Heat Missouri Homes:

Cold weather accommodations and utility shut-off moratoriums & policy alternatives

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Introduction

As of November 2020, more than 131,000 Missourians still find themselves unemployed as we enter cold winter months (U.S. Bureau of Labor Statistics, 2020). Because of the exigent circumstances created by COVID-19, many families may be furloughed (Feldkamp, 2020) or out-of-work altogether, and may not be able to afford paying utilities they need to heat their homes this winter. Because COVID-19 is disproportionately impacting communities already more at risk for other health disparities, especially communities of color- the risk posed by COVID-19 and financial vulnerability is compounded so the response to support these families must be augmented (Benfer & Wiley, 2020). Protections must be put in place to ensure that, while complying with stay-at-home orders and handling financial strain, families are able to afford to stay warm in their homes this winter.

Background & Existing Policy

In Missouri, more than half of deaths from hypothermia occur during the months of December and January (Department of Health & Senior Services, 2012), so the state is currently entering a critical time for preventing this unnecessary loss of life. While substance use was linked with more than half of the hypothermia deaths for people ages 25 to 64, it was also noted that gender, older age and disability are more often linked with hypothermia deaths (78% were male, 44.9% were 65 or older and 21% with "debilitating" medical conditions) (Department of Health & Senior Services, 2012). This is alarming as COVID-19 is disabling an unprecedented number of people. This may augment the number of people at risk or add additional risk to those with pre-existing conditions or disabilities. As more people are at home for extended periods, it is yet to be seen if these trends will hold, worsen, or shift during this coming winter and if those already more vulnerable to COVID-19 may experience a disproportionate burden of this type of health impact.

Hypothermia is often a topic of focus for those working with populations who are unhoused. While this is absolutely a concern which should be addressed, there is also a need to address untenable living conditions arising from utility shut-offs which can lead hypothermia to be a concern, even for those who are not unhoused. A 2019 study from Zhang, Wiens, Wang, Luong, Ansara, Gower, Bassil, and Hwang found that 72% of instances of hypothermia injuries and deaths were recorded when the minimum daily temperature was above approximately 59 degrees Fahrenheit and that of 79 deaths reviewed during an 11-year period, 61 (or 77%) were deaths of people who were categorized as "not homeless"). Currently Missouri's "Cold Weather Rule", managed by the Missouri Public Service Commission (PSC), dictates that utilities will not be shut off if the next 24 hour predicted temperature is below 32 degrees Fahrenheit- far below the temperature at which injury (sometimes requiring expensive emergency intervention) or hypothermic related deaths can occur (Missouri Public Service Commission, 1977). According to the Missouri Historical Agricultural Weather Database, for November 1, 2019 through March 15, 2020 (122 days, the time covered by the existing policy) the average maximum air temperature in St. Louis County was 48.4 degrees Fahrenheit and there were just 9 of 136 days when the temperature was below the required 32 degrees to prevent shut off. Only two times were these low temperatures consecutive, mid-December for just two days and mid-January for three days. If the same period of time is examined for similar patterns but for temperatures below

59 degree Fahrenheit (when injury from hypothermia can still take occur), there are 108 days of 137 which are cold enough to cause this kind of health concern.
In essence, Missouri has protections against shut-offs in form only and not in function. Leaving Missourians vulnerable to utility shut-offs for up to four months during the coldest time of year is harmful and unsustainable. This is particularly problematic when it is considered that more families are now facing financial hardships preventing them from making on-time payments to utility companies.

On December 16, 2020, the PSC rejected a request to issue a moratorium on utility shut-offs this winter as they decided by unanimous vote that this kind of act was not under their purview (Keller, 2020). However, Missouri statute 660.122 gives the commission clear authority to modify and enact their "Cold Weather Rule" as they see fit:

> "Any primary or secondary heating or cooling source supplier subject to the supervision and regulation of the public service commission shall, at any time during the period of the cold weather rule specified in the cold weather rule as established and as amended by the public service commission, reconnect and provide services to each household eligible for assistance under this section in compliance with the terms of such cold weather rule."

In place of an emergency moratorium, the commission could simply strengthen the protections offered by the Cold Weather Rule by modeling it after another state (Massachusetts offers an excellent example). Rather than making shut offs contingent upon predicted temperatures, it could be stated that shut-offs are simply not allowed during the months from November to March- essentially turning this rule into a moratorium. A weaker, but perhaps more attainable alternative would be to increase the temperature indicated in the current rule to a higher degree, rather than 32 Fahrenheit. Unfortunately, it seems the political will to enact these kinds of policies is lacking with the commission. In the absence of an improved Cold Weather Rule or moratorium from the commission, alternative policy solutions must be discussed.

