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**MISSOURI PUBLIC SERVICE COMMISSION**

**SPIRE MISSOURI INC.**

**CASE NO. GR-2017-0215**

**and**

**CASE NO. GR-2017-0216**

**REBUTTAL TESTIMONY**

**OF**

**MARTIN R. HYMAN**

**ON**

**BEHALF OF**

**MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT**

**DIVISION OF ENERGY**

Jefferson City, Missouri

October 17, 2017

(Revenue Requirement)

DE Exhibit No. 504  
Date 10-17-17 Reporter AG  
File No. GR-2017-0215 GR-2017-0216

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's ) File No. GR-2017-0215  
Request to Increase Its Revenue for Gas Service ) Tariff No. YG-2017-0195

In the Matter of Laclede Gas Company d/b/a )  
Missouri Gas Energy's Request to Increase Its ) File No. GR-2017-0216  
Revenues for Gas Service ) Tariff No. YG-2017-0196

AFFIDAVIT OF MARTIN HYMAN

STATE OF MISSOURI )  
 ) ss  
COUNTY OF COLE )


Martin R. Hyman, of lawful age, being duly sworn on his oath, deposes and states:

1. My name is Martin R. Hyman. I work in the City of Jefferson, Missouri, and I am employed by the Missouri Department of Economic Development as a Planner III, Division of Energy.
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of the Missouri Department of Economic Development – Division of Energy.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge.

  
Martin R. Hyman

Subscribed and sworn to before me this 17th day of October, 2017.



  
Notary Public

My commission expires: 4/26/20

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Martin R. Hyman. My business address is 301 West High Street, Suite 720,  
4 PO Box 1766, Jefferson City, Missouri 65102.

5 **Q. By whom and in what capacity are you employed?**

6 A. I am employed by the Missouri Department of Economic Development – Division of  
7 Energy (“DE”) as a Planner III.

8 **Q. Have you previously filed testimony before the Missouri Public Service Commission**  
9 **(“Commission”) in this case?**

10 A. Yes.

11 **II. PURPOSE AND SUMMARY OF TESTIMONY**

12 **Q. What is the purpose of your Rebuttal Revenue Requirement Testimony in this**  
13 **proceeding?**

14 A. The purpose of this testimony is to respond to the testimony filed by Office of the Public  
15 Counsel (“OPC”) witness Ms. Lena M. Mantle<sup>1</sup> and the testimony filed by National  
16 Housing Trust (“NHT”) witness Ms. Annika Lynn Brink.<sup>2</sup> DE recommends continuing the  
17 energy efficiency programs of Laclede Gas Company (“Laclede”) and Laclede Gas  
18 Company d/b/a Missouri Gas Energy (“MGE”) (collectively, “Companies” or “Spire”).<sup>3</sup>

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<sup>1</sup> Missouri Public Service Commission Case Nos. GR-2017-0215 and GR-2017-0216, *In the Matter of Laclede Gas Company's Request to Increase its Revenues for Gas Service* and *In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to Increase its Revenues for Gas Service*, Direct Testimony of Lena M. Mantle Submitted on Behalf of the Office of the Public Counsel, September 8, 2017.

<sup>2</sup> Missouri Public Service Commission Case Nos. GR-2017-0215 and GR-2017-0216, *In the Matter of Laclede Gas Company's Request to Increase its Revenues for Gas Service* and *In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to Increase its Revenues for Gas Service*, Testimony of Annika Lynn Brink on Behalf of National Housing Trust, September 7, 2017.

<sup>3</sup> The Commission recently recognized that Laclede and MGE have changed their name to “Spire Missouri Inc. d/b/a Spire” and approved the adoption by Spire Missouri Inc. of the Companies’ tariffs. See Missouri Public Service

1 OPC's concerns warrant consideration and should be discussed in the context of the  
2 Companies' Energy Efficiency Collaborative ("EEC") following the completion of  
3 evaluation, measurement, and verification ("EM&V"). DE also recommends that any  
4 budget not used for non-low-income energy efficiency programs should be redirected  
5 towards weatherization and low-income energy efficiency programs. DE supports Ms.  
6 Brink's recommendations to increase funding for Spire's multifamily low-income  
7 ("MFLI") energy efficiency programs; the lower end of her recommended range of funding  
8 is consistent with the amounts the Companies would likely target near the potential funding  
9 cap provided in my Direct Testimony.<sup>4</sup>

