

Exhibit No:
Issue: Minimum Filing Requirements
Payment Partner Program
Conversion from therms to Ccf
Witness: Trisha E. Lavin
Type of Exhibit: Direct Testimony
Sponsoring Party: Spire Missouri Inc.
Case No.: GR-2021-0108
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SPIRE MISSOURI INC.

File No. GR-2021-0108

DIRECT TESTIMONY

OF

TRISHA E. LAVIN

DECEMBER 11, 2020

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DIRECT TESTIMONY OF TRISHA E. LAVIN

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Trisha E. Lavin. My business address is 700 Market Street, St. Louis, MO
3 63101.

4 **Q. WHAT IS YOUR CURRENT POSITION?**

5 A. I am a Regulatory Analyst for Spire Missouri Inc. (“Spire” or “Company”).

6 **Q. PLEASE BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**

7 A: I have been in my current position since December 2018 when I joined Spire. In my
8 position, I am responsible for assisting in many facets of regulatory research and modeling.
9 I also assist in the preparation and processing of Spire’s regulatory mechanisms, including
10 the Company’s Infrastructure System Replacement Surcharge (“ISRS”) filings.

11 **Q. WHAT IS YOUR PRIOR EXPERIENCE?**

12 A. I obtained a Bachelor’s degree in economics with a minor in international studies from the
13 University of Illinois-Springfield in 2017 and received my Master’s degree in political
14 science from University of Illinois-Springfield in 2019. During my master’s program, I
15 was a graduate assistant to the Director of the Center for Business & Regulation within the
16 College of Business and Management. In this role, I undertook regulatory research to
17 further understand the relationship between regulators and businesses, as well as assisted
18 in hosting the American Gas Association Rate Schools in Chicago, Illinois for both the
19 introductory and advanced courses.

20

1 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THE MISSOURI**
2 **PUBLIC SERVICE COMMISSION (“COMMISSION”) OR ANY OTHER**
3 **COMMISSION?**

4 A. No.

5 **PURPOSE OF YOUR TESTIMONY**

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 A. The purpose of my testimony is to identify and explain how this rate case filing satisfies
8 the minimum filing requirements pursuant to 20 CSR 4240-3.030 (3)(B), describe the
9 proposed changes to the Company’s Payment Partner program, formerly known as the
10 Low-Income Energy Affordability Program, and describe the Company’s proposed change
11 for converting Spire East service territory from therms to Ccfs for billing.

12 **MINIMUM FILING REQUIREMENTS**

13 **Q. WHAT IS THE AGGREGATE ANNUAL INCREASE AND THE PERCENTAGE**
14 **OF INCREASE OVER CURRENT REVENUES WHICH THE TARIFF(S)**
15 **PROPOSE?**

16 A. As explained in the testimony of Spire witness Wes Selinger, in order to continue to
17 provide the safe and reliable natural gas service our customers count on, Spire is
18 requesting a gross revenue increase of approximately \$111 million. However, this
19 amount is offset by the \$47.3 million in ISRS revenues the Company is already
20 collecting, making Spire’s net incremental revenue increase is \$64.2 million

21 **Q. PLEASE NAME THE COUNTIES AND COMMUNITIES THE RATE CASE**
22 **WILL AFFECT.**

1 A. Spire anticipates all of the communities in its Eastern and Western service territories will
2 be affected by this rate case filing. This includes all certificated areas in Andrew, Barry,
3 Barton, Bates, Buchanan, Butler, Carroll, Cass, Cedar, Christian, Clay, Clinton, Cooper,
4 Dade, DeKalb, Greene, Henry, Howard, Jackson, Jasper, Johnson, Lafayette, Lawrence,
5 McDonald, Moniteau, Newton, Pettis, Platte, Ray, Saline, Stone, and Vernon counties in
6 Spire's service territories. This also includes the City of St. Louis and St. Louis County,
7 Missouri and all areas and communities served in St. Charles County, Missouri. The
8 portion of the Company's service area in St. Charles County south of U.S. Highway 61
9 and Interstate Highway No. 70 excludes the following areas, all of which are specifically
10 defined in the Stipulation and Agreement in Case Nos. GA-99-107 and GA-99-236,
11 Consolidated: part of Township 47 North, Range 1 East, part of Township 47 North,
12 Range 2 East, part of Township 46 North, Range 1 East, and part of Township 46 North,
13 Range 2 East. The portion of the Company's service area in St. Charles County north of
14 U.S. Highway 61 and Interstate Highway No. 70 includes all unincorporated areas,
15 certain incorporated areas and certain portions within the City of Wentzville along the
16 main that serves the General Motors Assembly Plant site as more specifically set forth in
17 the Commission's May 4, 1999 Order in the aforementioned cases.

