Exhibit No.:	
Issue:	*Low-Income Programs; Other Tariff Issues*
Witness:	*Kory J. Boustead*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Rebuttal Testimony*
Case No.:	*GR-2021-0108*
Date Testimony Prepared:	*June 17, 2021*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRIAL ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

REBUTTAL TESTIMONY

OF

KORY J. BOUSTEAD

SPIRE MISSOURI INC., d/b/a SPIRE
SPIRE EAST and SPIRE WEST
GENERAL RATE CASE

CASE NO. GR-2021-0108

Jefferson City, Missouri
June 2021

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Q. Please state your name and business address.

A. Kory J. Boustead, Research/Data Analyst with the Missouri Public Service Commission, 200 Madison Street, P.O. Box 360, Jefferson City, Missouri, 65102.

Q. Are you the same Kory J. Boustead that supported testimony in the *Staff Direct Revenue Requirement Report (Public and Confidential), Appendix 1 and Appendix 2 (Public and Confidential)* filed on May 12, 2021?

A. Yes.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to respond to the direct testimony regarding:

<u>Low-Income Energy Affordability Program:</u>

- Spire Missouri Inc. witness Trisha E. Lavin
- Consumers Council of Missouri ("CCM") witness Jaqueline A. Hutchinson

<u>Energy Efficiency Program Changes:</u>

- Spire Missouri Inc. witness Shaylyn Dean
- Spire Missouri Inc. witness Scott A. Weitzel

Q. What are your recommendations on these issues?

A. Staff has three recommendations overall on these issues. Specifically for the Low-Income Energy Affordability Program the recommendation has three parts.

(1) Staff recommends the Commission reject the Company's proposal of all changes to the Low-Income Energy Affordability Program and order the Company:

1. to follow the Commission order in Case No. GR-2017-0215 and GR-2017-0216;

2. to match with shareholder dollars the current approved program funding for Spire East and Spire West, and;

3. to combine the annual program budgets of Spire East and Spire West into one, provided the Commission approve the Company's proposed change to combine the two program budgets.

(2) Staff recommends the Commission reject the proposal of increase to rebates. The Company can propose the increase again after a cost base analysis is performed, and

(3) Staff recommends the Commission reject the Company's proposal of reallocating the unspent funds of the Low-Income Multi-Family program for use within the whole Energy Efficiency Portfolio.

Low-Income Energy Affordability Program

Q. Why is Staff recommending the Commission reject the proposed changes to the Low-Income Energy Affordability Program?

A. In the Company's previous rate case, witnesses from Missouri Division of Energy and CCM[1] provided detailed testimony on the need of the redesign of the program to ensure its success in funds being fully spent and the benefits being realized by the customers it was designed

[1] Direct testimony of Erin K. Kohl and Jacqueline A. Hutchinson.

to help. On January 9, 2018, a *Partial Stipulation and Agreement Regarding Low Income Energy Affordability Program* (Agreement) was filed. This Agreement was approved on February 21, 2018, by the Commission in its Report and Order. In paragraph 2 of the Agreement, the parties agreed that;

> …….representatives of the parties, in consultation with the CAAs, will meet beginning no later than 120 days after the effective date of new tariffs approved in these cases to discuss the process for evaluating the effectiveness of the current Program as well as potential enhancement to the parameters and structure of the Program for potential implementation in the future.

Q What are the changes Spire is proposing to the program in this proceeding?

A. The Company has proposed the following changes:

1. change the name of the program;
2. change the treatment of fees from the program;
3. expand the eligibility for the program to 200% of the Federal Poverty Level ("FPL");
4. combine the annual budget of Spire East and Spire West;
5. eliminate the two enrollment periods and resulting billing differences.

Q. Is Staff opposed to the proposed changes? Please explain.

A. Yes. However, Staff is not opposed to discussing the proposed changes in the future. Staff suggests the changes are not all necessary at this time due to Spire not complying with what was agreed to, and ordered by the Commission and detailed out in the approved currently effective tariff sheet nos. R-31 thru R-33, as to how the program would be administered

On March 20, 2018, compliance tariffs were filed and those compliance tariffs became effective on April 19, 2018. The compliance tariffs included Original Tariff Sheets R-31 thru R-33 for the Low-Income Energy Affordability Program. In the tariff it states:

