

Exhibit No.:
Issues: Low-Income Energy Assistance;
Red-Tag Repair Program; Energy
Efficiency Program Funding
Witness: Martin R. Hyman
Sponsoring Party: Missouri Department of Economic
Development – Division of Energy
Type of Exhibit: Direct Testimony
Case Nos.: GR-2018-0013

MISSOURI PUBLIC SERVICE COMMISSION

**LIBERTY UTILITIES (MIDSTATES NATURAL GAS CORP.)
d/b/a LIBERTY UTILITIES**

CASE NO. GR-2018-0013

DIRECT TESTIMONY

OF

MARTIN R. HYMAN

ON

BEHALF OF

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

DIVISION OF ENERGY

Jefferson City, Missouri

March 2, 2018

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

In the Matter of Liberty Utilities (Midstates)
Natural Gas) Corp. d/b/a Liberty Utilities')
Tariff Revisions Designed to Implement a)
General Rate Increase for Natural Gas)
Service in the Missouri Service Areas of the)
Company)

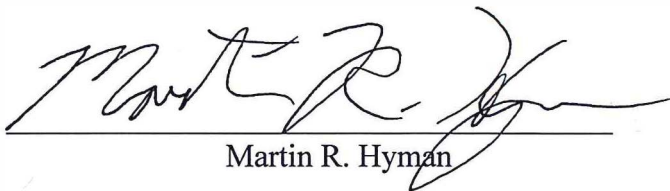
File No. GR-2018-0013

AFFIDAVIT OF MARTIN HYMAN

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

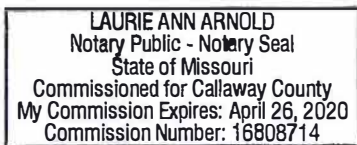
Martin R. Hyman, of lawful age, being duly sworn on his oath, deposes and states:

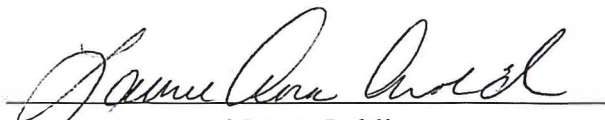
1. My name is Martin R. Hyman. I work in the City of Jefferson, Missouri, and I am employed by the Missouri Department of Economic Development as a Planner III, Division of Energy.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of the Missouri Department of Economic Development – Division of Energy.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge.



Martin R. Hyman

Subscribed and sworn to before me this 2nd day of March, 2018.





Notary Public

My commission expires: 4/26/20

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1 **I. INTRODUCTION**

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

3 A. My name is Martin R. Hyman. My business address is 301 West High Street, Suite 720,
4 PO Box 1766, Jefferson City, Missouri 65102.

5 **Q. By whom and in what capacity are you employed?**

6 A. I am employed by the Missouri Department of Economic Development – Division of
7 Energy (“DE”) as a Planner III.

8 **Q. Please describe your educational background and employment experience.**

9 A. In 2011, I graduated from the School of Public and Environmental Affairs at Indiana
10 University in Bloomington with a Master of Public Affairs and a Master of Science in
11 Environmental Science. There, I worked as a graduate assistant, primarily investigating
12 issues surrounding energy-related funding under the American Recovery and
13 Reinvestment Act of 2009. I also worked as a teaching assistant in graduate school and
14 interned at the White House Council on Environmental Quality in the summer of 2011. I
15 began employment with DE in September of 2014. Prior to that, I worked as a contractor
16 for the U.S. Environmental Protection Agency to coordinate intra-agency modeling
17 discussions.

18 **Q. Have you previously filed testimony before the Missouri Public Service Commission**
19 **(“Commission”) on behalf of DE or any other party?**

20 A. Yes. Please see Schedule MRH-Dir-RR1 for a summary of my case participation.

1 **II. PURPOSE AND SUMMARY OF TESTIMONY**

2 **Q. What is the purpose of your Direct Testimony in this proceeding?**

3 A. The purpose of my testimony is to support the creation of a low-income energy assistance
4 program and a Red-Tag Repair Program. These programs would support bill affordability
5 and assist low-income customers in maintaining connections to the services provided by
6 Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities (“Liberty” or
7 “Company”).

8 Additionally, I discuss the Company’s recent energy efficiency program funding and
9 recommend that the Company pursue the full expenditure of its budgets. Absent a
10 decoupling mechanism, the Company should target spending on energy efficiency at the
11 rolling three-year average of 0.5 percent of its gross operating revenues, exclusive of
12 weatherization funding. If the Company targets spending on energy efficiency at up to the
13 rolling three-year average of 0.75 percent of its gross operating revenues, exclusive of
14 weatherization funding, then DE would not oppose a decoupling mechanism provided that
15 other reasonable conditions identified in this proceeding are also met.