18 In addition, all areas and communities served in Butler, Iron, Jefferson, Madison, St.
19 Francois, and Ste. Genevieve Counties, Missouri plus the Franklin County District. The
20 Franklin County District Service Area Generally Consists of Eastern Franklin County and
21 Northeast Crawford County and is Set Out in Detail in the Revised Metes and Bounds
22 Description Filed by the Company on December 4, 1992 in its Application To Relinquish
23 Certificate of Convenience and Necessity. The Franklin County District also includes the

1 City of Sullivan, Oak Grove Village and certain unincorporated areas of Crawford
2 County, Missouri.

3 A list of all affected communities and counties is also included in Exhibit 2, Schedule 2
4 of the Minimum Filing Requirements Package filed at the same time as the Company's
5 direct testimonies.

6 **Q. HOW MANY CUSTOMERS WILL SPIRE'S RATE INCREASE AFFECT**
7 **WITHIN EACH RATE CLASSIFICATION?**

8 A. Please see the table below that illustrates Spire's customer count by rate class. Spire
9 anticipates all customers will be affected.

Customer Rate Class for Spire	Number of Customers
Residential	1,101,532
Small General Service	65,800
Large General Service	8,452
Unmetered Gas Light	75
General L.P	36
Transportation	542

10 **Q: PLEASE STATE THE AMOUNT IN DOLLARS OF THE AGGREGATE**
11 **ANNUAL INCREASE AND THE PERCENTAGE IN INCREASE OVER**
12 **CURRENT REVENUES.**

13 A: Please refer to the table below.

SPIRE MISSOURI			
AGGREGATE ANNUAL INCREASE			
Current Annual Aggregate Distribution Revenues	\$	570,537,909	
Annual Gas Costs	\$	509,764,256	
Total Current Annual Aggregate Revenues	\$	1,080,302,165	
Total Annual Increase	\$	111,475,389	
Current Annual ISRS Revenues	\$	47,292,973	
Net Incremental Annual Increase	\$	64,182,416	
Net Incremental Annual Increase %		5.94%	
*After taking into account current ISRS revenues being recovered and impact of proposed combined PGA			

- 1 **Q. FOR EACH GENERAL CATEGORY OF SERVICE AND FOR ALL RATE**
2 **CLASSIFICATIONS, PLEASE STATE THE AVERAGE CHANGE REQUESTED**
3 **IN DOLLARS AND PERCENTAGE CHANGE FROM CURRENT RATES.**
- 4 **A** Please refer to the table below.

SPIRE MISSOURI			
AVERAGE CHANGE REQUESTED			
	%	\$	
Res - Average MO	5.55%	\$ 3.28	Per Month
SGS - Average MO	7.59%	\$ 111.00	Per Month
LGS - Average MO	7.03%	\$ 963.00	Per Month
Transport - Average Mo	19.31%	\$ 10,695	Per Month
*After taking into account current ISRS revenues being recovered and impact of proposed combined PGA for SGS and LGS			

- 5 **Q. WHAT IS THE PROPOSED ANNUAL AGGREGATE CHANGE INCLUDED IN**
6 **SPIRE'S PROPOSAL TO INCREASE RATES?**

1 A. Please refer to the table below.

SPIRE MISSOURI			
ANNUAL AGGREGATE CHANGE			
	%	\$	
Residential Class	5.55%	\$ 43,337,460	Per Year
Small General Service Class ("SGS")	7.59%	\$ 7,292,075	Per Year
Large General Service Class ("LGS")	7.03%	\$ 8,135,544	Per Year
Transportation Class	19.31%	\$ 5,796,634	Per Year
*After taking into account current ISRS revenues being recovered and impact of proposed combined PGA for SGS and LGS			

