

Exhibit No.: _____
Issue: Energy Efficiency Program
Witness: Martha R. Wankum
Exhibit Type: Rebuttal
Sponsoring Party: Summit Natural Gas of Missouri, Inc.
Case No.: GR-2014-0086
Date: July 11, 2014

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. GR-2014-0086

REBUTTAL TESTIMONY

OF

MARTHA R. WANKUM

ON BEHALF OF

SUMMIT NATURAL GAS OF MISSOURI, INC.

**Jefferson City, Missouri
July 2014**

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OF
MARTHA R. WANKUM**

SUMMIT NATURAL GAS OF MISSOURI, INC.

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REBUTTAL TESTIMONY

MARTHA R. WANKUM

SUMMIT NATURAL GAS OF MISSOURI, INC.

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

2 A. Martha R. Wankum, 312 E. Capitol Avenue, Jefferson City, MO 65101

3 **Q. ARE YOU THE SAME MARTHA R. WANKUM WHO FILED DIRECT**
4 **TESTIMONY IN THIS CASE ON BEHALF OF SUMMIT NATURAL GAS OF**
5 **MISSOURI, INC. ON JANUARY 2, 2014?**

6 A. Yes.

7 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

8 A. The purpose of my rebuttal testimony is to respond to the portions of the
9 Revenue Requirement Cost of Service Staff Report and the Direct Testimony of
10 John Buchanan on behalf of the Missouri Department of Economic
11 Development, Division of Energy (“DE”), pertaining to an energy efficiency
12 advisory collaborative and ratepayer funded energy efficiency and low-income
13 weatherization programs.

14

15 **ENERGY EFFICIENCY ADVISORY COLLABORATIVE**

16 **Q. PLEASE DESCRIBE THE COMPANY’S POSITION REGARDING THE**
17 **ESTABLISHMENT OF AN ENERGY EFFICIENCY ADVISORY GROUP.**

1 A. Summit Natural Gas of Missouri, Inc. (the “Company”) does not oppose the
2 recommendations of Staff and DE regarding the establishment of a formal energy
3 efficiency advisory (non-voting) group.

4

5 **ENERGY EFFICIENCY AND LOW-INCOME WEATHERIZATION PROGRAMS**

6 **Q. PLEASE DESCRIBE THE RECOMMENDATIONS BY STAFF AND DE**
7 **REGARDING THE ESTABLISHMENT OF ENERGY EFFICIENCY AND LOW-**
8 **INCOME WEATHERIZATION PROGRAMS.**

9 A. The direct testimonies of Staff and DE support the establishment and funding of
10 ratepayer funded energy efficiency and low-income weatherization programs. The
11 Company is not opposed to the establishment of these programs, provided funding
12 levels are as agreed to by the Company and a proper mechanism is put in place
13 for cost recovery.

14

15 **FUNDING LEVELS**

16 **Q. WHAT FUNDING LEVEL WAS PROPOSED BY THE COMPANY FOR THE**
17 **ESTABLISHMENT OF ENERGY EFFICIENCY AND LOW-INCOME**
18 **WEATHERIZATION PROGRAMS?**

19 A. The Company initially proposed an annual budget of \$15,000 for the creation of a
20 residential energy efficiency rebate program. The Company did not propose a
21 low-income weatherization program in its direct testimony.

1 **Q. WHAT FUNDING LEVEL HAS BEEN RECOMMENDED BY DE FOR THE**
2 **ESTABLISHMENT OF ENERGY EFFICIENCY AND LOW-INCOME**
3 **WEATHERIZATION PROGRAMS?**

4 A. Mr. Buchanan's Direct Testimony proposes that annual funding levels for an
5 energy efficiency program should be at a targeted level of no less than 0.5 percent
6 of SNG's gross annual operating revenues, including the cost of natural gas,
7 beginning in 2015. This recommended level of annual funding would equate to
8 approximately \$124,000 based on calendar year 2013 gross annual operating
9 revenues of Summit Natural Gas of Missouri, Inc.

10 Mr. Buchanan's Direct Testimony does not contain a recommendation for a
11 specific level of funding for low-income weatherization assistance, but stated that it
12 should be in addition to the 0.5 percent target funding level for energy efficiency.

13 **Q. WHAT FUNDING LEVEL HAS BEEN RECOMMENDED BY STAFF FOR THE**
14 **ESTABLISHMENT OF ENERGY EFFICIENCY AND LOW-INCOME**
15 **WEATHERIZATION PROGRAMS?**

16 A. Staff has proposed that program participation may be low initially and increase
17 over time to the goal of 0.5 percent of annual revenues.

18 **Q. DOES THE COMPANY BELIEVE THE RECOMMENDED FUNDING LEVELS BY**
19 **STAFF AND DE ARE APPROPRIATE?**

20 A. No. The Company does not currently have any energy efficiency programs in
21 place and does not currently employ personnel with the expertise to immediately

1 begin to administer robust energy efficiency and low-income weatherization
2 programs. As such, an initial target of 0.5 percent of annual revenues is too high,
3 and the Company recommends a more incremental approach be taken toward
4 target funding levels.

5

6

RECOVERY OF PROGRAM COSTS

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**Q. WHAT TYPE OF RATE RECOVERY DOES STAFF PROPOSE FOR THE
8 ENERGY EFFICIENCY AND LOW-INCOME WEATHERIZATION PROGRAMS?**

8

9

A. Staff recommends the Commission authorize a natural gas energy efficiency
10 program and a low-income customer weatherization program that will be ratepayer
11 funded through a regulatory asset account.

10

11

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**Q. IS THE COMPANY IN AGREEMENT WITH THE STAFF PROPOSAL FOR RATE
13 RECOVERY?**

13

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A. Although the Company proposed the establishment of a regulatory asset account
15 in its direct testimony, this proposal was tied to the Company's proposed funding
16 level. In the event a higher annual funding target is established for energy
17 efficiency and low-income weatherization programs, an alternative funding
18 mechanism, such as a tracker, should be established. The absence of an
19 alternative funding mechanism would require the Company to make large
20 monetary investments towards these programs with no opportunity for recovery
21 until a subsequent rate case.

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1 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

2 A. Yes.

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

In the Matter of Summit Natural Gas of)
Missouri Inc.'s Filing of Revised Tariffs)
To Increase its Annual Revenues For)
Natural Gas Service)

Case No. GR-2014-0086

AFFIDAVIT OF MARTHA R. WANKUM


STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Martha R. Wankum, being first duly sworn on his oath, states:

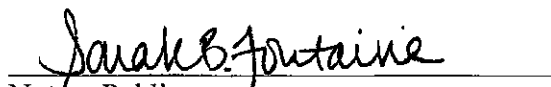
1. My name is Martha R. Wankum. I work in Jefferson City, Missouri and I am employed by Summit Utilities, Inc. as the Missouri Regulatory Affairs Manager.

2. Attached hereto and made a part of hereof for all purposes is my Rebuttal Testimony on behalf of Summit Natural Gas of Missouri, Inc. consisting of 6 pages, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.


Martha R. Wankum

Subscribed and sworn to before me this 11th day of July, 2014.


Notary Public

My commission expires: March 23, 2018



SARAH B. FONTAINE
My Commission Expires
March 23, 2018
Callaway County
Commission #14596390