

Exhibit No.:  
Issue: Energy Efficiency  
Witness: Lesa A. Jenkins  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Rebuttal Testimony  
Case No.: GR-2010-0171  
Date Testimony Prepared: June 24, 2010

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**REBUTTAL TESTIMONY**

**OF**

**LESA A. JENKINS**

**LACLEDE GAS COMPANY**

**CASE NO. GR-2010-0171**

*Jefferson City, Missouri  
June 2010*

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **LESA A. JENKINS**

4 **LACLEDE GAS COMPANY**

5 **CASE NO. GR-2010-0171**

6 Q. Please state your name and business address.

7 A. Lesa A. Jenkins, P.O. Box 360, Jefferson City, MO 65102.

8 Q. Are you the same Lesa Jenkins that sponsored portions of the Staff's Revenue  
9 Requirement, Cost of Service Report in this case addressing Laclede Gas Company's (Laclede or  
10 Company) (1) reliance on on-system storage and (2) energy efficiency programs and collaborative?

11 A. Yes.

12 Q. What is the purpose of your Rebuttal testimony?

13 A. I will respond to the Direct Testimony of Laura Wolfe, Missouri Department of Natural  
14 Resources (DNR), regarding energy efficiency funding.

15 Q. How does the recommended funding level of DNR differ from that of Staff?

16 A. The existing funding level and the proposed funding levels are summarized in Table 1.  
17 Ms. Wolfe has proposed no changes to the Low-Income Weatherization Assistance Program (LIWAP  
18 or Weatherization) funding. Based on her calculation of the existing funding (Wolfe Direct, page 7,  
19 lines 11-15), it appears that LIWAP funding is included in the existing total, and thus the increased  
20 target for years one through three would include the funding for LIWAP.

1 **Table 1: Laclede Existing and Proposed Energy Efficiency (EE) Funding**

Laclede	Funding for EE (not including LIWAP)			Annual Funding for LIWAP	Total Funding	LDC No. Customers	Avg. Funding per Customer	
	Annual Funding	Regulatory Asset Accountant	Avg. per Customer					
Existing Funding	\$150,000	\$3,500,000 Over 3-year period	\$2.09	950,000	\$2,266,667	629,400	\$3.60	
Staff Proposal in Direct	\$150,000	\$1,700,000	\$2.94	950,000	\$2,800,000		\$4.45	
DNR Proposal in Direct								
		Year 1			\$2,900,000		\$4.61	
		Year 2			\$3,880,000	\$6.16		
		Year 3			\$4,850,000	\$7.71		

2 The funding level proposed by DNR will cost each customer approximately \$7.71 in year 3 of  
3 this proposal, and annually thereafter. These costs will ultimately be born by the ratepayers when  
4 Laclede requests recovery of its expenditures for energy efficiency tracked in its regulatory asset  
5 account. It is important to note these are not one time expenses, but annual target expenditures.

6 Q. How does the recommended funding level differ from that of other LDCs?

7 A. The existing funding level for the other LDCs is summarized in Table 2.

8 **Table 2: Other Natural Gas LDCs, Energy Efficiency (EE) Funding**

	Funding for EE (not including LIWAP)			Annual Funding for LIWAP	Total Funding	LDC No. Customers	Avg. Funding per Customer
	Annual Funding	Regulatory Asset Accountant	Avg. per Customer				
AmerenUE	\$325,176		\$2.59	\$ 263,000	\$ 588,176	125,600	4.68
Atmos	\$167,410		\$2.97	\$ 102,410	\$ 269,820	56,400	4.78
Empire District Gas		\$231,200	\$5.17	\$ 71,500	\$302,700	44,700	6.77
MGE		\$1,500,000	\$2.91	\$ 750,000	\$2,250,000	514,700	4.37
Missouri Gas Utility	\$ 9,000		\$5.29		\$ 9,000	1,700	5.29
Southern Missouri Natural Gas			\$ -		\$ -	8,000	-

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1 Missouri Gas Energy's (MGE) funding level requires clarification. Funding for the  
2 Weatherization Program is addressed in MGE's Tariff Sheet No. 96. Funding for the Natural Gas  
3 Conservation Initiatives is addressed in MGE's Tariff Sheet No. 99 which states:

4 Per the Commission Report and Order in GR-2009-0355, the Company will  
5 initially fund \$1,500,000 on an annual basis subject to increases toward the goal  
6 of .5% of the Company's gross operating revenues as may be recommended by  
7 the MGE Energy Efficiency Collaborative (EEC).