2

3 **Q. DID SPIRE ISSUE ANY PRESS RELEASES PRIOR TO OR AT THE TIME OF**
4 **THE FILING OF THIS RATE CASE?**

5 A. No.

6 **Q. WILL YOUR TESTIMONY INCLUDE A SUMMARY AND EXPLANATION OF**
7 **THE REASONS SPIRE SEEKS THE ADDITIONAL RATES?**

8 A. While I am testifying about the minimum filing requirements required by Commission
9 Rule 20 CSR 4240-3.030, Spire witnesses Scott Carter and Scott Weitzel are filing direct
10 testimony that more fully reflects the reasons for the Company's proposed rate relief. As
11 described in witness Carter's testimony, this case is primarily driven by the over \$850
12 million in capital investment the Company has made since its last general rate case. In
13 addition to investing in infrastructure, the Company has focused on enhancing its service
14 by listening to feedback received from customers, is working to provide environmentally
15 friendly programs, is improving technology associated with new ultrasonic meters, and
16 has responded diligently to the COVID-19 pandemic.

**MODIFICATIONS TO THE LOW-INCOME ENERGY
AFFORDABILITY PROGRAM**

1
2
3 **Q. PLEASE PROVIDE AN OVERVIEW OF THE CHANGES SPIRE PROPOSES TO**
4 **MAKE TO THE LOW-INCOME ENERGY AFFORDABILITY PROGRAM?**

5 A. Generally, Spire seeks minimal changes to the program overall. The changes proposed in
6 this case are designed to create uniformity across the state, to expand eligibility for the
7 program, and to make the program more understandable for customers. Specifically, the
8 Company is seeking to change the name of the program, to expand the eligibility for the
9 program to 200% below the Federal Poverty Level (“FPL”), to combine the total annual
10 program budgets of Spire’s former East and West service territories into one Spire annual
11 budget, and to eliminate the two enrollment periods and resulting billing differences.

12 **Q. PLEASE EXPLAIN THE CHANGE IN NAME FOR THE PROGRAM.**

13 A. Currently, the Program is titled “Low-Income Energy Affordability Program,” and our
14 proposal in this rate case is to change the program title to “Payment Partner Program”
15 (“The Program”). Spire believes this new title is more user friendly and provides a more
16 accurate description of the Program and its benefits to customers.

17 **Q. IS SPIRE RECOMMENDING ANY CHANGES IN THE TREATMENT OF FEES**
18 **FROM THE PROGRAM?**

19 A. Yes. Spire is proposing that a portion of the administrative fees incurred from the Program
20 should be used for development of the Program, including upgrades and enhancements to
21 the websites of agencies who jointly administer the Program. Spire believes using the
22 resources to upgrade and enhance the websites and the Program will help potential eligible
23 customers with program enrollment.

1 Currently, the Program does not provide administrative fees or compensation to the
2 selected Community Action Agencies or other social service agencies (collectively
3 “CAAs”) because the process for enrollment has been mainly automated. The Company
4 is exploring the opportunity to implement a process so that the CAAs can begin enrolling
5 customers who qualify for the Program but fall outside of the current, automated
6 enrollment process. Once the CAAs can assist the Company with enrolling eligible
7 customers, the Company is prepared to provide them with some compensation as allowed
8 by Tariff Sheet R31.

9 **Q. PLEASE EXPLAIN WHAT YOU MEAN BY CUSTOMERS WHO QUALIFY BUT**
10 **FALL OUTSIDE OF THE CURRENT ENROLLMENT PROCESS?**

11 A. Sure. Low Income Home Energy Assistance Programs (“LIHEAP”) provide several
12 different programs. The Company auto-enrolls customers who receive a LIHEAP, Energy
13 Crisis Intervention Program (“ECIP”) pledge. The CAAs can also enroll customers who
14 only receive a LIHEAP Energy Assistance (“EA”) pledge or who are over the income
15 threshold for LIHEAP but may still qualify for the Program. Customers in those programs
16 are not automatically enrolled but may be eligible to qualify for the Program. Spire’s
17 proposal will provide CAAs the ability to enroll qualifying customers based on their
18 expertise. The Company wants to make the enrollment process broader in terms of
19 allowing eligible customers to access affordable energy by expanding enrollment access to
20 the CAAs.

