

EXHIBIT

404

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Witness/Type of Exhibit: Mantle/Direct
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Case No.: GR-2017-0215
GR-2017-0216

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DIRECT TESTIMONY

OF

LENA M. MANTLE

Submitted on Behalf of the Office of the Public Counsel

**LACLEDE GAS COMPANY
MISSOURI GAS ENERGY**

CASE NO. GR-2017-0215
CASE NO. GR-2017-0216

September 8, 2017

OPC Exhibit No. 404
Date 2-15-17 Reporter AF
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)
Request to Increase Its Revenues for Gas) Case No. GR-2017-0215
Service)

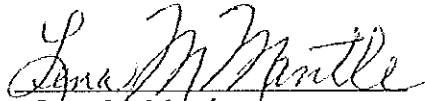
In the Matter of Laclede Gas Company)
d/b/a Missouri Gas Energy's Request to) Case No. GR-2017-0216
Increase Its Revenues for Gas Service)

AFFIDAVIT OF LENA MANTLE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Lena Mantle, of lawful age and being first duly sworn, deposes and states:


1. My name is Lena Mantle. I am a Senior Analyst for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.


Lena M. Mantle
Senior Analyst

Subscribed and sworn to me this 8th day of September 2017.



JERENE A. BUCKMAN
My Commission Expires
August 23, 2021
Cole County
Commission #13754037


Jerene A. Buckman
Notary Public

My Commission expires August 23, 2021.

DIRECT TESTIMONY

OF

LENA M. MANTLE

**LACLEDE GAS COMPANY
CASE NO. GR-2017-0215**

**MISSOURI GAS ENERGY
CASE NO. GR-2017-0216**

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

2 A. My name is Lena M. Mantle and my business address is P.O. Box 2230, Jefferson
3 City, Missouri 65102. I am a Senior Analyst for the Office of the Public Counsel
4 (“OPC”).

5 **Q. Please briefly describe your experience and your qualifications.**

6 A. I have been employed by the OPC in my current position since August 2014. In
7 this position, I have provided testimony and support in electric, natural gas, and
8 water cases for the Public Counsel. Prior to my employment for the OPC, I
9 worked for the Staff of the Missouri Public Service Commission (“Staff”) from
10 August 1983 until I retired in December 2012. During the time that I was
11 employed at the Missouri Public Service Commission (“Commission”), I worked
12 as an Economist, Engineer, Engineering Supervisor and Manager of the Energy
13 Department.

14 Attached as Schedule LMM-D-1 is a brief summary of my experience with
15 OPC and Staff along with a list of the Commission cases in which I filed
16 testimony, Commission rulemakings in which I participated, and Commission
17 reports to which I contributed. I am a Registered Professional Engineer in the
18 State of Missouri.

19

1 | **Q. Do you have a recommendation for the Commission?**

2 | A. Yes. OPC has three recommendations regarding the energy efficiency programs
3 | of Laclede Gas Company and Missouri Gas Energy (“Laclede” and “MGE” or
4 | jointly “Companies”):

5 | 1) Funding for Low Income Weatherization Assistance Programs continue at
6 | their current annual levels of \$950,000 for Laclede and \$750,000 for MGE;

7 | 2) Funding for all other energy efficiency programs for the Companies be
8 | suspended; and

9 | 3) Upon demonstration that an energy efficiency program is cost effective to
10 | both participating and non-participating customers through a filing compliant with
11 | 4 CSR 240-3.255 Filing Requirements for Gas Utility Promotional Practices, the
12 | Companies shall implement the program with cost recovery consistent with
13 | current cost recovery. Costs of programs approved by the Commission shall be
14 | recorded in FERC Uniform System of Accounts (“USOA”) Account 182.3 for
15 | recovery in the Companies next general rate case.

16 | **Q. Does OPC recommend a continuation of the \$150,000 in Laclede’s revenue**
17 | **requirement for energy efficiency program development, implementation**
18 | **and evaluation?**

19 | A. No. The costs of future Laclede program development, implementation, and
20 | evaluation should be recorded in FERC Account 182.3 as program costs if the
21 | program is approved by the Commission.

22 | **Q. Do these recommendations affect the recovery of past program**
23 | **expenditures?**

24 | A. No. Recovery of past program expenditures through previously agreed to
25 | amortizations would continue until Laclede and MGE have recovered the costs
26 | they incurred.

