

**Exhibit No:**  
**Issue:** Spire On-Bill Financing  
**Witness:** Shaylyn Dean  
**Type of Exhibit:** Supplemental Direct Testimony  
**Sponsoring Party:** Spire Missouri Inc.  
**Case Nos.:** GO-2021-0126

**Date Prepared:** January 25, 2021

**SPIRE MISSOURI, INC.**

**File No. GO-2021-0126**

**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**Shaylyn Dean**

**SUPPLEMENTAL DIRECT TESTIMONY OF SHAYLYN DEAN**

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

2 A. My name is Shaylyn Dean and my business address is 7500 E 35<sup>th</sup> Terrace, Kansas City,  
3 Missouri, 64129.

4 **Q. ARE YOU THE SAME SHAYLYN DEAN THAT FILED DIRECT TESTIMONY**  
5 **IN THIS CASE ON OCTOBER 30, 2020?**

6 A. Yes. I am.

7 **I. PURPOSE OF TESTIMONY**

8 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT TESTIMONY?**

9 A. The purpose of my supplemental direct testimony is to clarify and provide additional details  
10 regarding certain elements of Spire Missouri’s (“Spire” or “Company”) proposed on-bill  
11 financing program (the “Program”).

12 **II. ON-BILL FINANCING PROGRAM**

13 **Q. HOW WAS THE PROGRAM BUDGET CALCULATED?**

14 A. Spire based the program budget on helping an estimated 1,300 customers per year, with  
15 an average loan of \$7,500 per customer, which is half of the Company’s current  
16 EnergyWise Finance program limit, for a total annual amount of \$9.75 million, rounded  
17 up to \$10 million. If the Company’s average loan amount comes in lower, it would  
18 allow the company to assist more customers. It should be noted that this average loan  
19 amount does not consider any potential co-delivery efforts which should reduce overhead  
20 for utilities that decide to work together. The Company then compared this calculation to  
21 the recently Commission-approved budgets for similar programs for Ameren Missouri  
22 and Evergy for reasonableness. Spire is also requesting an additional \$1 million for

1 Program start-up, administrative, marketing, and implementation costs. This would bring  
2 the total request to \$11 million for year one.

3 **Q. IS THE \$11 MILLION BUDGET AN ANNUAL AMOUNT?**

4 A. Yes. Spire is requesting \$11 million annually, which would be used to serve our entire  
5 Missouri territory. The company requests that the Program be allowed a minimum term  
6 of three years. Spire believes three years represents the requisite amount of time needed  
7 to ramp up the Program and cement potential utility partnership opportunities. Spire will  
8 work with Regulators regarding program reporting requirements and to discuss future  
9 program continuation.

10 **Q. HAS SPIRE RELEASED AN RFP TO HIRE A 3<sup>RD</sup> PARTY IMPLEMENTER?**

11 A. Spire is working with our Supply Chain group to finalize the Program RFP. Spire  
12 believes that at least a couple of companies will respond.

13 **Q. IS THE PROGRAM GOING TO BE A PART OF SPIRE'S ENERGY**  
14 **EFFICIENCY BUDGET?**

15 A. No, program funding would not be part of Spire's current or future Energy Efficiency  
16 Program Budget.

17 **Q. HOW DOES THE PROGRAM DIFFER FROM THE CURRENT ENERGYWISE**  
18 **AND INSULATION FINANCE PROGRAMS SPIRE OFFERS?**

19 A. The proposed Program does not have a credit check. The current Spire EnergyWise and  
20 Insulation finance programs require one of the property owners to meet an external credit  
21 score requirement and other credit criteria for loan approval. Spire denied 162 customers  
22 based on credit reporting in FY20, which accounted for 22% of all customers that  
23 applied. These customers would have been approved under the proposed Program.

1 Historically, Spire denies 22-30% of its applicants based on credit requirements. Under  
2 Spire's current finance programs, participants obtain a loan from Spire secured by a  
3 security interest on the installed high efficiency equipment. The loan must be paid in full  
4 if the participant sells the premise where the equipment is located. Under the proposed  
5 Program, the participant would not have a loan, so no lien would be filed on the premise.  
6 However, a Notice of Tariff Charge would be filed on the premise, advising future renters  
7 and owners of the monthly charges. Spire's current finance programs do not cover  
8 repairs to the equipment. Under the proposed Program, repairs to the equipment, for  
9 issues not caused by the program participant, would be covered. Spire's current finance  
10 programs also do not have the energy savings mandate that is part of the proposed  
11 Program.