16 **Q. Generally, will you address decoupling in this testimony?**

17 A. No. DE will respond to the Company’s decoupling proposal in Rebuttal Testimony.

18 **III. LOW-INCOME ENERGY ASSISTANCE**

19 **Q. Is there a problem with natural gas bill affordability for some customers?**

20 A. Yes. DE witness Ms. Sharlet E. Kroll discusses the “energy burden” faced by low-income
21 customers and provides testimony regarding the usage characteristics of these customers.

1 **Q. Why should the Commission be concerned with energy affordability?**

2 A. The energy burdens faced by low-income customers can be markedly higher than the
3 burdens faced by other customers. A high energy burden can threaten a customer's ability
4 to maintain a connection to the natural gas system, which can be hazardous during a cold
5 winter; reconnection to the utility system might lead to additional charges and an even
6 higher burden. If a customer cannot maintain connection to their primary heating utility,
7 they may try to avoid the cold through unsafe practices such as the use of ovens for space
8 heating. While weatherization and energy efficiency programs can provide long-term
9 billing relief for customers through energy savings, customers' more immediate needs must
10 also be met.

11 **Q. Does support for low residential utility rates translate to adequate support for low-**
12 **income customers?**

13 A. No, not entirely. While low residential utility rates are important for promoting
14 affordability and economic development more broadly, some customers will nonetheless
15 face unforeseen financial hardships in meeting the need for emergency repair of their
16 heating system. Recent information from the Federal Reserve indicates that, "Forty-six
17 percent of adults say they either could not cover an emergency expense costing \$400, or
18 would cover it by selling something or borrowing money."¹

¹ Board of Governors of the Federal Reserve System. 2016. *Report on the Economic Well-Being of U.S. Households in 2015*. <https://www.federalreserve.gov/2015-report-economic-well-being-us-households-201605.pdf>. Page 1.

1 **Q. How have other investor-owned energy utilities in Missouri addressed the needs of**
2 **low-income customers?**

3 A. Many other investor-owned energy utilities have energy affordability programs. These
4 include Spire Missouri Inc. d/b/a Spire (“Spire”), Union Electric Company d/b/a Ameren
5 Missouri,² Kansas City Power & Light Company,³ and KCP&L Greater Missouri
6 Operations Company.⁴ Recently, the Commission ordered annual funding for Spire’s Low-
7 Income Energy Affordability Program at \$900,000 for Spire’s eastern territory and
8 \$750,000 for Spire’s western territory.⁵ Parties to Spire’s recent rate cases agreed to a
9 program structure whereby customers at or below 185 percent of the federal poverty level
10 can receive a monthly bill credit of either \$20 or their current bill (whichever is less), and
11 customers at or below 135 percent of the federal poverty level can also receive a monthly
12 bill credit of \$30 during the winter months. Administrative funding is limited to 10 percent
13 of total funds. The program includes an arrearage repayment component, and
14 administration occurs in coordination with Community Action Agencies and other such
15 social service organizations. Enrollees are also required to apply for other applicable
16 energy assistance funds and implement free energy conservation measures. Under the

² Missouri Public Service Commission Tariff No. YE-2017-173, Union Electric Company d/b/a Ameren Missouri, *Schedule of Rates for Electricity*, Pilots, Variances and Promotional Practices, Keeping Current Low-Income Pilot Program, April 1, 2017, Sheet Nos. 160-160.3.

³ Missouri Public Service Commission Tariff No. YE-2017-0235, Kansas City Power & Light Company, *Schedule of Rates for Electricity*, Promotional Practices, Economic Relief Pilot Program (Schedule ERPP), June 8, 2017, Sheet Nos. 43Z-43Z.3.

⁴ Missouri Public Service Commission Tariff No. JE-2017-0232, KCP&L Greater Missouri Operations Company, *Schedule of Rates for Electricity*, Rules and Regulations, Promotional Practices, Economic Relief Pilot Program, June 2, 2017, Sheet Nos. R-62.15 through R-62.18.

⁵ Missouri Public Service Commission Case Nos. GR-2017-0215 and GR-2017-0216, *In the Matter of Laclede Gas Company’s Request to Increase Its Revenues for Gas Service* and *In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy’s Request to Increase Its Revenues for Gas Service*, Report and Order, February 21, 2018, page 135.