1 **Q. Why is OPC recommending the Commission suspend the Companies' energy**
2 **efficiency programs?**

3 A. An energy efficiency program should only be funded by ratepayers if the program
4 is cost-effective for both participating customers and non-participating customers.
5 Ratepayer funding of a program should not be continued just because the program
6 already exists; rather the Commission should consider the value of reauthorization
7 of a program in every case to ensure benefits to all customers are being realized.

8 **Q. Is there reason to believe that the energy efficiency programs will not be cost-**
9 **effective?**

10 A. Yes. At the time many of these programs were initiated, natural gas commodity
11 costs were high and volatile. From 2004 through 2009, the average price of
12 natural gas never fell below \$5/MMBtu.¹ From March 2010 through today, the
13 average weekly spot price of natural gas went above \$5 for only a six week period
14 in the winter of 2014 when extreme cold temperatures resulted in the "Polar
15 Vortex." Since January 2015, weekly natural gas spot market prices have ranged
16 from \$3.69 to \$1.64/MMBtu.

17 This drop and stabilization of natural gas prices should affect the cost
18 effectiveness of natural gas programs to both participating and non-participating
19 customers. Programs that were cost effective when natural gas prices were higher
20 than \$5/MMBtu are likely to not be cost effective in the current low-cost natural
21 gas environment.

22 **Q. Are the current energy efficiency programs being evaluated for cost-**
23 **effectiveness?**

24 A. Yes. The energy efficiency programs of the Companies are currently under
25 evaluation. The Evaluation, Measurement and Verification ("EM&V") of these

¹ <https://www.eia.gov/dnav/ng/hist/rngwhhdW.htm> on Sept. 4, 2017

1 programs are to be completed and provided to collaboratives overseeing the
2 programs by December 31, 2017. However, hearings in the rate cases are
3 scheduled for early December 2017. Therefore, neither the Commission, nor any
4 party, presently has the information available to determine whether a program is
5 cost effective.

6 **Q. How would the costs for the EM&V that is currently being conducted be**
7 **recovered?**

8 **A.** In the last Laclede rate case, GR-2013-0171, \$150,000 was placed in the annual
9 revenue requirement for among other things, program evaluation. The EM&V
10 that is being conducted is being funded through this amount that has been
11 included in revenue requirement.

12 For MGE, the costs of the EM&V beyond the true-up date should be
13 recorded in FERC Account 182.3 for recovery in MGE's next general rate case
14 along with energy efficiency program costs incurred between the true-up date and
15 effective date of rates in this case.

16 **Q. What will be the process to resume a program?**

17 **A.** The Companies should file, for each energy efficiency program, the information
18 required by Commission Rule 4 CSR 240-3.255 Filing Requirements for Gas
19 Utility Promotional Practices. In addition to the information required on the tariff
20 sheets regarding the energy efficiency program, the rule requires, for promotional
21 practices designed to acquire energy efficiency, documentation of the criteria used
22 and the analysis performed to determine that the energy efficiency program is
23 cost-effective.²

24 This filing would allow parties to the filing access to the information used
25 by the Companies to determine cost-effectiveness and, if necessary, allow for

² 4 CSR 240-3.255(2)(B)3.

1 | theses parties to have input regarding the sufficiency of the analysis and the inputs
2 | used prior to resumption of an energy efficiency program.

3 | **Q. Does this conclude your direct testimony?**

4 | **A. Yes, it does.**

Education and Work Experience Background of

Lena M. Mantle, P.E.

In my position as Senior Analyst for the Office of the Public Counsel ("OPC") I provide analytic and engineering support for the OPC in electric, gas, and water cases before the Commission. I have worked for the OPC since August, 2014.

I retired on December 31, 2012 from the Public Service Commission Staff as the Manager of the Energy Unit. As the Manager of the Energy Unit, I oversaw and coordinated the activities of five sections: Engineering Analysis, Electric and Gas Tariffs, Natural Gas Safety, Economic Analysis, and Energy Analysis sections. These sections were responsible for providing Staff positions before the Commission on all of the electric and gas cases filed at the Commission. This included reviews of fuel adjustment clause filings, resource planning compliance, gas safety reports, customer complaint reviews, territorial agreement reviews, electric safety incidents and the class cost-of-service and rate design for natural gas and electric utilities.

