

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

In the Matter of Spire Missouri Inc.'s	)	<b><u>Case No. GT-2019-0221</u></b>
Proposed Tariff Sheet Filing	)	Tariff Filing No. JG-2019-0140
	)	Tariff Filing No. JG-2019-0141

**STAFF RECOMMENDATION**

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

1. On January 15, 2019 Spire Missouri, Inc., d/b/a Spire (“Spire”), filed tariff sheets P.S.C. MO. No. 7 First Revised Sheet No. R-30.16 (JG-2019-0141 Spire East) and P.S.C. MO. No. 8 First Revised Sheet No. R-30.16 (JG-2019-0140 Spire West) regarding Spire’s Western Missouri operating division. These revised tariff sheets bear issue dates of January 15, 2019 and proposed effective dates of February 14, 2019.

2. Through these tariff sheets, Spire intends to increase Spire West’s funding for its pilot weatherization program from \$46,000 to \$100,000 and to increase the program’s evaluation frequency from once to every 24 months. This program is co-delivered with Independence Power and Light to provide weatherization improvements to low-income single family homes as part of Spire West’s overall Conservation and Energy Efficiency Program. The weatherization program will continue to be administered by Truman Heritage Habitat for Humanity. The Spire East tariff sheet filing was made because the Rules and Regulations portions of the tariff books are identical for Spire East and Spire West.

3. On January 29, 2019 Staff filed a *Motion to Suspend Tariff Sheets*.

4. On January 30, 2019 the Commission issued an order suspending these tariff sheets for 120 days until June 14, 2019 and ordering Staff to file its recommendation. In compliance with this order, Staff offers its *Staff Recommendation* with supporting Staff Memorandum, attached as Appendix A.

5. In its *Staff Recommendation*, Staff recommends the Commission approve the tariff sheets. Spire stated in response to Staff Data Request No. 1 that it has flexibility to shift funding categories within its Conservation and Energy Efficiency Program and that this proposal does not increase the Conservation and Energy Efficiency Program's overall budget. Furthermore, it is reasonable to conduct an additional internal billing analysis after two years at the higher funding level, if the weatherization program's scope increases.

6. In summary, Staff recommends the following tariff sheets be approved and allowed to take effect March 1, 2019, or sooner, by order of the Commission:

**PSC MO. No. 7**

First Revised Sheet No. R-30.16, Cancelling Original Sheet No. R-30.16

**PSC MO. No. 8**

First Revised Sheet No. R-30.16, Cancelling Original Sheet No. R-30.16

**WHEREFORE**, for the reasons stated above and in Staff's Memorandum, Staff recommends the Commission order approval of the tariff sheets contained in Tariff File Nos. JG-2019-0140 and JG-2019-0141.

Respectfully submitted,

**/s/ Karen E. Bretz**

Karen E. Bretz

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**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 15th day of February, 2019.

**/s/ Karen E. Bretz**

## MEMORANDUM

To: Missouri Public Service Commission Official Case File, Case No. GT-2019-0221  
Tariff File Nos. JG-2019-0140 and JG-2019-0141

From: Robin Kliethermes, Rate and Tariff Examination Manger

/s/ Natelle Dietrich 2/15/2019  
Commission Staff/Date

/s/ Karen Bretz 2/15/2019  
General Counsel's Office/Date

Subject: Staff Recommendation for approval of Spire Inc.'s requested change to its co-delivered weatherization pilot program tariff sheet.

Date: 2/15/2019

### Background

On January 15, 2019, Spire Inc.'s ("Spire") filed one tariff sheet in JG-2019-0141<sup>1</sup> and one tariff sheet in JG-2019-0140 with a proposed effective date of February 14, 2019, requesting to increase the funding for the co-delivered weatherization pilot program with Independence Power & Light ("IPL") from \$46,000 to \$100,000 and change the frequency of program evaluations from once to every 24 months. On January 29<sup>th</sup> the Commission Staff requested to suspend the tariff sheets. On January 30<sup>th</sup> the Commission opened Case No. GT-2019-0221 and suspended the tariffs for 120 days until June 14, 2019.

### Staff Review

The IPL pilot program is an experimental co-delivery program between IPL and Spire West and is administered by Truman Heritage/ Habitat for Humanity (THHFH) to provide weatherization improvement to low-income single family homes. The total program funding is provided 50% by IPL and 50% by Spire West. Spire West's share is currently \$46,000. Per the tariff sheets filed in JG-2019-0141 and JG-2019-0140 Spire is requesting to increase its share by \$54,000 for a total Spire West share of \$100,000.

Spire West's share of the IPL pilot program funding is part of Spire West's total Conservation and Energy Efficiency programs budget. The Stipulation and Agreement filed in GR-2017-0216 stated that:

Beginning October 1, 2018, the Company shall fund energy efficiency programs, on an annual basis, toward the goal of 0.75% of the rolling average of the Company's gross operating revenues for the previous three years, provided that such target levels may be exceeded by up to 20%, but may not exceed the 20% buffer without Commission approval.

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<sup>1</sup> The tariff sheet filed in JG-2019-0141 and in JG-2019-0140 are identical except for the tariff book in which the tariff will be filed. Spire Missouri West and Spire Missouri East have identical Rules and Regulations, although Spire's IPL weatherization pilot program is only applicable to Spire Missouri West the tariff sheet is filed in the Rules and Regulations in both of the utilities' tariff books.

Per Spire's response to Staff Data Request No. 1, Spire's total Conservation and Energy Efficiency program budget is not increasing due to an increase in Spire West's share for the IPL pilot program. The stipulation further stated that the Company may file with the Commission proposed revised tariff sheets concerning design of its Energy Efficiency programs if the Company believes circumstances warrant changes.<sup>2</sup> Currently, the pilot program was able to weatherize 12 homes annually; however, based on Spire's response to Staff Data Request No. 1 the additional funding would allow approximately 30 homes to be weatherized annually. Additionally, based on Spire's letter of transmittal the City of Independence has approved IPL to increase its share of program funding from \$46,000 to \$100,000. In order for the total IPL pilot program budget to be split 50/50, it is necessary for Spire West to also increase its share.

Further, Spire requests to conduct an internal billing analysis of the pilot program every 24 months instead of after the second year of the program as currently stated in the effective tariff. Per Staff Data Request No. 2, Spire has already conducted the internal billing analysis required by the tariff since 2018 was the third year the pilot has been in effect. However, since Spire is requesting an increase in funding which will likely double the sample size it is reasonable to conduct a second internal billing analysis after two years at the higher funding level. Although Spire's evaluation did not find the IPL pilot to be cost effective at the current funding level the evaluation did show that participants experienced a decrease in weather normalized usage compared to customers in the non-participant group.

### **Staff Recommendation**

Due to the reasons stated above, Staff recommends that the Commission approve the tariff sheets listed below (filed on January 15, 2019 with an effective date of February 14, 2019 and suspended until June 14, 2019 on January 30, 2019) to take effect on March 1, 2019.

**MO.P.S.C. SCHEDULE NO. 7**

First Revised Sheet No. R-30.16 canceling Original Sheet No. R-30.16

**MO.P.S.C. SCHEDULE NO. 8**

First Revised Sheet No. R-30.16 canceling Original Sheet No. R-30.16

Staff has verified that this Company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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<sup>2</sup> Page 7 of the Partial Stipulation and Agreement filed in GR-2017-0215 and GR-2017-0216

