



Montana Association of Community Action Partners

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May 29, 2016

Montana Public Service Commission
1701 Prospect Ave
Helena, MT 59601

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MONT. P.S. COMMISSION

Dear: Chairman Johnson
Vice Chairman Kavulla
Commissioner Lake
Commissioner Koopman
Commissioner Bushman

Thank you for allowing Jim Nolan, representing the state's ten Human Resource Development Councils (aka MT Association of Community Action Partners), to participate in the recent roundtable concerning the Commission's termination rule.

The roundtable crystallized our views on the subject. We believe that the Commission should pursue this matter no further.

Going into the roundtable we were unaware that the rules were not working and did not understand why there was a need to revise the rules. At the roundtable we heard nothing that caused us to change our opinion. If the Commission does determine that the operation of the termination rule should be evaluated, with an eye towards revising the rule, the Commission needs to gather data on how it is operating so that any decision it makes can be fully informed. We discuss these thoughts in more detail below.

First, however, we state our overarching concern with the proposal that was before us at the roundtable. The reason limitations on terminating utility service in the winter were included in the regulation was that there had been deaths due to termination of service in cold weather conditions. Since the PSC established the winter moratorium period, there have been no deaths as a result of shutting off service. The protection offered by the current rules has served Montana low income people, the regulated utilities, and the Commission well. Shortening the moratorium period, lowering the temperature when shut offs can occur, and limiting the protection to only those on public assistance creates a significant risk of highly adverse outcomes that we will regret.

As the entities charged with interacting with those utility customers most likely to be affected by the termination rule, we have considerable experience with the rule and have seen how it operates. From our perspective the rule appears to be working; that is, the rule does a reasonable job of avoiding the need to shut off utility service to customers struggling to pay their bills. The rule-making process is long and involved and will require the expenditure of significant resources by all stakeholders. Absent a good reason for initiating a rule-making the Commission should refrain from doing so.

Moreover, we have not seen any empirical data – from either the utilities or the Commission – that something about the present rule is deficient and warrants changing. Absent such evidence we have no basis on which to reconsider our informed opinion that indicates that the present rule is reasonably

well-functioning. Nothing that was said or presented at the roundtable leads us to a different conclusion.

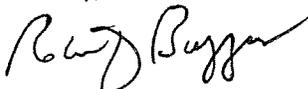
At a bare minimum, if the Commission goes forward with some process for revising the rule, it must first require the collection and presentation of information that details what is happening with respect to terminations. Some of these information gaps were discussed at the roundtable but, absent an understanding of the problem any proposed revision is designed to cure, it is very difficult to identify what information is necessary to evaluate the matter.

To restate: We believe that we should not be put in the position of having to justify what information is needed to examine proposed revisions to the present rule that not only do we not support but which lack a clear explanation of need. Rather, we believe it is incumbent on the utilities and, for that matter, Commission staff to provide a reasoned explanation, supported by data, of why they believe parts of the present rule need changing. In any event, and most importantly, the Commission requires information before it can issue either a proposed or a final rule so that it can understand how the present rule is working and, if there are problems with it, how best to address those problems.

An example of the kind of information that would be necessary before revising the present rule would be data on the so-called winter moratorium period. At the roundtable it was suggested that the length of the winter moratorium made it harder on customers with unpaid account balances because those balances got larger than they would be if the winter window was smaller, making it harder for customers to pay coming out of winter, thus resulting in more terminations. (At least this is what we understood the argument to be, but even this is not entirely free from doubt.) If that is the argument, we would suggest there is a need for data, from all the utilities, on what is exactly happening in the winter period, including numbers of customers that are running into trouble paying their bills, when they are coming current or entering into payment plans, what is the level of their arrearages throughout the period and exiting the winter moratorium period, and what happens to these customers subsequently in terms of terminations.

We thank you for the opportunity to provide these further comments and hope they are helpful to you in considering how to proceed.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Buzzas". The signature is fluid and cursive, with the first name "Robert" and last name "Buzzas" clearly distinguishable.

Robert J. Buzzas, Executive Director