21 **Q. WHY IS SPIRE PROPOSING TO INCREASE ELIBILITY REQUIREMENTS**
22 **FOR THIS PROGRAM?**

1 A. Currently, only customers who have a household income below 185% of the federal
2 poverty level are eligible for the Program. Spire is proposing to increase the eligibility level
3 to customers who have a household income below 200% of the FPL. Spire believes that
4 this change will provide more limited-income customers the opportunity to apply for, and
5 receive assistance from, the Program.

6 **Q. IS SPIRE PROPOSING ANY CHANGE IN ANNUAL FUNDING LEVEL?**

7 A. Spire seeks to combine and slightly increase the annual funding level to one total amount
8 of \$1.7 million, instead of the annual funding level being separated into amounts for Spire
9 East (currently \$900,000) and Spire West (currently \$750,000). Combining the annual
10 funding level for Spire creates uniformity across the state and allows Spire to spread
11 resources across the Company's entire service territory.

12 **Q. PLEASE EXPLAIN SPIRE'S PROPOSAL TO CHANGE THE FIXED CHARGE
13 ASSISTANCE PROGRAM.**

14 A. Spire is proposing eligible customers will receive a monthly bill credit of \$35 year-round.
15 Originally eligible customers received a \$20, with an additional \$30 credit for customers
16 below 135% of the federal poverty level during the period November through April.

17 This change will allow customers to receive one monthly bill credit that remains the same
18 throughout the year. Spire's proposal provides uniformity in billing and certainty to the
19 customers as to what will be included in their utility bill. It will also decrease customer
20 confusion related to the different items on the bill.

21 **Q. WILL THE PROPOSED CHANGE IN THE FIXED CHARGE AFFECT
22 CUSTOMERS?**

1 A. The Company has taken into consideration the change to the fixed charge for the Fixed
2 Charge Assistance Program and how that may affect customers, and has aimed to keep the
3 yearly amount the same, while also providing other benefits to customers. Prior to the
4 proposed changes, customers below 135% of the federal poverty level could receive a
5 credit of \$50 per month from November through April and a \$20 credit during the months
6 of May through October for a maximum annual fixed charge credit amount of \$420. Under
7 the Company’s proposal these customers will still receive \$420 in annual bill credits with
8 the proposed \$35 fixed charge per month. A stable fixed monthly credit year-round
9 eliminates confusion regarding how credits change throughout the year and treats all
10 customers under the program equally.

11 **Q. PLEASE EXPLAIN SPIRE’S PROPOSED CHANGES TO THE ARREAGE**
12 **REPAYMENT PROGRAM?**

13 A. Spire proposes modifications to allow customers to enroll in the Arrearage Repayment
14 Program (“ARP”) all year round. This simplifies the benefits of the ARP and will allow
15 customers more clarity about the Program and the benefits they receive. Additionally,
16 Spire is proposing to remove references to different billing periods, which Spire believes
17 will reduce customer confusion about their obligations and the benefits of the ARP.

18 The Company understands that by removing the different billing periods, we are
19 eliminating an allowed late payment period that is currently in the tariff. However, the
20 way the proposed modifications will work within the ARP is that customers will still be
21 allowed to make late payments without losing eligibility as long as they make the next
22 month’s payment. Customers can continue this way of making payments as long they do
23 not incur two late payments consecutively.

1 **Q. ARE YOU PROPOSING CHANGES TO ANY OTHER LIMITED-INCOME**
2 **PROGRAMS?**

3 A. Yes. For the Company's Red Tag Repair Program, Spire is proposing to increase eligibility
4 for the Red Tag Repair Program from 185% to 200% of the FPL to open up eligibility for
5 customers. In anticipation of increased participation, Spire is also proposing to increase
6 the annual total funding from \$100,000 to \$250,000 to credit customers or reimburse
7 qualified social service agencies that can provide, or arrange to provide, and pay for
8 emergency service work.

9 **Q: WHY IS THE COMPANY ENHANCING LOW- AND LIMITED- INCOME**
10 **CUSTOMER PROGRAMS LIKE THE RED TAG AND PAYMENT PARTNER?**

11 A: Spire is invested in its customers' well-being. Spire has invested time and resources in
12 listening and engaging with its customers to better understand their needs. The Company
13 believes that by expanding the eligibility of these programs, more customers will have
14 access to and benefit from access to an affordable energy source that provides safe and
15 adequate service. As Company witness Scott Carter pointed out, Spire remains focused on
16 ensuring resources are available for those struggling with energy affordability.

