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

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I. Overview

The Missouri Public Service Commission (Commission) seeks comment on a proposal to require electric, gas, sewer, and water utilities that serve more than 2,000 residential customers to regularly disclose information pertaining to the number of customers they serve, the number of accounts that are past due, the amount of customer arrearages, and the number of accounts that have been disconnected due to nonpayment, among other items. This information is to be reported on a monthly basis for each of the regulated utilities covered by the rule.

I am an academic researcher and analyst of environmental and energy policy with more than two decades of experience. Over the past several years, my research group at the Energy Justice Lab at Indiana University has researched and published extensively in the area of residential energy insecurity and utility disconnections (1-9). On the basis of this expertise, I strongly support this rulemaking and recommend that the Commission move forward with these new disclosure requirements. In addition, I recommend that the Commission require that utilities report the information at the zip code and census block group level.

In this comment, I first show that residential energy insecurity, including utility disconnections, is an important issue. I next explain that there is no current national-level requirement for utilities to report key indicators of utility disconnections, which makes these types of state mandates necessary. I then comment directly on the Commission's proposed disclosure requirements in 20 CSR 4240-13.075.

II. Residential energy insecurity

Energy insecurity – the inability of a household to meet its basic energy needs because of financial limitations – is an increasingly recognized form of material hardship (10-13). In the United States, studies have demonstrated that household energy insecurity is prevalent, particularly among vulnerable segments of the population (e.g., low-income groups, people of color, families with young children) (2-4, 6, 8, 14), and can have a variety of adverse consequences for well-being, including harmful physical and mental health effects (15-18).

Current studies of energy insecurity rely mostly on periodic government-sponsored surveys such as the U.S. Energy Information Administration's Residential Energy Consumption Survey and the Census Bureau's Household Pulse Survey or surveys designed and administrated by researchers. I have conducted these types of surveys through my work at the Energy Justice Lab at Indiana University (19).

The most recent RECS study (data collected in 2020) shows that one in five American households reported having to reduce or forgo medicine or food to pay energy costs and that one in ten households received a disconnect or delivery stop notice from their utility due to nonpayment (20). The RECS study also reveals disparities; people of color and low-income households, for example, are both more likely to experience energy insecurity. The Household Pulse Survey shows similar patterns. The most recent round of data collection indicates that about 21% percent of households were unable to pay an energy bill in full between June 7-19, 2023.

Surveys such as the RECS and Household Pulse Survey collect several relevant indicators of energy insecurity, but they do not collect information on the number of households that utilities disconnect from service, or important risk factors, such as the number of residential customer accounts that are in arrears. Moreover, the information that these government-sponsored surveys do collect are not available with sufficient temporal and spatial specificity to understand utility-level patterns.

III. Current data availability

There is no current, nationally consistent source of data on utility disconnections, and related items. The data that do exist are available in response to state-specific disclosure requirements put in place either through legislation or standing or emergency orders from public utility commissions. Many commissions required some reporting of utility disconnections during the COVID pandemic, usually as part of temporary moratoria on disconnections.

State mandates vary with respect to the specific items that utilities are asked to report, but generally they include items such as the total number of residential customers, the number of residential customer accounts that are in arrears, the number of disconnection notices sent, the number of disconnections executed due to nonpayment, and the number of reconnections within twenty-four hours. Most often, public utility commissions require regulated utilities to report this information on a monthly basis, and in some cases require the reporting of historical data as well so as to provide a baseline for understanding patterns over time. Reporting requirements created during the COVID pandemic often were intended to be temporary and ended around the same time as the disconnection moratoria. In several states, such as Indiana, Minnesota, and New Jersey, new (i.e., post-COVID) reporting requirements have been established through either legislation or public utility commission orders.

My research team at the Energy Justice Lab at Indiana University is compiling electric and natural gas utility disconnections across the country, and we have published them in a Utility Disconnections Dashboard (available at https://utilitydisconnections.org). These data reveal that utilities disconnected roughly 3 million U.S. households (electricity or natural gas only) in 2022, though this total only includes disconnections in states that require disclosure. (We have not collected similar data from sewer or water utilities, which is generally less widely accessible.)

IV. New reporting requirements for Missouri as outlined in 20 CSR 4240-13.075

Missouri does not currently require ongoing disconnection reporting. During the COVID-19 pandemic, the Commission required staff to gather information from utilities about disconnections for non-payment, anticipated disconnections (within a 6-month period), customers with past-due accounts, customers who received final disconnection notices, and customers participating in payment plans. Staff filed these quarterly reports until January 31, 2023, after which the Commission closed the docket.

The reporting requirements proposed in 20 CSR 4240-13.075 would fill an important void created by the discontinuation of the previous, COVID-era disclosure rule. The new reporting from utilities would provide a clearer understanding of energy (and other types of) insecurity among residential customers in Missouri and provide valuable information about the challenge of utility disconnections in the state. Moreover, the proposed rule's broad scope would provide the Commission, customers, utilities, and other stakeholders with important information across different types of utilities.

My only suggested modification to the proposed rule is that the Commission require utilities to report the specified indicators by zip code and census block group. Utility reporting with this type of geographic granularity will enable analysis of demographic and socioeconomic patterns of disconnections, which is essential for informing future rulemakings and programs to reduce utility disconnections, especially for vulnerable population groups. This type of analysis is not possible when data are only reported for each utility's entire service territory. Utilities can report this information without compromising customer information and in adherence with state privacy laws.

V. References

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