

# PROGRAMS TO HELP MISSOURIANS STAY WARM DURING THE WINTER



It may not seem like it now, but winter is just around the corner. It's never too early to start preparing for what can be a harsh Missouri winter. October breezes will soon be replaced with cold winds and falling temperatures, causing furnaces to be turned on to heat homes and businesses.

Winter is also a time when many customers struggle to pay their energy bills. The Missouri Public Service Commission's (PSC or Commission) Cold Weather Rule and federal funding through the Low Income Home Energy Assistance Program (LIHEAP) can help customers with heat-related utility bills.

## What are these programs and how do they help keep utility service from being disconnected?

The Public Service Commission's **COLD WEATHER RULE** was first established in 1977 to help protect the health and safety of residential customers during the cold winter heating months. The rule is in effect from November 1 through March 31.

"Costs for heating a home during the coldest months of the year can present a significant challenge for some families," said Public Service Commission Chairman Daniel Hall. "The Cold Weather Rule is designed to help those struggling to meet that challenge."

Since 1977, the Cold Weather Rule has helped over two million Missourians keep their homes warm during the winter.

The rule applies to electric and natural gas utilities that provide heat-related service and are under the jurisdiction of the PSC. The Commission regulates four electric companies and six natural gas companies in Missouri. Municipally operated systems, cooperatives and those that provide propane delivered by truck are not under PSC jurisdiction.

A key component of the Cold Weather Rule prohibits the disconnection of heat-related service when the temperature is forecasted to drop below 32 degrees for the following 24-hour period. Forecasts are obtained from the National Weather Service between 6 a.m. and 9 a.m. to determine if disconnection of service is prohibited.

When customers are unable to pay their heating bill, the Cold Weather Rule can offer budget payment arrangements over 12 months and, if the payment arrangement is kept, customers may also avoid paying a deposit. In addition, if a customer has not been able to get service reconnected because of a past due balance, the Cold Weather Rule can help get service back on for less than the full amount owed.

A number of notification requirements exist under the Cold Weather Rule before service can be disconnected for non-payment. For example, the rule requires:

- (1) that customers be notified by mail 10 days before the date the utility intends to shut off service;
- (2) that an attempt be made to contact the customer within 96 hours before the shut-off;
- (3) that an attempt be made to contact the customer right before the shut-off; and
- (4) that notice is left at the home when service has been shut-off. In each instance, the company is required to notify the customer of possible financial help in paying the utility bill.

If a customer or someone in their household is 65 years of age or older or is disabled, the rule allows those customers to register with the utility company. This allows registered customers to receive additional notification before service is disconnected and it also helps provide information on how customers can obtain utility assistance from LIHEAP.

The **MISSOURI LIHEAP PROGRAM** has two components: Energy Assistance/Regular Heating (EA) and the Energy Crisis Intervention Program (ECIP).

EA is a one-time payment program operating in the winter season from November to March. Those who are either elderly or disabled may apply in October. The benefit level is based on the household size, income and the fuel type used for home heating. It is not necessary to be in crisis to receive assistance through EA.

ECIP has a winter and a summer season. Like EA, the winter season starts in October for families who are either elderly or disabled, and November for all other applicants, and runs through May. The summer season starts in June and runs through September. Applicants must have a disconnection notice or be shut off in order to receive ECIP assistance. The benefit received is based on the amount required to resolve the crisis and keep the family out of threat for 30 days. Clients may get assistance as many times as needed, provided they have a shut-off notice and have not reached their maximum benefit levels for that season.

Families who are interested in getting more information or applying are encouraged to contact their Community Action Agency in Missouri. For winter aid, applications are accepted from October through March. Seniors and the disabled can sometimes apply even earlier, such as September. Low-income seniors, families with children, and the disabled are given priority in Missouri.

Grant money and funds are disbursed on a first come, first serve basis to those who qualify. So do not wait to apply to the Low Income Home Energy Assistance Program. If you are facing a crisis or disconnection, those application and funds are expedited.

Both renters and homeowners can apply for utility bill assistance from LIHEAP. Families that live in public or government housing in Missouri can also qualify if they meet the typical income levels.

Last year in Missouri, approximately 133,268 households received funding assistance through the federal LIHEAP program. Those households received approximately \$35.7 million. The availability of LIHEAP assistance is not guaranteed. Applications are accepted in the 19 Community Action Agency offices that distribute LIHEAP funding throughout the state.