1 program, a collaborative will work to determine how to evaluate the program and improve
2 the program itself.⁶

3 Some utilities also have programs that allow for voluntary contributions to low-income
4 energy assistance via an on-bill “check-off” box. Spire is one such utility,⁷ as is Liberty.⁸
5 Liberty also offers levelized budget billing, Cold Weather Agreements, and extended
6 payment plans.⁹

7 **Q. Does Liberty have the same type of low-income bill credit program as described above**
8 **for Spire?**

9 A. No.

10 **Q. Do you recommend the creation of a Low-Income Energy Affordability Program for**
11 **Liberty’s low-income customers?**

12 A. Yes. I would recommend that a similar Low-Income Energy Affordability Program as that
13 described above for the Spire service areas be implemented by Liberty. DE is open to
14 considering alternative higher bill credits for the Company’s northeastern region because
15 of the potential greater need due to climatological conditions.¹⁰ Given the difference in size
16 between Liberty and Spire, DE recommends an initial funding amount of \$72,600 per year.

⁶ Missouri Public Service Commission Case Nos. GR-2017-0215 and GR-2017-0216, *In the Matter of Laclede Gas Company’s Request to Increase Its Revenues for Gas Service* and *In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy’s Request to Increase Its Revenues for Gas Service*, Partial Stipulation and Agreement Regarding Low Income Energy Affordability Program, January 9, 2018, Attachment 1.

⁷ Spire Inc. 2017. “DollarHelp.” <https://www.spireenergy.com/dollarhelp>.

⁸ Liberty Utilities. 2018. “Community Energy Assistance Program.” <https://missouri.libertyutilities.com/malden/residential/my-account/my-bill/programs/natural-gas/community-energy-assistance-program.html>.

⁹ Company response to Data Request DED-DE No. 202

¹⁰ For example, there are well over 1,000 more heating degree days listed for Kirksville than for New Madrid. See: Western Regional Climate Center, 2012, *Kirksville, Missouri*, “Period of Record General Climate Summary - Heating Degree Days,” <https://wrcc.dri.edu/cgi-bin/cliMAIN.pl?mo4544>; Western Regional Climate Center, 2012, *New Madrid, Missouri*, “Period of Record General Climate Summary - Heating Degree Days,” <https://wrcc.dri.edu/cgi-bin/cliMAIN.pl?mo6045>.

1 This amount is approximately proportional to the total funding of Spire’s Low-Income
2 Energy Affordability Program and the number of residential customers served by Spire and
3 Liberty. Spending under the program should be deferred for potential future recovery, and
4 unused budget amounts should be rolled forward to future years or reallocated to low-
5 income weatherization, as determined by a stakeholder collaborative.

6 **IV. RED-TAG REPAIR PROGRAM**

7 **Q. Please explain what is meant by “red-tagging.”**

8 A. “Red-tagging” refers to the practice of placing a red tag on natural gas appliances that
9 cannot be operated for safety reasons. Unless these appliances are fixed or disconnected
10 from the natural gas system, it is unsafe for a customer to continue using the appliances
11 and natural gas service may be shut off.

12 **Q. How does the concept of “energy affordability” apply to red-tagging?**

13 A. For low-income customers, red-tagging can represent an additional challenge to receiving
14 energy service. While some repairs might be relatively low-cost, others might require
15 replacement of expensive appliances. Since failure to fix, replace, or disconnect such
16 appliances can result in the loss of natural gas service, customers may face unsafe
17 conditions such as those described in the previous section. Additionally, to the extent that
18 appliances are replaced with the lowest-initial cost, inefficient options, customers may
19 forgo future energy savings that would improve long-run bill affordability.

20 **Q. Is there a solution to these concerns?**

21 A. Yes. Liberty could offer a program to provide support to low-income customers for the
22 repair of red-tagged appliances. For example, Spire offers a “Red-Tag Repair Program”
23 that allows field technicians to perform repairs of \$20 or less at no charge to customers,

1 and that also provides funding for critical appliance replacements (e.g., furnaces). The
2 funding for space heating equipment replacements may be used for more efficient
3 appliances at the customer's choice if the equipment is being replaced at cost to the
4 customer, which can support weatherization efforts by reducing the weatherization funds
5 required for health and safety improvements. Eligible appliances include permanent space
6 heating equipment, as well as other unsafe piping or non-space heating appliances where
7 no shut-off valve exists for such other appliances or piping. Funding for appliance
8 replacements is available for customers at or below 185 percent of the federal poverty level,
9 and per-customer funding is limited to \$1,000 (with limits of \$700 for furnaces and boilers
10 and \$450 for each other gas appliance or piping). The annual budget is \$100,000 for each
11 Spire service territory, with a 10 percent limit for administrative costs.¹¹