### 10 **III. RESPONSE TO OFFICE OF THE PUBLIC COUNSEL**

#### 11 **A. BACKGROUND**

12 **Q. What is OPC's recommendation for the Companies' energy efficiency programs?**

13 A. OPC recommends suspending all programs but the Companies' weatherization programs  
14 until each program is demonstrated to be cost-effective for participating and non-  
15 participating customers.<sup>5</sup> OPC states that energy efficiency programs should be beneficial  
16 to all customers, that low natural gas prices likely mean these programs are not cost-  
17 effective, and that the programs are already undergoing EM&V.<sup>6</sup> OPC does not indicate if

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Commission File No. GN-2018-0032, *In the Matter of Laclede Gas Company and Missouri Gas Energy Changing Name to Spire Missouri Inc. d/b/a Spire*, Order Recognizing Name Change, August 16, 2017.

<sup>4</sup> Missouri Public Service Commission Case Nos. GR-2017-0215 and GR-2017-0216, *In the Matter of Laclede Gas Company's Request to Increase its Revenues for Gas Service and In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to Increase its Revenues for Gas Service*, Direct Testimony of Martin R. Hyman on Behalf of Missouri Department of Economic Development – Division of Energy, September 8, 2017.

<sup>5</sup> GR-2017-0215 and GR-2017-0216, Mantle Direct, page 2, lines 1-15.

<sup>6</sup> *Ibid*, pages 3-4, lines 1-25 and 1-5.

1 any non-weatherization low-income energy efficiency programs should continue during  
2 the suspension of the other energy efficiency programs.

3 **Q. How would programs restart under OPC's proposal?**

4 A. OPC would only have the programs restart if a filing is made pursuant to the Commission's  
5 rules on natural gas utility promotional practices at 4 CSR 240-3.255.<sup>7</sup>

6 **Q. Does DE agree with OPC's recommendation to suspend Spire's energy efficiency  
7 programs?**

8 A. No, for the reasons that I discuss below.

9 **Q. Ms. Mantle also states that future costs of program development, implementation,  
10 and evaluation incurred by Laclede should be deferred for potential future recovery.<sup>8</sup>**

11 **Does DE agree?**

12 A. DE is not opposed to this recommendation.

13 **B. PROBLEMS WITH SUSPENDING THE PROGRAMS**

14 **Q. Does the Commission typically suspend energy efficiency programs pending the  
15 results of EM&V?**

16 A. No. For example, the programs offered by investor-owned electric utilities under the  
17 Missouri Energy Efficiency Investment Act ("MEEIA") undergo routine EM&V activities,  
18 but are not suspended during or in advance of the EM&V process.

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<sup>7</sup> *Ibid*, pages 4-5, lines 16-25 and 1-2.

<sup>8</sup> *Ibid*, page 2, lines 16-21.

1 **Q. What is the danger of suspending energy efficiency programs until EM&V results can**  
2 **be examined?**

3 A. The danger in suspending these programs lies in the break in continuity, which can restrict  
4 participants' ability to access cost-effective savings options. This circumstance was  
5 demonstrated with electric utilities when the second cycle of MEEIA programs was  
6 delayed due to disagreements among various parties. Among the factors contributing to  
7 Missouri's lower rank in the American Council for an Energy-Efficient Economy's 2017  
8 scorecard was the lapse in electric utility energy efficiency programs.<sup>9</sup> Aside from the lapse  
9 in the availability of energy efficiency rebates to prospective program participants, it  
10 should be noted that a suspension of Spire's programs jeopardizes some of Missouri's  
11 progress in energy efficiency job creation and retention, and could even lead to job loss.

12 **Q. Are low-income customers placed at greater risk by suspending Spire's low-income**  
13 **energy efficiency programs?**

14 A. Yes. While OPC does not propose to suspend the Companies' weatherization programs,  
15 OPC does not indicate that Spire's low-income multifamily programs should also continue  
16 until EM&V results are discussed. If the Companies are granted a rate increase as a result  
17 of the current cases, these populations could face greater challenges in meeting their energy  
18 needs,<sup>10</sup> depending on the residential rate design ordered by the Commission.

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<sup>9</sup> American Council for an Energy-Efficient Economy, 2017, *2017 Score Sheets*, "Missouri,"  
<http://aceee.org/sites/default/files/pdf/state-sheet/2017/missouri.pdf>.