Customers should be aware of a change regarding when they can apply for LIHEAP funding. Households with a member that is 60 years of age or older or with someone in the home who is disabled (including children), can begin applying for LIHEAP assistance funding beginning October 1, 2016. However, funds will not be distributed until November. For all other households, applications will be accepted beginning November 1, 2016, with funds being distributed starting on December 1, 2016.

It is important to note that if a customer receives LIHEAP assistance, funds will NOT be sent directly to that customer. Those funds will be pledged on behalf of that customer to the utility company who will apply those dollars directly to the customer's account.

If a customer is faced with a heat-related utility bill that he/she cannot pay in full, it is important that the customer:

- **Contact the utility company.**
- **State an inability to pay the bill in full.**
- **Provide income information either by month or annually.**
- **Make a minimum payment.**
- **Enter into a payment agreement.**

— Courtney Dunham, PSC Consumer Services Coordinator

## → WANT MORE INFORMATION? ←

### Cold Weather Rule

Visit the Commission's website [psc.mo.gov](http://psc.mo.gov) or call the Commission's Consumer Services hotline at 1-800-392-4211.

### LIHEAP

Call the Missouri Community Action Agency at 573-634-2969 or visit [communityaction.org](http://communityaction.org).

## HELPING YOUR NEIGHBOR

**During the winter, please remember to check on your neighbors, especially the elderly and disabled to ensure their homes are adequately heated. Perhaps you can visit or check on those at-risk twice a day and watch for signs of hypothermia. In addition, did you know that infants and young children may need more frequent watching given they lose body heat more easily than adults?**

# Low Income Weatherization Assistance

## HOME HEATING IS A BASIC NECESSITY.

In 2010, Americans spent approximately \$231 billion on residential energy according to a 2010 Oak Ridge National Laboratory study. Many people are not aware low-income households spend nearly 14 percent of their total annual income on energy costs while other households spend only 3 percent of their annual income, on average, on energy costs.

In order to keep up with heating cost, low-income families often cut back on other necessities to pay their energy bills. For low-income households, the decision to pay the utility bill may mean deciding between being warm in the winter and eating complete meals or having prescription medication. It is common to see low-income households living in older homes with little to no insulation or their homes may have older, less efficient appliances. The weatherization program is a long-lasting solution to these problems.

Over the last 40 years, The U.S. Department of Energy (DOE) Weatherization Assistance Program has provided grants to states, territories, and some Indian tribes to improve the energy efficiency of the homes of

low-income families. These governmental entities, in turn, contract with local governments and nonprofit agencies to provide weatherization services to those in need, using the latest technologies for home energy upgrades. Since the program began in 1976, DOE has helped improve the lives of more than 7 million families by reducing their energy bills.

In 1977, the Missouri Department of Natural Resources responded to the energy crisis of the early 1970s, establishing the Low-Income Weatherization Assistance Program (LIWAP) under the oversight of the Division of Energy. On August 28, 2013, the division was moved to the Department of Economic Development by an executive order signed by Governor Jay Nixon. The program provides cost-effective energy-efficient home improvements to Missouri's low-income households, especially the elderly, children, those with physical disadvantages, and others hit hardest by high utility costs. The program aims to lower utility bills and improve comfort while ensuring health and safety. Today, weatherization is the nation's largest residential energy efficiency program.

In the early years, the LIWAP used volunteer labor to install temporary energy saving measures. However, changes in technology, federal regulations, and the needs of Missourians have led to a more holistic approach to

## WEATHERIZATION PROGRAM FACTS

The Missouri Division of Energy administers federal funds to a statewide network of 19 local weatherization agencies. Allocations to these agencies are based on the percentage of the state's total low-income households within each service area. These agencies provide weatherization services to eligible clients, as well as training and guidance.

- Newspaper, radio, television, utility bill stuffers and other advertising methods are used to publicize the services.
- The program saves clients dollars and stimulates the state and local economy.
- The agencies use their own crews or contract the work to area businesses.
- Most products used are purchased from state and regional manufacturers. Indirectly, through an economic multiplier effect, weatherization funds are used and reused, stimulating the state's businesses, economy and creating jobs.
- According to the Division of Energy, since 1977, more than 180,000 Missouri homes have been weatherized through the LIWAP.