12 **Q. Should Liberty implement a Red-Tag Repair Program?**

13 A. Yes.

14 **Q. What program design and budget do you recommend for a Liberty Red-Tag Repair**
15 **Program?**

16 A. I would recommend similar program design parameters as those recently agreed to in the
17 Spire rate cases. Liberty serves far fewer customers than Spire,¹² so Spire's annual

¹¹ Missouri Public Service Commission Case Nos. GR-2017-0215 and GR-2017-0216, *In the Matter of Laclede Gas Company's Request to Increase Its Revenues for Gas Service* and *In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to Increase Its Revenues for Gas Service*, Partial Stipulation and Agreement, December 13, 2017, Attachment 1, Sheet 34a.

¹² Missouri Public Service Commission Case No. GR-2017-0215, *In the Matter of Laclede Gas Company's Request to Increase Its Revenues for Gas Service*, LAC Exhibit No. 2, April 11, 2017, Schedule 3; Missouri Public Service Commission Case No. GR-2017-0216, *In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to Increase Its Revenues for Gas Service*, MGE Exhibit No. 2, April 11, 2017, Schedule 3; Missouri Public Service Commission Case No. GR-2018-0013, *In the Matter of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities' Tariff Revisions Designed to Implement a General Rate Increase for Natural Gas Service in the Missouri Service Areas of the Company*, MFR Exhibit No. 2, September 29, 2017, Schedule 3.

1 program funding level of \$100,000 for each of its service territories¹³ would be too low if
2 scaled down based on the relative numbers of residential customers served by the two
3 companies. Program funding should be sufficient to help a reasonable number of
4 customers. According to DE's weatherization group, 120 homes served by Liberty with
5 natural gas as the primary space heating fuel are on our wait-list to receive weatherization
6 services (although not all of these customers have red-tagged appliances). A program that
7 would help one-quarter of these customers each year (i.e., 30 customers) could be funded
8 at \$33,000 annually, assuming \$1,000 maximum funding per customer and a 10 percent
9 limit on administrative costs.

10 **V. ENERGY EFFICIENCY PROGRAM FUNDING**

11 **Q. Why is it important for Liberty to offer energy efficiency programs?**

12 A. There are multiple reasons why Liberty's energy efficiency programs are important. From
13 a system perspective, energy efficiency can potentially reduce the need for investments in
14 future plant in the long run. Energy efficiency programs also optimize the use of natural
15 gas, avoiding waste and reducing the reliance by Missouri consumers on an out-of-state
16 fuel source. This reduced reliance on out-of-state imports improves energy security by
17 mitigating the potential effects of supply disruptions.

18 Energy efficiency programs are also valuable because they help customers control their
19 natural gas bills, an important consideration given the relationship between weather and
20 usage as well as the historical volatility in natural gas prices. In addition, natural gas
21 efficiency programs can improve customer comfort, health, and safety.

¹³ GR-2017-0215 and GR-2017-0216, Partial Stipulation and Agreement, Attachment 1, Sheet 34a.

1 Liberty and its customers also benefit from energy efficiency programs because Liberty
2 must maintain a competitive position with respect to alternative sources of space heating.
3 Particularly in rural areas, natural gas utilities compete with alternatives (such as propane)
4 for customers, so the ability of the Company to compete with unregulated entities could be
5 adversely impacted by a lack of customer-benefitting programs.

6 Customers can receive greater benefits if natural gas companies are able to co-deliver
7 energy efficiency programs in association with other utilities; co-delivery can provide
8 customers with more comprehensive savings opportunities, and can also reduce the costs
9 per participant through decreased customer acquisition costs.