<sup>10</sup> See Missouri Public Service Commission Case Nos. GR-2017-0215 and GR-2017-0216, *In the Matter of Laclede Gas Company's Request to Increase its Revenues for Gas Service* and *In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to Increase its Revenues for Gas Service*, Direct Testimony of Sharlet E. Kroll on Behalf of Missouri Department of Economic Development – Division of Energy, September 8, 2017, pages 20-23, lines 1-18, 1-19, 1-8, and 1-3.

1 **C. COST-EFFECTIVENESS TESTING**

2 **Q. Should low-income programs be excluded from cost-effectiveness testing?**

3 A. Yes. Low-income programs should be designed to improve the affordability of energy bills  
4 and enhance customers' health, safety, and comfort, not just to find the most cost-effective  
5 solutions. This approach is already recognized with electric energy efficiency programs.

6 **Q. OPC contends that the Companies' programs are probably not cost-effective at low  
7 natural gas prices. Please respond.**

8 A. While certain natural gas measures may be less cost-effective in the current environment,  
9 OPC neglects some relevant considerations. First, natural gas prices briefly surged during  
10 the winter of 2014;<sup>11</sup> natural gas energy efficiency programs can insulate participating  
11 customers from this price volatility. Second, it should not be assumed that natural gas  
12 prices will remain low indefinitely; the recent increase in reliance on natural gas by electric  
13 utilities should raise concerns about potential price increases, as should the potential for  
14 increased exports of liquefied natural gas. The reference case in the U.S. Energy  
15 Information Administration's *Annual Energy Outlook 2017* includes natural gas price  
16 projections that rise, are fairly flat from 2030 through 2040, and then increase in the decade  
17 afterwards.<sup>12</sup> Investments in natural gas efficiency are made over long time horizons, so  
18 the use of current natural gas prices is not indicative of the savings that customers may  
19 experience.

20 Finally, OPC's argument ignores the other benefits of natural gas energy efficiency  
21 programs. Natural gas efficiency programs may defer or avoid infrastructure investments,

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<sup>11</sup> GR-2017-0215 and GR-2017-0216, Mantle Direct, page 3, lines 12-15.

<sup>12</sup> U.S. Energy Information Administration, 2017, *Annual Energy Outlook 2017*,  
[https://www.eia.gov/outlooks/aeo/pdf/0383\(2017\).pdf](https://www.eia.gov/outlooks/aeo/pdf/0383(2017).pdf), page 28.



1 which could result in lower costs to all customers. There are also societal benefits such as  
2 job creation and reduced reliance on an out-of-state fuel, both of which are discussed  
3 further below. Fundamentally, it is important to provide customers with options to avoid  
4 the wasteful use of natural gas.

5 **Q. Is it probable that the Companies' natural gas programs are cost-effective under**  
6 **recent natural gas prices?**

7 A. Yes. I used the residential rebate spending and first-year savings figures provided to the  
8 EEC by the Companies for fiscal year 2016,<sup>13</sup> the Henry Hub natural gas spot price as of  
9 September 30, 2016<sup>14</sup> (the end of the programs' fiscal year), and the range of natural gas  
10 prices provided in Ms. Mantle's testimony<sup>15</sup> to estimate the amount of time required for  
11 savings from residential rebates to recoup Spire's investments.<sup>16</sup> My calculations indicate  
12 that using the Henry Hub price on September 30, 2016, approximately seven years of first-  
13 year energy savings levels would pay back the costs of Laclede and MGE's Residential  
14 High Efficiency Rebate Programs in fiscal year 2016 – see Table 1 below; by comparison,  
15 a natural gas furnace lasts longer than seven years.

<sup>13</sup> This information was provided by the Companies to EEC members for the November 17, 2016 quarterly meeting.

<sup>14</sup> The price for September 30, 2016 was \$2.84 per million British thermal units. U.S. Energy Information Administration, 2017, "Henry Hub Natural Gas Spot Price," <https://www.eia.gov/dnav/ng/hist/rngwhhdd.htm>.

<sup>15</sup> GR-2017-0215 and GR-2017-0216, Mantle Direct, page 3, lines 15-16.

<sup>16</sup> To convert between units of measure for natural gas volumes and energy content, I used U.S. Energy Information Administration, 2017, *Frequently Asked Questions*, "What are Ccf, Mcf, Btu, and therms? How do I convert natural gas prices in dollars per Ccf or Mcf to dollars per Btu or therm?",

<https://www.eia.gov/tools/faqs/faq.php?id=45&t=8>.