## Weatherization.....

- ... reduces residential and power plant emissions of carbon dioxide by 2.65 metric ton/year per home.
- ... decreases national energy consumption by the equivalent of 24.1 million barrels of oil annually.
- ... saves, on average, \$437 per house in heating and cooling costs annually at current prices.<sup>1</sup>

<sup>1</sup> [https://energy.mo.gov/energy/communities/assistance-programs/low-income-weatherization-assistance-program-\(liwap\)](https://energy.mo.gov/energy/communities/assistance-programs/low-income-weatherization-assistance-program-(liwap))

# AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

## Accomplishments

### The Numbers

**\$6 million** to **\$128 million**  
growth from 2009-2012

**22,000** homes weatherized

**\$2,500** to **\$7,100**  
assistance level  
per eligible applicant

**585** jobs created or retained

- The Missouri weatherization program grew from administering approximately \$6 million per year in funds to approximately \$128 million over the ARRA grant period from 2009-2012.
- Approximately 22,000 homes were weatherized with ARRA funding.
- ARRA allowed Missouri to weatherize nine times more homes than were weatherized prior to the ARRA funding.
- The assistance level per household increased from a \$2,500 cap to a current cap of \$7,100. This increase allows for more energy efficiency upgrades per applicant.
- ARRA increased the income limit for eligible applicants from 150 percent to 200 percent of the federal poverty guidelines.
- ARRA provided increased funding for training and technical assistance.
- During the ARRA funding period, more than 585 Missouri jobs were created or retained.

residential energy efficiency. Weatherization has evolved into a sophisticated program, which addresses whole-house energy efficiency and promotes a whole-community approach.

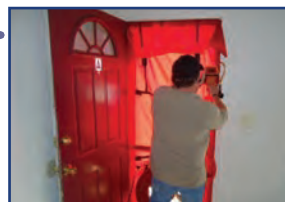
Within the State of Missouri's LIWAP program, there are two funding sources. The primary funding for Missouri's weatherization efforts is federal funding by the U.S. Department of Energy's Weatherization Assistance Program. These funds are administered by the Division of Energy according to federal guidelines. Supplemental funding to LIWAP in Missouri is provided by the investor-owned utilities throughout the state.

In 1992, the Commission authorized the first ratepayer funding of a low-income weatherization program by approving an agreement including a short-term experimental program conducted by the Laclede Gas Company. The experimental program was proposed by the Office of the Public Counsel (OPC), the state agency which represents residential consumers before the Commission. The Commission Staff, the Division of Energy

and OPC participated along with Laclede in the development of the experimental program. Since the authorization of that program, utility ratepayer funded low-income weatherization programs have helped enable a number of low-income houses to be weatherized. The Commission's authorization of Laclede's program paved the way for other investor-owned electric and natural gas utilities within the state to develop their own low-income weatherization programs as each was authorized by the Commission through individual rate cases over the years.

Each utility program has unique features, but all the programs, with participation from OPC, the Commission Staff and the Division of Energy are designed to enable the local weatherization agency to best serve customers in the company's service area. Several utilities have had their LIWAP independently evaluated, and the programs have been found to be generally cost effective.

— Kory Boustead, PSC Staff Rate & Tariff Examiner



Caulking ... Window Replacement ... Home Energy Efficiency Testing ... Weather Stripping



# BE PREPARED FOR WINTER

## HEATING & VENTILATION

- When you are home and awake, set your thermostat as low as is comfortable. Seniors and individuals with special medical needs should check with their doctors before changing their normal home temperatures or considering turning off heating units.
- Keep storm windows in place to help prevent heat loss.
- Have the furnace checked and tuned-up, if needed. Replace filters regularly.
- Keep drapes and shades open during the day to allow sunlight to enter your home.
- Make sure vents are not blocked by furniture or drapes. Clean warm air registers, baseboard heaters and radiators as needed.
- Close off rooms that are not in use to save on heating bills.

## FIND & SEAL AIR LEAKS

- Place weather stripping around doors, use plastic film covering and caulk windows to keep heat from escaping from your home.
- Have the chimney checked for blockage and close fireplace dampers when the fireplace is not being used.
- Check air ducts. Air ducts that are not working properly can create serious, life-threatening carbon monoxide problems in the home (*see page 15*).

## BILLING PLANS

You may want to contact your local company about a “budget” or “level” billing plan. Many Missouri gas and electric companies have other programs to assist customers in paying their energy bills. In most cases, companies will try to work with you to avoid disconnections.