

**MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF ENERGY
DATA REQUEST**

**LIBERTY UTILITIES
CASE NO. GR-2018-0013**

Requested From: PSC Staff

Requested By: Marc Poston
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Energy
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Date of Request: May 3, 2018
Date Answer Due: May 15, 2018

Information Requested:¹

The Rebuttal Testimony of Natelle Dietrich states on page 4: “*Staff Counsel indicates Missouri law forbids the preferential subsidization of certain ratepayers at the expense of all other ratepayers; therefore, except under certain circumstances it is unduly discriminatory and preferential to require all ratepayers to subsidize the administration and delivery of weatherization services that are beneficial to only a few ratepayers.*” Regarding this testimony, please answer the following:

- a. Please describe all “certain circumstances” where, according to Staff, it would not be “unduly discriminatory and preferential to require all ratepayers to subsidize the administration and delivery of weatherization services that are beneficial to only a few ratepayers.”

Staff does not have a set “standard” of when it would or would not be “unduly discriminatory and preferential to require all ratepayers to subsidize the administration and delivery of weatherization services that are beneficial to only a

¹ The Missouri Department of Economic Development – Division of Energy (DE) – submits the above data request(s) per 4 CSR 240-2.090. Please provide electronic responses to marc.poston@ded.mo.gov. Each data request is continuing in nature and requires supplemental responses as soon as further or different information is obtained that is responsive to the request. All data request responses “*shall be signed by a person who is able to attest to the truthfulness and correctness of the answers*” 4 CSR 240-2.090(2)(B).

few ratepayers”. Generally speaking, and as a few examples, ratepayer funding of the administration and delivery of weatherization services could be viewed as beneficial to all ratepayers if the services result in reduced delinquencies or uncollectibles, reduced customer bills or the programs are offered under the Missouri Energy Efficiency Investment Act.

- b. What expenses does Ms. Dietrich include in the term “the administration and delivery of weatherization services”? Does this include expenses incurred for the installed weatherization measures (e.g. the cost of insulation)?

Staff interprets “administration and delivery expenses” to include such things as the costs associated with implementing the program. Staff does not consider expenses such as cost of insulation to be included in “the administration and delivery of weatherization services”.

- c. The Staff’s Cost of Service Report, pp. 77-78, recommends continuation of Liberty’s Low Income Weatherization Assistance Program. Why is the recovery of Low Income Weatherization Assistance Program funds from ratepayers not discriminatory, but the recovery of the costs to administer those programs is discriminatory? If it is the Staff’s position that ratepayer funding for the program and administration costs are both discriminatory, why did the Staff recommend continuation of Liberty’s Low-Income Weatherization Assistance Program?

Generally it is not Staff’s position that recovery of Liberty’s Low Income Weatherization Assistance Program (LIWAP) funds or costs to administer those programs is discriminatory. As explained in the Rebuttal Testimony of Natelle Dietrich (page 4, lines 8-10) and in response to question “a”, there are circumstances where it is appropriate to recover LIWAP funds or the costs to administer those programs. Staff’s concern relates to DE’s proposal to be compensated for administering the program with funds collected from ratepayers. As stated above, Staff generally does not consider the costs to administer LIWAP unduly discriminatory; however, it is Staff’s position that utilization of ratepayer funds by a state agency, absent specific statutory authority to do so, is.

- d. Does the Staff agree that weatherization programs cannot be implemented without an entity administering those programs?

Assuming “entity” includes the utility, Staff agrees weatherization programs cannot be implemented without an entity administering those programs.

- e. Does the Staff agree that entities administering weatherization programs incur administration costs?

Yes

- f. Is it the Staff’s position that a ratepayer-funded weatherization program administered by a third-party private entity, with ratepayer funds used for administration, would also be unduly discriminatory and preferential? If so, why?

Not in every instance. See response to sub-question “a.”

- g. Is it the Staff’s position that administration of all low-income programs for all Missouri public utilities should not be recovered from ratepayers? If the answer is no, please explain what low-income program administration costs should be recovered from ratepayers and what low-income program administration costs should not be recovered from ratepayers, and why.

No. See response to sub-question “a.” The issue is not related to “types” of administration costs, but whether it is unduly discriminatory or preferential for *all* administration costs to be recovered, or not, from ratepayers as explained in response to sub-question “a”. As stated in response to sub-question “c”, it is Staff’s position that, absent specific statutory authority, it is unduly discriminatory for DE to be compensated with ratepayer funds for the administration of LIWAP.