10 **Q. Please describe the current funding for Liberty’s energy efficiency programs.**

11 A. Based on the stipulation in the Company’s last rate case, \$150,000 is included in base rates
12 for weatherization and energy efficiency programs, including \$105,000 in funding for
13 weatherization. Amounts above these spending levels are deferred to a regulatory asset
14 account for potential future recovery.¹⁴ The most recent reporting from Liberty on its 2016
15 program year indicates a budget with funding beyond the amounts set forth for recovery in
16 base rates, using the budget amount from prior years,¹⁵ according to a currently effective
17 tariff sheet on file with the Commission:

18 The various Conservation Efforts, and the amount of funds designated for each
19 Conservation Effort, are subject to change after the annual evaluation, and Atmos

¹⁴ Missouri Public Service Commission Case No. GR-2014-0152, *In the Matter of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities’ Tariff Revisions Designed To Implement a General Rate Increase For Natural Gas Service in the Missouri Service Areas of the Company*, Revised Second Partial Stipulation and Agreement as to Certain Issues, September 10, 2014, pages 4-5.

¹⁵ Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities. 2016. “Energy Conservation and Efficiency Program Annual Report.” Page 2.

1 [the predecessor to Liberty] will work with the Energy Efficiency Advisory Group
2 (“EE Advisory Group”) to take reasonable actions toward a target of increasing the
3 funding level for cost-effective conservation and energy efficiency programs for
4 plan year ending in 2013 to 0.5% of the annual average of the Company’s Missouri
5 Jurisdictional Total Revenues for the calendar years ending 2008, 2009 and 2010,
6 as such Total Revenues are set forth in the Company’s Gas Annual Report filings
7 with the Commission.¹⁶

8 Out of the total budget of \$288,787 for the 2016 program year, all of the weatherization
9 funding was expended, but just over 50 percent (\$92,747) of the non-weatherization
10 funding remained unspent.¹⁷

11 **Q. Does DE support additional efforts by the Company towards expending its energy**
12 **efficiency budgets?**

13 A. Yes. DE recommends that the Company strive to fully expend the amounts budgeted for
14 energy efficiency programs by examining additional opportunities, such as program co-
15 delivery with other utilities and Building Operator Certification training. Additionally, DE
16 recommends that budgets for Liberty’s energy efficiency programs target 0.5 percent of
17 the rolling three-year average of gross operating revenues, absent the inclusion of
18 weatherization funding. In other words, while weatherization funding would be targeted at
19 \$105,000, the program year budget energy efficiency would target a level of 0.5 percent of

¹⁶ Missouri Public Service Commission Tariff No. JG-2011-0517, Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities, *Missouri Public Service Commission Gas Tariff of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities*, Rules and Regulations, Energy Conservation and Efficiency Program, April 27, 2011, Sheet No. 116.

¹⁷ Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities. 2016. “Energy Conservation and Efficiency Program Annual Report.” Page 5.

1 the rolling three-year average of gross operating revenues, with updates to the three years
2 used for purposes of setting each program year budget. Based on Liberty's operating
3 revenues as found in the Commission's Annual Reports for 2014,¹⁸ 2015,¹⁹ and 2016,²⁰ the
4 Company's non-weatherization energy efficiency programs would be funded at
5 \$258,811.15 under such a target, and the funding amount would be updated in future years.

6 **Q. Is this recommendation consistent with funding provided by other natural gas**
7 **utilities?**

8 A. Yes. Historically, Laclede Gas Company d/b/a Missouri Gas Energy (now operating under
9 the Spire name) targeted energy efficiency funding at 0.5 percent of the three-year average
10 of its gross operating revenues, with separate funding for weatherization.²¹

¹⁸ Missouri Public Service Commission. 2016. *2015 Annual Report*.

<https://psc.mo.gov/CMSInternetData/Annual%20Reports/PSC%20Annual%20Reports/2015%20PSC%20Annual%20Report.pdf>. Page 21.

¹⁹ Missouri Public Service Commission. 2016. *2016 Annual Report*.

<https://psc.mo.gov/CMSInternetData/Annual%20Reports/PSC%20Annual%20Reports/2016%20PSC%20Annual%20Report.pdf>. Page 39.

²⁰ Missouri Public Service Commission. 2017. *2017 Annual Report*.

<https://psc.mo.gov/CMSInternetData/Annual%20Reports/PSC%20Annual%20Reports/2017%20PSC%20Annual%20Report.pdf>. Page 40.

²¹ See Missouri Public Service Commission Case No. GR-2014-0007, *In the Matter of Missouri Gas Energy's Filing of Revised Tariffs to Increase its Annual Revenues for Natural Gas Service*, Stipulation and Agreement, February 11, 2014, pages 19-20. The file "MGE 2017 Budget Projections" that was provided to that company's Energy Efficiency Collaborative for an August 2016 meeting confirms that weatherization funding has been treated separately from energy efficiency funding.