8 The table above lists MGE funding for LIWAP separate from that for the other energy  
9 efficiency programs, and Staff adds the funding for each to obtain the total funding for MGE.  
10 Additionally, Table 2 only shows the MGE funding level for year one for the Natural Gas  
11 Conservation Initiatives.

12 Q. Is Staff opposed to greater funding for Laclede's energy efficiency programs?

13 A. No. As stated in Staff's Cost of Service Report, page 88, consistent with the  
14 Unanimous Stipulation and Agreement in GR-2007-0208, the Staff is not opposed to allowing, upon  
15 unanimous agreement of the Laclede EEC, a Laclede request for Commission approval of greater  
16 expenditures, should Staff's proposed funding level prove insufficient on an annual basis.

17 Staff is not recommending higher funding at this time for reasons listed in Staff's Revenue  
18 Requirement, Cost of Service Report, pages 89 to 90. For example, reports such as the February 2007  
19 American Council for an Energy Efficient Economy (ACEEE)<sup>1</sup> and the National Action Plan for  
20 Energy Efficiency consider policies and measures including rating and labeling, efficiency standards  
21 for appliances and other equipment, building energy codes, incentive programs, and technical  
22 assistance and consumer information. Laclede's energy efficiency programs to-date have included  
23 LIWAP, education, and rebates and financing for energy efficiency measures for residential,

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<sup>1</sup> "Quantifying the Effects of Market Failures in the End-Use of Energy," *American Council for an Energy-Efficient Economy (ACEEE)*, Prepared for International Energy Agency, February 2007, pp. vii.

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1 commercial and industrial customers. Efficiency standards for appliances and other equipment would  
2 require national or regional coordination. Changes to state and local energy efficiency building codes  
3 would require more than the collaborative efforts of Laclede Gas, Staff, OPC, and DNR.

4 The National Action Plan for Energy Efficiency suggests 0.5% to 1.0% of gas utility revenue to  
5 fund energy efficiency programs<sup>2</sup> but it is important to consider that Missouri utility energy efficiency  
6 programs are generally customer specific or pertain to education, but have not addressed broader  
7 energy efficiency issues such as: (1) more restrictive national or regional energy efficiency standards  
8 for appliances and equipment, or (2) state and local energy efficiency building codes.

9 Q. Are there other reasons not to increase funding further at this time?

10 A. Yes. The program evaluation reports will be conducted during the second year of  
11 program implementation. These reports may provide valuable information for improving the  
12 programs, which could result in better utilization of the funds moving forward.

13 Q. Does this conclude your Rebuttal Testimony?

14 A. Yes, it does.

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<sup>2</sup> “National Action Plan for Energy Efficiency,” *U.S. Environmental Protection Agency*, July 2006, p. 6-5.

**BEFORE THE PUBLIC SERVICE COMMISSION**

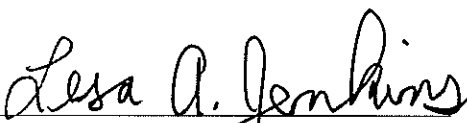
**OF THE STATE OF MISSOURI**

In the Matter of Laclede Gas Company's Tariff )  
to Increase Its Annual Revenues for Natural ) Case No. GR-2010-0171  
Gas Service )

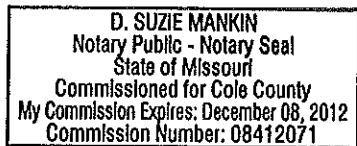
AFFIDAVIT OF LESA A. JENKINS


STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

Lesa A. Jenkins, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 4 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.

  
Lesa A. Jenkins

Subscribed and sworn to before me this 23<sup>rd</sup> day of June, 2010.



  
Notary Public