**Table 1. Payback periods for Laclede and MGE residential energy efficiency rebates in fiscal year 2016.<sup>17</sup>**

	Henry Hub Price as of 9/30/16		Low End of OPC Natural Gas Prices		High End of OPC Natural Gas Prices	
	Laclede	MGE	Laclede	MGE	Laclede	MGE
Invoiced Spending	\$991,812.05	\$702,083.40	\$991,812.05	\$702,083.40	\$991,812.05	\$702,083.40
Estimated First Year Savings (McF)	50,840.46	36,302.26	50,840.46	36,302.26	50,840.46	36,302.26
Natural Gas Price (\$/MMBtu)	\$2.84		\$1.64		\$3.69	
Value of Fiscal Year 2016 Savings	\$139,235.20	\$99,419.88	\$80,403.43	\$57,411.48	\$180,907.71	\$129,175.83
Payback Period (Years)	7.12	7.06	12.34	12.23	5.48	5.44

To the extent that the Henry Hub prices do not include the costs of transportation to the Companies' service areas, these figures overestimate the payback period that would be required.

**Q. In principle, does DE support EM&V and the need for cost-effectiveness testing of non-low-income programs?**

A. Yes. However, OPC's proposals impose unreasonable requirements on Spire's energy efficiency programs. Cost-effectiveness testing should determine benefits to all customers collectively, not to subdivisions of particular customer classes. OPC's recommendation to wait until EM&V results are known also creates an unnecessary delay in program implementation.

**Q. Is there a cost-effectiveness standard in the Commission's rules regarding promotional practices?**

A. Yes. Under the general provisions of the Commission's promotional practices rule at 4 CSR 240-14.010(6)(D) (incorporated by reference in the Commission's rules on natural gas utility promotional practices at 4 CSR 240-3.255(1)), "... Cost-effective means that the present value of life-cycle benefits is greater than the present value of life-cycle costs to the provider of an energy service." This is equivalent to the Program Administrator Cost

<sup>17</sup> "McF" stands for "thousand cubic feet," while "MMBtu" stands for "million British thermal units."

1 test or Utility Cost Test (“UCT”), rather than a cost-effectiveness test that accounts for  
2 specific benefits to participating or non-participating customers.

3 **Q. Is there a cost-effectiveness test mentioned in the Companies’ Commission-approved**  
4 **tariffs?**

5 A. Yes. The Companies’ current tariffs specify that the Societal Cost Test (“SCT”) shall be  
6 used to evaluate custom rebates under its Commercial and Industrial Rebate Programs.<sup>18</sup>  
7 This test considers benefits to society as a whole from particular actions, rather than  
8 benefits to particular subsets of customers.

9 **Q. What are examples of societal benefits to consider under the SCT?**

10 A. An example of a societal benefit would be job creation due to energy efficiency programs.<sup>19</sup>  
11 A recent report stated that renewable energy, energy efficiency, and related sectors employ  
12 55,251 people in Missouri, with 40,048 of these jobs in the energy efficiency sector.<sup>20</sup>  
13 Another example of a societal benefit is that natural gas efficiency programs reduce  
14 reliance on an out-of-state fuel. According to the Missouri Comprehensive State Energy  
15 Plan (“CSEP”), virtually all of the natural gas used in Missouri is imported,<sup>21</sup> so efficiency  
16 programs that encourage reductions in natural gas consumption also promote the retention

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<sup>18</sup> Missouri Public Service Commission Tariff No. JG-2011-0384, Laclede Gas Company, *Schedule of Rates and Standard Rules and Regulations for Gas Service, Conservation and Energy Efficiency Programs – Commercial and Industrial (C/I) Rebate Program*, February 26, 2011, Sheet No. R-46, and Missouri Public Service Commission Tariff No. YG-2014-0428, Laclede Gas Company d/b/a Missouri Gas Energy, *Schedule of Rates and Charges and General Terms and Conditions for Gas Service, Promotional Practices (PP) – Commercial and Natural Gas Energy Efficiency Initiatives*, May 1, 2014, Sheet No. 103; both sets of tariffs have been adopted by Spire Missouri Inc. d/b/a Spire.

<sup>19</sup> National Efficiency Screening Project, 2017, *National Standard Practice Manual for Assessing Cost-Effectiveness of Energy Efficiency Resources*, [https://nationalefficiencyscreening.org/wp-content/uploads/2017/05/NSPM\\_May-2017\\_final.pdf](https://nationalefficiencyscreening.org/wp-content/uploads/2017/05/NSPM_May-2017_final.pdf), page 111.