> A. The Program will be jointly administered by Spire East and Spire West and selected Community Action Agencies and other similar social service agencies (CAA) in the Spire East and Spire West service territories. Compensation to the CAA for these duties will be negotiated between the Company, Staff, Public Counsel and the CAA, but shall be no greater than 10% of Program Funds. B. To be eligible for the program, customers shall be required to register with a CAA, have a household income below 185% of the federal poverty level (FPL), apply with the CAA for any energy assistance funds for which they might be eligible, and review and agree to implement cost-free, self-help energy conservation measures identified by the CAA. In addition, all applicants will be provided with basic budgeting information, as well as information about other potential sources of income such as the Earned Income Tax Credit. The CAA may use household registration from other assistance programs to determine eligibility for the Program. The CAA shall also make an effort to identify eligible participants who, because of their payment history or other factors, have a greater opportunity to succeed in the Program.

The exception being the proposed change to combine the budgets of Spire East and Spire West into one overall program budget if it should be approved by the Commission to combine the Spire territories into one

Q. What are Ms. Jacqueline Hutchinson with CCM recommendations for the Low-Income Energy Affordability Program?

A. In Ms. Hutchinson's direct testimony[2] she recommends several revisions to the program design. At a minimum the Company should:

- Increase program funding by 50%;
- Include shareholder dollars in program funding;
- Increase federal poverty level eligibility to 250%;
- Collaborate with intervenors and CAA's to provide equitable access and include customers who do not receive LIHEAP assistance;
- Hire an independent party to conduct a review of program and provide design improvement recommendations;
- Incorporate best practices from successful Keeping Current Program of Ameren Missouri, and;

[2] Direct testimony of Jacqueline A. Hutchinson, pages 8-9.

- Be ordered to track and report energy burden data, number of cut-offs, collection actions and other data in a public manner that can be assessed by all interested parties.

Q. Would Staff be okay with these changes as listed by Ms. Hutchinson?

A. No. Staff agrees changes to the design and reporting and tracking of data need to be revisited. However Staff suggests additional discussion take place on these recommendations. This is to ensure any changes put in place have the level of detail and parameters necessary for the program to be making the intended impact in providing arrearage relief and education in the most efficient way. Also, additional discussion should be had to ensure the data being tracked and reported is appropriately directed to the channels necessary to allow the support needed for further improvements of the program in the future.

Energy Efficiency Proposed Changes

Q. Please explain the Company's proposed change to the "High Energy Efficiency Program"

A. Spire witness Mr. Shaylyn Dean proposed in his direct testimony[3] an increase of the rebates designated for some of its high energy efficiency installs. Specifically, the gas furnaces rebated at $400 for the 92%-95.9% models and $500 for 96% or higher models and WIFI enabled thermostats for $75. The current gas furnace rebates are approved at $200 for 92%-95.6% annual fuel utilization efficiency models and $300 for 96% or higher AFUE gas furnace models. Spire currently offers a $25 rebate for the thermostat program.

Q. Does Staff agree the rebates should be increased?

[3] Direct testimony of Shaylyn Dean, page 3, lines 9-17.

A. No. Staff does not recommend an increase at this time. The Company has not completed a cost-benefit analysis to justify the increase and/or determine what level the rebates should be changed to. Staff would be willing to revisit the potential increase once the analysis has been completed.

Q. Has Spire proposed any changes in the handling of energy efficiency program funds?

A. Yes. Mr. Scott A. Weitzel proposes in his Supplemental Direct Testimony[4] a change to the Multi-Family Low Income Program unspent funds, which currently can only roll-over sub-budget in the following year. Mr. Weitzel proposes the unspent funds be allowed to rollover for use within the entire suite of energy efficiency programs. The use of the funds would allow to develop and fund new programs for the following year unspent funds can only roll over sub-budget the following year.

Q. Does Staff agree the funds should be allowed to roll over for use within the entire energy efficiency portfolio?

A. No. Staff does not recommend the Commission approve the funds to be rolled over for use within the entire energy efficiency portfolio. The funds were collected to benefit low-income customers and unspent funds are approved for roll over within the same program the funds were collected for, or roll-over to another low-income program.

Q. Does this conclude your testimony?

A. Yes.

[4] Supplemental Direct Testimony of Scott A. Weitzel, pages 9-10, lines 205-209.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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

AFFIDAVIT OF KORY J. BOUSTEAD

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW KORY J. BOUSTEAD and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Kory J. Boustead*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Kory J Boustead
KORY J. BOUSTEAD

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 16th day of June 2021.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070

D Suzie Mankin
Notary Public