

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Summit)	
Natural Gas of Missouri Inc., for Approval of a)	<u>File No. GT-2022-0052</u>
Tariff Revision Related to the Equipment)	Tariff No. JG-2022-0042
Rebate Program Pilot)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Recommendation* in this matter hereby states:

1. On August 25, 2021, Summit Natural Gas of Missouri Inc. (“Summit”) filed its *Application for Approval of Tariff Revision to Extend Equipment Rebate Program Pilot and Request for Waiver* (“Application”), along with the related tariff sheets to extend its Equipment Rebate Program (“ERP”) pilot program. The ERP pilot program was to run until December 31, 2021. The Application requests that the Commission authorize tariff sheets extending the program until December 31, 2024.

2. On August 26, 2021, the Commission ordered Staff to file a pleading no later than September 3, 2021, explaining when Staff will be able to file its recommendation concerning the Application and tariff sheets.

3. On September 2, 2021, Staff filed its *Motion to Establish Time for Staff to File its Recommendation* in which Staff stated its intention to file its recommendation no later than October 4, 2021.

4. On September 8, 2021, the Commission issued its *Order Directing Staff to File a Recommendation and Setting a Time for Responses* ordering Staff to file its recommendation no later than October 4, 2021.

5. After a thorough review of the Application, the proposed tariff sheets, and the supporting information, Staff submits its Staff Recommendation attached to this pleading as Appendix A. Staff recommends that the Commission approve the tariff sheets Summit submitted August 25, 2021, and continue the ERP pilot program until December 31, 2024.

WHEREFORE, Staff prays that the Commission will accept this *Recommendation*, accept the proposed tariff sheets, continue the ERP pilot program until December 31, 2024, and grant such other and further relief as the Commission considers just in the circumstances.

Respectfully submitted,

/s/ Ron Irving

Associate Counsel
Missouri Bar No. 56147
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
573-751-8702 (Voice)
573-751-9285 (Fax)
ron.irving@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or electronically mailed to all parties and/or counsel of record on this 4th day of October, 2021.

/s/ Ron Irving

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. GT-2022-0052

FROM: Kory J. Boustead, Research/Data Analyst

<u>/s/ Kory J. Boustead</u> <u>10/4/21</u>	<u>/s/Ron Irving</u> <u>10/4/21</u>
Energy Resources Department/Date	Staff Counsel Department/Date

SUBJECT: Staff Recommendation for the Approval of the Application for Approval of Tariff Revision to Extend Equipment Rebate Program Pilot and Request for Waiver for a decision by the Commission by October 23, 2021.

DATE: October 4, 2021

SUMMARY

On August 25, 2021, Summit Natural Gas of Missouri Inc. (“Summit” or “Company”) filed its *Application for Approval of Tariff Revision to Extend Equipment Rebate Program Pilot and Request for Waiver* (“Application”), along with the related tariff sheets to extend its Equipment Rebate Program (“ERP”) Pilot. The ERP Pilot was to run until December 31, 2021. The Application requests that the Commission authorize tariff sheets extending the program until December 31, 2024. On August 26, 2021, the Commission Ordered Staff to file a pleading no later than September 3, 2021, explaining when Staff will be able to file its recommendation concerning the Application and tariff sheets.

Staff filed its *Motion to Establish Time for Staff to File Its Recommendation* on September 2, 2021, stating its intentions to file its recommendation no later than October 4, 2021. On September 8, 2021, the Commission issued its *Order Directing Staff to File a Recommendation and Setting a Time For Responses* ordering Staff file its recommendation no later than October 4, 2021.

BACKGROUND

In Case No. GR-2014-0086, the parties¹ could not agree on the proposed energy efficiency program by Summit.² On August 22, 2014, the parties filed a *Partial Stipulation and Agreement As To Energy Efficiency, Weatherization, and Other Matters*. On September 3, 2014, the Commission issued its *Order Regarding Partial Stipulations and Agreements*, which established a formal, non-voting, Energy Efficiency Advisory Group (“EEAG”). The EEAG was tasked with working toward the development and implementation of a viable energy efficiency program. The Company worked with the EEAG to take reasonable actions toward a target of achieving all cost-effective energy efficiency programs.³

On April 6, 2018, Summit filed with the Commission in Case No. GR-2014-0086, three (3) tariff sheets with a proposed effective date of May 6, 2018 (Tracking No. YG-2018-0128). On May 2, 2018, Summit filed to extend the effective date of the tariff sheets until June 5, 2018, to allow time for continued discussions with Staff. On May 15, 2018, Summit filed to withdraw the tariff sheets in order to continue to work with Staff on revisions. After those revisions, Summit re-filed the tariff sheets. On September 14, 2018, Summit filed with the Commission five (5) tariff sheets, which incorporated those revisions, with a proposed effective date of October 14, 2018. Prior to the proposed effective date of October 14, 2018, Staff filed its recommendation that the Commission approve the tariff sheets filed on September 14, 2018. Since Summit’s filing was made on thirty (30) days or greater notice, no order was necessary to indicate approval.

These tariff sheets initiated the ERP Pilot to be effective through December 31, 2021. The purpose of the pilot program was to promote the installation of high efficiency natural gas equipment in Summit’s service territory, and evaluate the program’s results and implementation. The ERP Pilot provides customers rebates for energy efficient boilers, furnaces, tankless water heaters, and thermostats. The pilot program also provides water kits consisting of low flow shower heads, faucet aerators, and a water temperature card at no cost to customers.

¹ Staff, Division of Energy, OPC and Summit.

² GR-2014-0086 Direct Testimony of Summit Witness, Martha Wankum.

³ Due to changes in Staff with Summit and the initial energy efficiency proposal proposed to EEAG requiring adjustments, the ERP took longer to be filed for approval.

Summit submitted its first required ERP Pilot annual report on February 28, 2020, covering a partial Program Year 2018 and Program Year 2019. Summit submitted its second required ERP Pilot annual report on February 28, 2021, covering Program Year 2020. Summit anticipates submitting its third required ERP Pilot annual report on February 28, 2022, covering Program Year 2021. The ERP Pilot annual reports include;

- (1) a narrative description of the status of each program;
- (2) information, listed by program, on actual program expenditures and estimated impacts; and
- (3) a comparison (by program) of budgeted expenditures and impacts to actual expenditures and impacts.

PROPOSED TARIFF REVISION

Summit is proposing no changes to the ERP Pilot other than the extension of the termination date and the associated adjustment of reporting and evaluation dates. Summit proposes the termination date be extended from December 31, 2021, until December 31, 2024, to allow for additional experience with the program and evaluation of its performance. Summit will submit the ERP Pilot annual report on February 28, 2023, covering Program Year 2022. Subsequent annual reports will be submitted on February 29, 2024, and February 28, 2025.

RECOMMENDATION

The ERP has shown increased customer participation and success since the launch in 2018. Staff agrees with Summit that extending the termination date will allow for additional experience with the program and evaluation of its performance. Staff has reviewed the tariff sheets Summit filed on August 25, 2021, and recommends the Commission approve them for continuation of the ERP Pilot.