and also contains limits on the terms of payment agreements entered into with customers so that "reasonable and uniform standards are established with regard to payment." [Emphasis added.]<sup>4</sup> Likewise, a ban on utilities officially using short-term lenders as pay agents will simply be another such reasonable restriction on the receipt of payment—this one as to the *location* for inviting or receiving payment.

Given the fact that regulated electric, natural gas, water and sewer services are essential services necessary for basic health and safety in modern society, the Commission's supervisory role over the receipt of utility payments is vital, and the Commission should exercise this authority to protect consumers. Consumers Council is asking the Commission to restrict utilities from entering into formal pay agent relationships with payday lenders and other similar businesses, so that vulnerable consumers are no longer steered to such locations that have the potential to threaten their ability to continue paying their utility bills.

At this point, Consumers Council is requesting that the Commission initiate a *formal rulemaking* to allow the comments on this issue to continue, both in writing and through an on-the-record hearing.

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<sup>2</sup> 4 CSR 240-13: "Service and Billing Practices for Residential Customers of Electric, Gas, Sewer, and Water Utilities".

<sup>3</sup> For instance, the length of a billing period and when a bill becomes delinquent [4 CSR 240-13.015(C) and (I)].

<sup>4</sup> 4 CSR 240-13.060, Purpose Clause.

Respectfully submitted,

/s/ John B. Coffman

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Attorney for Consumers Council of Missouri  
Dated: August 24, 2014

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing has been mailed, emailed or hand-delivered to the parties listed on the Missouri Public Service Commission's official service list of this proceeding on this 24<sup>th</sup> day of August 2014.

/s/ John B. Coffman

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