17 **CONVERSION OF SPIRE EAST FROM THERMS TO CCF BILLING**

18 **Q. PLEASE EXPLAIN THE COMPANY'S PROPOSAL TO CONVERT SPIRE EAST**
19 **FROM THERM BILLING TO CCF BILLING.**

20 A. Currently, Spire East bills customers on a per therm basis, while Spire West bills its
21 customers on a per Ccf basis. As Spire is proposing to move to one set of tariffs, it is
22 necessary to have consistent measurement units for bills state-wide; therefore, Spire is
23 seeking to move Spire East billing units to a per Ccf basis.

1 **Q. WHAT IS THE DIFFERENCE BETWEEN THE TWO BILLING**
2 **CONVENTIONS?**

3 A. Ccf is a unit of measurement that captures the volume of natural gas usage. Billing in
4 therms adjusts the volume of natural gas used to recognize the heat/energy content of the
5 gas. Therefore, billing on a per therm basis charges the customers based on the volume
6 and energy content of the natural gas consumed by the customer. Across the industry,
7 utilities use both Ccf and therm billing, and depending on the variations in heat content of
8 each utility's gas supply, utilities will have their own preference, but Spire believes that
9 changing to Ccf billing across Missouri is the appropriate change for the Company at this
10 time.

11 **Q. WHY DOES THE COMPANY BELIEVE THAT IT IS BENEFICIAL TO HAVE**
12 **SPIRE EAST BILL ON A PER CCF BASIS LIKE SPIRE WEST?**

13 A. There is a lot of value to having both Spire service territories billed on a consistent per Ccf
14 basis. Not only will this streamline processes for the Company, it will also create less
15 confusion on the customers' part. For the Company this proposed change would make it
16 easier to track and to reflect lost and unaccounted for gas on a consistent basis. It would
17 also allow the Company to produce more consistent financial and operational data for the
18 Commission as well as for other third parties. For the customers, having uniformity with
19 usage tracking and subsequent billing methodologies across service territories will provide
20 less confusion if a customer were to move from the west side of the state to the east.
21 Another benefit to the customer is less confusion when reviewing their bill because there
22 will no longer be a BTU conversion factor to try to decipher and understand.

1 **Q: HOW MANY CUSTOMERS DOES THE COMPANY ANTICIPATE WILL BE**
2 **AFFECTED BY THIS PROPOSED CHANGE?**

3 A: Currently the Company is serving approximately 658,700 customers in its Eastern service
4 territory. These customers will be impacted by the Company's proposed changed.

5 **Q. IS THERE ANY DIFFICULTY IN CONVERTING USAGE AND RATES FROM**
6 **ONE MEASUREMENT TO THE OTHER?**

7 A. Spire sees no issues with converting to the same usage and rates across both service
8 territories. Spire believes in brand uniformity and the continued integration across the
9 service territories. By having all customers state-wide use the same billing methodology,
10 the Company will be moving one step closer to achieving the goal of one Spire. Spire is
11 dedicated to understanding customer needs and goals in order to better serve them. With
12 that said, the Company recognizes the need to prepare for the change by providing them
13 educational information related to the proposed change.

14 **Q: DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

15 **A:** Yes.

16

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

In the Matter of Spire Missouri Inc.'s)
Request for Authority to Implement a)
General Rate Increase for Natural Gas) File No. GR-2021-0108
Service Provided in the Company's Missouri)
Service Areas)

AFFIDAVIT

STATE OF MISSOURI)
CITY OF ST. LOUIS) SS.
)

Trisha E. Lavin, of lawful age, being first duly sworn, deposes and states:

1. My name is Trisha E. Lavin. I am Regulatory Analyst for Spire Missouri Inc. My business address is 700 Market St., St Louis, Missouri, 63101.
2. Attached hereto and made a part hereof for all purposes is my direct testimony on behalf of Spire Missouri Inc.
3. Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.

s/ Trisha E. Lavin

Trisha E. Lavin

December 11, 2020

Date