1 **Q. The Company has requested a decoupling mechanism as a part of this rate case.²² To**
2 **what extent is an energy efficiency commitment related to this request?**

3 A. As indicated by the Company, a decoupling mechanism could make Liberty indifferent to
4 certain changes in customer use.²³ However, such indifference does not automatically
5 translate into the pursuit of additional opportunities for customer-benefitting energy
6 efficiency programs, but instead further enables such programs. Consequently, if the
7 Company commits to a spending target for energy efficiency programs of 0.75 percent of
8 the rolling three-year average of its gross operating revenues, excluding weatherization,
9 then – contingent upon other reasonable conditions identified in this proceeding – DE
10 would not oppose a decoupling mechanism. DE will address the Company’s proposed
11 decoupling mechanism in Rebuttal Testimony. Based on Liberty’s operating revenues as
12 found in the Commission’s Annual Reports for 2014, 2015, and 2016, the Company’s non-
13 weatherization energy efficiency programs would be funded at \$388,216.73 under such a
14 target, and the funding amount would be updated in future years.

²² The mechanism is described in Missouri Public Service Commission Case No. GR-2018-0013, *In the Matter of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities’ Tariff Revisions Designed to Implement a General Rate Increase for Natural Gas Service in the Missouri Service Areas of the Company*, Direct Testimony of Timothy S. Lyons (ScottMadden, Inc) On Behalf Of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities, September 29, 2017, pages 30-34, lines 18-23, 1-23, 1-22, 1-23, and 1-7. Mr. Lyons filed two pieces of Direct Testimony; the one cited here pertains to class cost of service, rate design, and regulatory mechanisms.

²³ Missouri Public Service Commission Case No. GR-2018-0013, *In the Matter of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities’ Tariff Revisions Designed to Implement a General Rate Increase for Natural Gas Service in the Missouri Service Areas of the Company*, Direct Testimony of Robert B. Hevert (ScottMadden, Inc.) On Behalf Of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities, September 29, 2017, page 17, lines 7-10.

1 **Q. Is this recommended target for efficiency program funding consistent with any recent**
2 **utility rate cases?**

3 A. Yes. In Spire’s recent rate cases, DE agreed with Spire and other parties to move towards
4 a percentage spending target for energy efficiency programs of 0.75 percent of the rolling
5 three-year average of Spire’s gross operating revenues;²⁴ the Commission approved this
6 and other agreements in its recent Report and Order.²⁵ Contingent upon DE’s
7 recommended spending on energy efficiency programs and certain rate design
8 considerations, DE was not opposed to Spire’s request for a decoupling mechanism.²⁶

9 **VI. CONCLUSIONS**

10 **Q. Please summarize your conclusions and the positions of DE.**

11 A. DE supports the creation of a low-income energy assistance program and a Red-Tag Repair
12 Program. In addition, DE recommends full expenditure of Liberty’s energy efficiency
13 program budgets, as well as targeting Company spending on energy efficiency (exclusive
14 of weatherization) towards a goal of 0.5 percent of the rolling three-year average of
15 Liberty’s gross operating revenues. If the Company targets energy efficiency spending
16 (excluding weatherization) towards a goal of 0.75 percent of the rolling three-year average

²⁴ GR-2017-0215 and GR-2017-0216, Partial Stipulation and Agreement, December 13, 2017, pages 10-11.

²⁵ GR-2017-0215 and GR-2017-0216, Report and Order, page 145.

²⁶ Missouri Public Service Commission Case Nos. GR-2017-0215 and GR-2017-0216, *In the Matter of Laclede Gas Company’s Request to Increase Its Revenues for Gas Service and In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy’s Request to Increase Its Revenues for Gas Service*, Direct Testimony of Martin R. Hyman on Behalf of Missouri Department of Economic Development – Division of Energy, September 8, 2017, pages 15-16, lines 14-20 and 1-3; Missouri Public Service Commission Case Nos. GR-2017-0215 and GR-2017-0216, *In the Matter of Laclede Gas Company’s Request to Increase Its Revenues for Gas Service and In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy’s Request to Increase Its Revenues for Gas Service*, Rebuttal Testimony (Rate Design) of Martin R. Hyman on Behalf of Missouri Department of Economic Development – Division of Energy, October 20, 2017, page 24, lines 3-6.

1 of Liberty's gross operating revenues, then DE would not oppose a decoupling mechanism
2 provided that other reasonable conditions identified in this proceeding are also met.

3 **Q. Does this conclude your Direct Testimony in this case?**

4 A. Yes.