Prior to being the Manager of the Energy Unit, I was the Supervisor of the Engineering Analysis Section of the Energy Department from August, 2001 through June, 2005. In this position, I supervised engineers in a wide variety of engineering analysis including electric utility fuel and purchased power expense estimation for rate cases, generation plant construction audits, review of territorial agreements, and resolution of customer complaints all the while remaining the lead Staff conducting weather normalization in electric cases.

From the beginning of my employment with the Commission in the Research and Planning Department of the in August, 1983 through August, 2001, I worked in many areas of electric utility regulation. Initially I worked on electric utility class cost-of-service analysis, fuel modeling and what has since become known as demand-side management. As a member of the Research and Planning Department under the direct supervision of Dr. Michael Proctor, I participated in the development of a leading-edge methodology for weather normalizing hourly class energy for rate design cases. I took the lead in developing personal computer programming of this methodology and applying this methodology to weather-normalize electric usage in numerous electric rate cases. I was also a member of the team that assisted in the development of the Missouri Public Service Commission electronic filing and information system ("EFIS").

I received a Bachelor of Science Degree in Industrial Engineering from the University of Missouri, at Columbia, in May, 1983. I am a registered Professional Engineer in the State of Missouri.

Lists of the Missouri Public Service Commission rules in which I participated in the development of or revision to, the Missouri Public Service Commission Testimony Staff reports that I contributed to and the cases that I provided testimony in follow.

Missouri Public Service Commission Rules

- 4 CSR 240-3.130 Filing Requirements and Schedule of Fees for Applications for Approval of Electric Service Territorial Agreements and Petitions for Designation of Electric Service Areas
- 4 CSR 240-3.135 Filing Requirements and Schedule of Fees Applicable to Applications for Post-Annexation Assignment of Exclusive Service Territories and Determination of Compensation
- 4 CSR 240-3.161 Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms Filing and Submission Requirements
- 4 CSR 240-3.162 Electric Utility Environmental Cost Recovery Mechanisms Filing and Submission Requirements
- 4 CSR 240-3.190 Reporting Requirements for Electric Utilities and Rural Electric Cooperatives
- 4 CSR 240-14 Utility Promotional Practices
- 4 CSR 240-18 Safety Standards
- 4 CSR 240-20.015 Affiliate Transactions
- 4 CSR 240-20.017 HVAC Services Affiliate Transactions
- 4 CSR 240-20.090 Electric Utility Fuel and Purchased Power Cost Recovery Mechanisms
- 4 CSR 240-20.091 Electric Utility Environmental Cost Recovery Mechanisms
- 4 CSR 240-22 Electric Utility Resource Planning
- 4 CSR 240-80.015 Affiliate Transactions
- 4 CSR 240-80.017 HVAC Services Affiliate Transactions

Office of Public Counsel Case Listing

Case	Filing Type	Issue
EO-2017-0065	Direct, Rebuttal, Surrebuttal	Fuel Adjustment Clause Prudence Review
ER-2016-0285	Direct, Rebuttal, Surrebuttal	Fuel Adjustment Clause
ER-2016-0156	Direct, Rebuttal, Surrebuttal	Fuel Adjustment Clause, Resource Planning
ER-2016-0023	Direct, Rebuttal, Surrebuttal	Fuel Adjustment Clause
WR-2015-0301	Direct, Rebuttal, Surrebuttal	Revenues, Environmental Cost Recovery Mechanism
ER-2014-0370	Direct, Rebuttal, Surrebuttal	Fuel Adjustment Clause
ER-2014-0351	Direct, Rebuttal, Surrebuttal	Fuel Adjustment Clause
ER-2014-0258	Direct, Rebuttal, Surrebuttal	Fuel Adjustment Clause
EC-2014-0224	Surrebuttal	Policy, Rate Design

