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Issue(s): General Information
and Miscellaneous
Witness: Natelle Dietrich
Sponsoring Party: MoPSC Staff
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Case No.: GR-2017-0215 and
GR-2017-0216
Date Testimony Prepared: November 21, 2017

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

Staff Exhibit No. 243
Date 12-15-17 Reporter AF
File No. GR-2017-0215 GR-2017-0216

SURREBUTTAL TESTIMONY

OF

NATELLE DIETRICH

SPIRE MISSOURI, INC., d/b/a SPIRE

**LACLEDE GAS COMPANY and MISSOURI GAS ENERGY
GENERAL RATE CASE**

CASE NOS. GR-2017-0215 AND GR-2017-0216

*Jefferson City, Missouri
November 2017*

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CASE NOS. GR-2017-0215 & GR-2017-0216

Q. Please state your name and business address.

A. My name is Natelle Dietrich. My business address is 200 Madison Street, Jefferson City, Missouri 65110.

Q. Are you the same Natelle Dietrich that previously filed Direct Testimony as part of Staff's Direct Class Cost of Service Report on September 22, 2017, and filed Rebuttal Testimony on October 17, 2017?

A. Yes I am.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to respond to the October 27, 2017, rebuttal testimonies of LAC/MGE witness Shaylyn Dean; Missouri Department of Economic Development - Division of Energy ("DE") witness Martin R. Hyman, and National Housing Trust witness Annika Brink, as those testimonies relate to continuation of Laclede Gas Company ("LAC")/Missouri Gas Energy ("MGE") energy efficiency programs; funding of the programs and the energy efficiency collaborative ("EEC").

Q. Mr. Dean, Mr. Hyman, and Ms. Brink generally express concerns with The Office of the Public Counsel ("OPC") witness, Lena Mantle's, recommendation that the

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Natelle Dietrich

1 Commission suspend funding for all energy efficiency programs except for the Low Income
2 Weatherization Assistance Program. Do you agree the programs should be suspended?

3 A. No. Staff recommends the Commission approve the continuation of the
4 programs at the current funding budget.

5 Q. If the Commission continues the current, overall funding budget for the
6 LAC/MGE energy efficiency programs, does Staff have any recommendations as to how to
7 implement the funding of that budget?

8 A. Yes. Staff recommends the Commission direct LAC/MGE to include the
9 following terms/processes in their energy efficiency tariffs:

10 **Program Year:**

11
12 The program year will begin on October 1 and end on September 30 of
13 the following year, except for the first year of each new program, in
14 which case the program year will begin with the Commission-
15 approved effective date of the tariff sheets originally filed to
16 implement such program.

17
18 **Program Cost:**

19
20 Unless otherwise specified in the tariff, the budget for each Program
21 shall be calculated annually by the Company and shared with the
22 members of the EEC prior to implementation. The budget for each
23 Program will provide for incentive payments, marketing costs, and
24 Company Administrative costs. Payments will be provided until the
25 budgeted funds for the total Program are expended.

26
27 **Program Funding:**

28
29 The parties agree there will be no increase in the Company's overall
30 budget funding for program year 2018, except that the Company will
31 continue to fund energy efficiency programs, on an annual basis,
32 toward the goal of .5% of the Company's gross operating
33 revenues. These amounts will be deferred and treated as a regulatory
34 asset with a ten-year amortization period. Such amortization will
35 begin on the effective date of rates in the Company's next general rate
36 case. Amounts spent under these programs will be included in
37 Company's rate base in its next general rate case.

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1 Each year, at the beginning of a Program Year, Company will prepare
2 a budget of program expenditures, and will provide it to the members
3 of the EEC prior to its implementation. The new budget will be used
4 for the ensuing 12 months unless the Company determines there is a
5 need to make changes within a budget year. When there is a variance
6 of twenty percent (20%) or more from the previous year's total budget,
7 or from an individual program's budget, the Company will submit its
8 annual budget to the Commission for approval.
9

10 The Company's expenditures will be subject to a prudence review in
11 any relevant MPSC proceedings.

12
13 Q. Mr. Dean also addresses Staff's recommendation, as discussed in the
14 Class Cost of Service Report, that the Commission change the EEC from a voting
15 collaborative to an advisory collaborative. Mr. Dean states LAC/MGE is willing to be
16 supportive of the request as long as a new structure can be developed that does not create
17 additional administrative burden or unnecessary bureaucratic requirements and can provide
18 necessary and consistent support for decisions made by the EEC, whether voting or advisory.
19 Do you have any additional comments or recommendations?

20 A. Yes. Staff appreciates LAC/MGE's willingness to support Staff's
21 recommendation. The concept of an "advisory" collaborative is not new. All other
22 collaboratives, both electric and natural gas, are "advisory" collaboratives. Based on its
23 knowledge and participation in other advisory collaboratives, Staff offers the following
24 language for inclusion in a Commission order authorizing a LAC/MGE advisory
25 collaborative:

26 **EEC Membership and Process.** The LAC/MGE Energy Efficiency
27 Collaborative (EEC) will function as an advisory group. LAC/MGE
28 shall be responsible for all final decisions regarding its natural gas
29 energy efficiency programs. Participation in the EEC shall not affect a
30 party's right to question the prudence of the planning and/or the
31 implementation of energy efficiency programs in future cases.
32 LAC/MGE may file with the Commission proposed revised tariff

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1 sheets concerning its energy efficiency programs if it believes
2 circumstances warrant changes. Prior to filing any such proposed
3 revised tariff sheets with the Commission, LAC/MGE shall circulate
4 those sheets for review and comment by the EEC.
5

6 The Charter Members of the EEC include the Company, the Staff of
7 the Missouri Public Service Commission, the Office of the Public
8 Counsel, the Division of Energy¹ and other members that may be
9 designated from time to time by agreement of the Charter Members or
10 by order of the Commission. The EEC shall meet on a periodic basis
11 to discuss and provide input on energy efficiency measures that
12 LAC/MGE is proposing to adopt, modify or eliminate. LAC/MGE
13 shall also provide EEC members with information regarding the
14 ongoing performance of the various energy efficiency programs
15 previously approved by the Commission.
16

17 This language, in combination with the budget approval language recommended above,
18 should provide interested parties a process to raise concerns, while also providing LAC/MGE
19 the assurances it needs to move forward with energy efficiency programs.

20 Q. Does this conclude your surrebuttal testimony?

21 A. Yes it does.

¹ Other members could include National Housing Trust, Environmental Defense Fund, Renew Missouri, and Consumers Council.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Laclede Gas Company's)
Request to Increase Its Revenues for) Case No. GR-2017-0215
Gas Service)

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

AFFIDAVIT OF NATELLE DIETRICH

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW NATELLE DIETRICH and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Surrebuttal Testimony; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Natelle Dietrich

NATELLE DIETRICH

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of November, 2017.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 12, 2020 Commission Number: 12412070
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D. Suzie Mankin

Notary Public