<sup>20</sup> Clean Energy Trust and Environmental Entrepreneurs, 2017, *Clean Jobs Midwest 2017*, “Missouri – Executive Summary,” page 1.

<sup>21</sup> Missouri Department of Economic Development – Division of Energy, 2015, *Missouri Comprehensive State Energy Plan*, <https://energy.mo.gov/sites/energy/files/MCSEP.pdf>, page 22.

1 of Missourians' dollars within local economies. Reductions in natural gas imports also  
2 improve Missouri's energy security by lowering risks associated with supply disruptions.  
3 Societal benefits would also include the improved affordability of customer natural gas  
4 bills. Bill affordability provides benefits such as reducing customer arrears and avoiding  
5 the use of emergency heating assistance funding.

6 **Q. Do natural gas efficiency programs support the goals described in the CSEP?**

7 A. Yes. Among the CSEP's overarching goals are 1) efficiency of use, 2) energy affordability,  
8 and 3) diversity and security of supply.<sup>22</sup> Spire's programs help its customers improve their  
9 efficiency of use, improve bill affordability, and promote energy security by reducing  
10 Missourians' reliance on out-of-state natural gas supplies.

11 **Q. Is it reasonable to use a test other than the UCT to evaluate natural gas energy**  
12 **efficiency programs?**

13 A. Yes. By definition, the UCT focuses on the benefits and costs to the utility of implementing  
14 a particular energy efficiency program. To determine if there are costs or benefits to  
15 ratepayers or the general public, a test such as the SCT is more appropriate. Use of a test  
16 other than the UCT is permissible under the Commission's rules, since the general  
17 provisions of the Commission's promotional practices rule at 4 CSR 240-14.010(6)(L)3  
18 exempt from the definition of promotional practices, "Providing light bulbs, street or  
19 outdoor lighting service, wiring, service pipe or other service equipment or appliances, in  
20 accordance with tariffs filed with and approved by the commission;" the use of the SCT is  
21 in Commission-approved tariffs.

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<sup>22</sup> *Ibid*, pages 212, 222, and 227.

1 **Q. Does 4 CSR 240-3.255 require *ex post* demonstration of program cost-effectiveness?**

2 A. No. The only supporting information required for demand-side programs under the  
3 Commission's rules on natural gas utility promotional practices at 4 CSR 240-3.255(2)(B)3  
4 is, "... documentation of the criteria used and the analysis performed to determine that the  
5 demand-side resources are cost-effective." Such documentation could consist of cost-  
6 effectiveness testing conducted prior to program initiation.

7 **D. PROGRAM MODIFICATIONS AND THE ENERGY EFFICIENCY**

8 **COLLABORATIVE**

9 **Q. Is DE willing to consider modifications to existing programs following the completion**  
10 **of EM&V?**

11 A. Yes. As noted above, DE does not generally dispute the value of EM&V activities for  
12 Spire's non-low-income programs. However, rather than suspending the current programs  
13 until EM&V activities are complete, DE recommends continuing the programs until the  
14 members of the EEC can use the EM&V results to reach agreement on any program  
15 modifications.

16 **Q. Does the EEC already provide a process for considering program changes based on**  
17 **cost-effectiveness criteria?**

18 A. Yes. The purpose of the EEC is to allow the Companies to consult with stakeholders about  
19 potential program changes. To the extent that OPC believes program changes are  
20 warranted, such changes can be discussed with the EEC rather than in the context of a  
21 contested general rate case; following discussions with the EEC, the program modifications  
22 can be submitted for Commission approval. This approach has worked in the past for the  
23 approval of program modifications, such as changes to incentive levels that ensure cost-

1 effectiveness. In cases where the EEC cannot resolve such issues, the specific details in  
2 question may be brought before the Commission.

3 **Q. Is the EEC set up to consider programs in the context of cost-effectiveness?**

4 A. Yes. This is required under the stipulations in Laclede's<sup>23</sup> and MGE's<sup>24</sup> most recent prior  
5 rate cases.

6 **Q. Do you still recommend the funding levels from your Direct Testimony?**

7 A. Yes, generally. In my Direct Testimony, I stated that, if the Commission allows Spire to  
8 implement its Revenue Stabilization Mechanism proposal, then DE recommends funding  
9 for the Companies' energy efficiency programs at a minimum amount of 0.5 percent of  
10 their respective distribution and purchased gas revenues over a three-year average; DE also  
11 recommends that, if the Commission wishes to place a limit on energy efficiency program  
12 spending by the Companies, a funding cap be established at 1.0 percent of their respective  
13 distribution and purchased gas revenues over a three-year average. Laclede's  
14 weatherization funding would be included in both the floor and the cap.<sup>25</sup> DE also supports  
15 NHT's funding recommendations, as described below.