Alternative Recommendations

As Governor Parsons has declared and now extended a state of emergency for Missouri, there are multiple policy avenues for remediation available (Missouri Exec. Order No. 20-19, 2020). It is possible for the governor himself to declare a moratorium similar to the one rejected by the PSC. This would mean further invoking his emergency powers under Missouri statute 44.022, section 1, allowing the governor "to make, amend and rescind the necessary orders, rules, and regulations" (Powers and Duties of Governor, 1998).
The consequences of such a policy could result in a larger overdue bill for utility customers once the moratorium ends and their payment comes due. However, some utility companies are already creating payment plans with customers and the Cold Weather Rule itself dictates that utility companies must create a payment plan to distribute costs over 12 months, so these larger payments should be less burdensome than if they were to be imposed all at once (Keller, 2020; Missouri Public Service Commission, 1977). Another recommendation could be to spread the payments out over 24 months, to reduce the impact of the payments on families and also extending a moratorium to last for 180 days after the expiration of any state of emergency (Warner, Rivas, Grant, Zhang, 2020). With this recommendation in place, it is more likely that

by the time the moratorium would be slated to end, that transmission rates of COVID-19 would have reduced to the point that some people would be able to return to work, making on-time payments a much more attainable reality.

Similarly, Missouri statute 44.032 dictates that an emergency fund called the "Missouri Disaster Fund" be created for paying costs associated with state emergencies. If a large overdue balance is something policy-makers would like to avoid from the first policy suggestion, instead a portion of these funds could be used to provide monetary support to Missourians facing financial struggle in paying their utility bills. There are existing assistance funds under the Low Income Home Energy Assistance Program (LIHEAP): Energy Assistance (EA) and Energy Crisis Intervention Program (ECIP) (Missouri Department of Social Services, 2019). Given the number of unemployed Missourians, bolstering these funds with additional monies from the Missouri Disaster Fund could provide much needed relief and protection to Missouri homes. It is possible that, if additional funds were to be added to these existing programs that the increased awareness of the programs could lead to increased demand for the funds without additional allowances in future fiscal years to cover the increase in applications. Also, small non-profits who are often tasked with processing the applications for programs such as LIHEAP may have had to furlough or simply cut-back on staff, making processing these requests an unmanageable burden on these agencies and creating frustrating wait times for customers. Money would need to be appropriated to adequately staff these related agencies so they can handle an increase in utility assistance requests.

A third, more long-term policy option would be to offer tiered assistance programs (rather than a simple discount on utility bills) which would allow families to pay the recommended rate of 3% of their household income (Warner, Rivas, Grant, Zhang, 2020). This model is based upon infrastructure intended to manage water as a utility, but also to shift towards treating water as a human right. While Missouri still operates with privatized utilities, this kind of forward-thinking policy may be difficult to implement, as a private company has much less interest in restructuring their payment systems to create more leniency and less profit than an often publicly owned utility such as water.

Assessment

For any policy to be successful, it would need to of course be implemented. It has already been discussed here that there are private interests and lack of political-will, which could position any policy reform for utilities to be rejected outright- as was the case with the commission's moratorium. Since implementation and increased regulation of a private utility would require such a shift from the current status quo, any policy reform that brings our current policy closer in alignment with any of the recommendations here would be considered a partial success, especially because one of the goals of these recommendations is to stop disconnections and maintain customer access to heat as long as possible.

A moratorium would certainly decrease the number of customers who stop having access to heat during the winter, so this count would also factor into an assessment of how successful a utility program has been. By comparing Missourians who consistently have access to their heat over the winter to the number of disconnections experienced in previous years, it would be possible to

figure the number of families positively impacted. To test how successful any positive impact was, it could also be calculated how much money re-connection fees normally cost, how many fees were avoided, and how many more days of service customers experience as a result of avoiding a shut-off. This allows for an analysis of how costly shut-off policies are when compared to maintaining customer utility services. This data could also be used to figure how much more money a utility company would be entitled to as a result of the additional days of service provided (being that service was continuous rather than interrupted). If state money were to be used to assist in paying the utilities rather than waiting for payment from customers, this could provide insight into potential gains the private sector might see from halting disconnections (however small) and providing a bit of incentive for them to continue to comply with any orders against utility shut offs. All of this information could then be projected forward to predict how much cost savings might be gained as a result of the policy (either savings in healthcare costs or property damage saved by preventing a utility shut off) and estimating how long the policy might have that desired effect.

For implementation, a moratorium seems unlikely given that it has already failed to pass the commission and forcing a private entity to restructure and offer tiered pricing would be nearly impossible to enforce except with exceptional political will from the electorate. For these reasons, the option wherein the state provides additional funding and aid to those with low-income who are struggling to pay their utility bills seems like the most feasible option. It requires little effort from the utility companies, doesn't require any long-term change to the Cold Weather Rule and is therefore only a temporary solution.

For cost savings or health benefits to customers, any policy option attached to the state of emergency which acts in the short-term will only offer short-term relief and is not meant to have sustained impact. Only a long-term change to legislation or institutional policy via the Cold Weather Rule would offer long-term impacts. A public-owned option and tiered payment system could also have a long-term positive impact, but again is not likely to be implemented, and certainly not in time to prevent the health concerns associated with utility disconnection in the coming weeks and months.

In terms of the number of disconnections prevented, the moratorium is best positioned to halt disconnections entirely. Options providing additional financial aid to consumers will only prevent some of the disconnection instances. The literature lacks specific information on outcomes for this and the other assessment areas as much more control has been enacted on public works rather than private utilities.

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