12 **Q. WHAT MEASURES ARE GOING TO BE INCLUDED AS PART OF THE**  
13 **PROGRAM?**

14 A. Spire would include HVAC measures which would allow customers to finance the same  
15 high efficiency furnaces and boilers purchased in our current energy efficiency Residential  
16 programs, along with smart thermostats. Spire would also offer Building Envelope  
17 measures like air sealing (AC with Gas Heat), ceiling insulation (AC with Gas Heat), wall  
18 insulation (AC with Gas Heat), and pipe insulation. The final area of focus would be on  
19 Water Heating measures. Spire would offer financing for high efficiency tankless and  
20 storage tank water heaters. The company would also provide other water heating measures  
21 like low flow bath and kitchen aerators, and low flow showerheads. This would give Spire  
22 a robust portfolio to offer our customers to help them achieve energy savings. However,  
23 this does not consider co-delivery opportunities that would allow both Spire and any

1 electric utility partners to customize measures after the home analysis is complete, giving  
2 the customer the largest energy savings impact.

3 **Q. WHAT DOES CO-DELIVERY LOOK LIKE BETWEEN SPIRE AND ANY**  
4 **ELECTRIC UTILITY PARTNERS?**

5 A. Spire envisions co-delivery will look a lot like our current co-delivery relationships with  
6 the electric utilities. Currently, Spire co-delivers energy efficiency programs with both  
7 Ameren and Evergy. When the utilities develop co-delivery programs, we look at budgets  
8 and the measure offerings our customers will receive. The utilities also try to utilize the  
9 same 3<sup>rd</sup> party contractor, if possible, for cost synergies and to streamline customer  
10 interaction to make the application process as easy as possible. I believe co-delivery of the  
11 Program would be developed the same way to offer customers the most efficient, cost  
12 effective options available.

13 **Q. HOW DOES DISCONNECTING A CUSTOMER WORK UNDER THE ON-BILL**  
14 **FINANCE PROGRAM USING THE PAY AS YOU SAVE (PAYS®) MODEL?**

15 A. The Energy Efficiency Institute (“EEI”) designed the PAYS® model with certain essential  
16 elements. Under section A2, PAYS® requires billing and payment on the utility bill with  
17 disconnection for non-payment. This is a prerequisite of the PAYS® model. Accordingly,  
18 the Ameren approved PAYS® tariff mentions this same program requirement on Sheet No.  
19 245.3 section (i) labeled Disconnection for Non-Payment. Because the customer does not  
20 have a loan or promissory note and ceases to pay for the measures upon moving from the  
21 property, the customer has no risk other than disconnection. Absent this requirement,  
22 customers would have no incentive to pay for the measures received under the Program  
23 because there would be no penalty for non-payment.

1 **Q. ARE THERE ANY DIFFERENCES BETWEEN THE PROGRAM TARIFFS**  
2 **FILED IN THIS CASE, AND THE PROGRAM TARIFF FILED IN THE**  
3 **COMPANY’S CURRENTLY PENDING RATE CASE NO. GR-2021-0108?**

4 A. The tariff filed in the Company’s currently pending rate case is a placeholder tariff.  
5 However, instead of two sets of tariffs with one for each service territory, Spire East and  
6 Spire West, the Company filed one set of tariffs, for Spire Missouri. The placeholder tariff  
7 filed in the rate case will be updated consistent with the outcome of the tariffs filed in this  
8 case.

9 **Q. WHAT WOULD HAPPEN IN A TOTAL LOSS SITUATION WHEN A**  
10 **RESIDENTIAL UNIT IS DESTROYED?**

11 A. In a total loss situation, the owner/customer would no longer be required to make any  
12 payments. The proposed Program Tariff covers this in subparagraph l on Sheet R-30.26.  
13 Unrecovered expenses associated with this scenario would be recovered as an operating  
14 expense in the cost recovery mechanism. The Company anticipates the occurrence of a  
15 total loss situation to be very remote.

16 **Q. DOES THIS COMPLETE YOUR SUPPLEMENTAL DIRECT TESTIMONY?**

A. Yes.

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

In the Matter of the Application of Spire Missouri )  
Inc. for approval to establish an On-Bill Financing ) Case No. GO-2021-0126  
Program and Cost Recovery Mechanism )

A F F I D A V I T

STATE OF MISSOURI )  
 ) SS.  
COUNTY OF JACKSON )

Shaylyn Dean, of lawful age, being first duly sworn, deposes and states:

1. My name is Shaylyn Dean. I am the Manager of Energy Efficiency Programs for Spire Missouri Inc. My business address is 7500 E 35<sup>th</sup> Terrace, Kansas City, MO 64129.
2. Attached hereto and made a part hereof for all purposes is my supplemental direct testimony on behalf of Spire Missouri Inc.
3. Under penalty of perjury, I declare that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Shaylyn Dean  
Shaylyn Dean

Dated: January 25, 2021