16 **Q. If funding for non-low-income energy efficiency programs is reduced or discontinued,  
17 do you have an alternative recommendation?**

18 A. Yes. I recommend that any budget under the proposed spending floor and cap that is not  
19 used for non-low-income programs should be redirected to weatherization and low-income

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<sup>23</sup> Missouri Public Service Commission Case No. GR-2013-0171, *In the Matter of Laclede Gas Company's Filing of Revised Tariffs to Increase its Annual Revenues for Natural Gas*, Stipulation and Agreement, May 31, 2013, page 13.

<sup>24</sup> Missouri Public Service Commission Case No. GR-2014-0007, *In the Matter of Missouri Gas Energy's Filing of Revised Tariffs to Increase its Annual Revenues for Natural Gas Service*, Stipulation and Agreement, February 11, 2014, page 19.

<sup>25</sup> GR-2017-0215 and GR-2017-0216, Hyman Direct, Page 2, lines 6-15.

1 energy efficiency programs. As noted above, DE does not support requiring low-income  
2 energy efficiency programs to pass a cost-effectiveness test. I would also note that DE's  
3 weatherization program employs methods to assure cost-effectiveness.

4 **IV. RESPONSE TO NATIONAL HOUSING TRUST**

5 **Q. What is Ms. Brink's recommendation for funding Spire's MFLI energy efficiency**  
6 **programs?**

7 A. Ms. Brink recommends that the Companies spend between \$1.29 and \$2.31 million  
8 annually on these programs.<sup>26</sup>

9 **Q. Does DE agree with her recommendation?**

10 A. Yes. As Ms. Brink demonstrates, there is a need for programs to serve MFLI customers  
11 because of the potential bill impacts on these customers, the energy burdens that they face,  
12 and the vast potential for additional savings in the MFLI sector.<sup>27</sup>

13 **Q. What would the Companies spend on MFLI energy efficiency programs under the**  
14 **proposal in your Direct Testimony?**

15 A. Although my Direct Testimony does not offer a particular recommendation for MFLI  
16 energy efficiency spending, I calculated what the Companies would spend on such  
17 programs if they spend proportionally the same amounts on their programs as targeted for  
18 program year 2017, based on their responses to Data Requests DED-DE 204 and 205. My  
19 calculations indicate that they would spend between \$691,000 and \$1.382 million annually  
20 on MFLI energy efficiency programs under the funding floor and cap, respectively, based  
21 on these assumptions.

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<sup>26</sup> GR-2017-0215 and GR-2017-0216, Brink Direct, page 9, lines 5-6.

<sup>27</sup> *Ibid*, pages 4-9, lines 8-20, 1-15, 1-19, 1-20, 1-16, and 1-2.

1 **Q. Is this consistent with NHT's recommendation?**

2 A. Yes. The \$1.382 million that would be spent every year under the potential funding cap is  
3 higher than Ms. Brink's minimum annual spending recommendation of \$1.29 million.

4 **Q. If the Commission were to implement DE's recommendations for overall funding but  
5 add in Ms. Brink's recommendations, what would the spending floor and cap amount  
6 to across the Companies?**

7 A. As percentages of their respective total distribution and purchased gas revenues, Laclede's  
8 spending floor and cap (inclusive of weatherization funding) would be 0.58 and 1.14  
9 percent, respectively, while MGE's spending floor and cap would be 0.61 and 1.17 percent,  
10 respectively. These calculations assume that all programs but the MFLI programs would  
11 be funded as described above (i.e., proportionally to the program year 2017 targets).

12 **V. CONCLUSIONS**

13 **Q. Please summarize your conclusions and the positions of DE.**

14 A. DE recommends that Spire's energy efficiency programs not be suspended. OPC's  
15 concerns warrant consideration and should be addressed through the EEC. In addition, DE  
16 recommends that any budget not used for non-low-income energy efficiency programs  
17 should be redirected towards weatherization and low-income energy efficiency programs.  
18 DE supports Ms. Brink's recommendations to increase funding for Spire's MFLI energy  
19 efficiency programs, and her funding levels match what would be expected under my own  
20 recommendation in Direct Testimony.

21 **Q. Does this conclude your Rebuttal Revenue Requirement Testimony in this case?**

22 A. Yes.