Staff Direct Testimony Reports

ER-2012-0175	Capacity Allocation, Capacity Planning
ER-2012-0166	Fuel Adjustment Clause
ER-2011-0028	Fuel Adjustment Clause
ER-2010-0356	Resource Planning Issues
ER-2010-0036	Environmental Cost Recovery Mechanism
HR-2009-0092	Fuel Adjustment Rider
ER-2009-0090	Fuel Adjustment Clause, Capacity Requirements
ER-2008-0318	Fuel Adjustment Clause
ER-2008-0093	Fuel Adjustment Clause, Experimental Low-Income Program
ER-2007-0291	DSM Cost Recovery

Missouri Public Service Commission Staff Testimony

Case No.	Filing Type	Issue
ER-2012-0175	Rebuttal, Surrebuttal	Resource Planning Capacity Allocation
ER-2012-0166	Rebuttal, Surrebuttal	Fuel Adjustment Clause
EO-2012-0074	Direct/Rebuttal	Fuel Adjustment Clause Prudence
EO-2011-0390	Rebuttal	Resource Planning Fuel Adjustment Clause
ER-2011-0028	Rebuttal, Surrebuttal	Fuel Adjustment Clause
EU-2012-0027	Rebuttal, Surrebuttal	Fuel Adjustment Clause
ER-2010-0356	Rebuttal, Surrebuttal	Resource Planning Allocation of Iatan 2
EO-2010-0255	Direct/Rebuttal	
ER-2010-0036	Supplemental Direct, Surrebuttal	Fuel Adjustment Clause
ER-2009-0090	Surrebuttal	Capacity Requirements
ER-2008-0318	Surrebuttal	Fuel Adjustment Clause
ER-2008-0093	Rebuttal, Surrebuttal	Fuel Adjustment Clause Low-Income Program
ER-2007-0004	Direct, Surrebuttal	Resource Planning
GR-2007-0003	Direct	Energy Efficiency Program Cost Recovery
ER-2007-0002	Direct	Demand-Side Program Cost Recovery
ER-2006-0315	Supplemental Direct, Rebuttal	Energy Forecast Demand-Side Programs Low-Income Programs
ER-2006-0314	Rebuttal	Jurisdictional Allocation Factor
EA-2006-0309	Rebuttal, Surrebuttal	Resource Planning
ER-2005-0436	Direct, Rebuttal, Surrebuttal	Low-Income Programs Energy Efficiency Programs Resource Planning
EO-2005-0329	Spontaneous	Demand-Side Programs Resource Planning

Missouri Public Service Commission Staff Case Listing (cont.)

EO-2005-0293	Spontaneous	Demand-Side Programs Resource Planning
ER-2004-0570	Direct, Rebuttal, Surrebuttal	Reliability Indices Energy Efficiency Programs Wind Research Program
EF-2003-0465	Rebuttal	Resource Planning
ER-2002-425	Direct	Derivation of Normal Weather
EC-2002-1	Direct, Rebuttal	Weather Normalization of Class Sales Weather Normalization of Net System
ER-2001-672	Direct, Rebuttal	Weather Normalization of Class Sales Weather Normalization of Net System
ER-2001-299	Direct	Weather Normalization of Class Sales Weather Normalization of Net System
EM-2000-369	Direct	Load Research
EM-2000-292	Direct	Load Research
EM-97-515	Direct	Normalization of Net System
ER-97-394, et. al.	Direct, Rebuttal, Surrebuttal	Weather Normalization of Class Sales Weather Normalization of Net System Energy Audit Tariff
EO-94-174	Direct	Weather Normalization of Class Sales Weather Normalization of Net System
ER-97-81	Direct	Weather Normalization of Class Sales Weather Normalization of Net System TES Tariff
ER-95-279	Direct	Normalization of Net System
ET-95-209	Rebuttal, Surrebuttal	New Construction Pilot Program
EO-94-199	Direct	Normalization of Net System
ER-94-163	Direct	Normalization of Net System
ER-93-37	Direct	Weather Normalization of Class Sales Weather Normalization of Net System
EO-91-74, et. al.	Direct	Weather Normalization of Class Sales Weather Normalization of Net System
EO-90-251	Rebuttal	Promotional Practices Variance
ER-90-138	Direct	Weather Normalization of Net System
ER-90-101	Direct, Rebuttal, Surrebuttal	Weather Normalization of Class Sales Weather Normalization of Net System
ER-85-128, et. al.	Direct	Demand-Side Update
ER-84-105	Direct	Demand-Side Update