

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

In the Matter of Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities’ Tariff Revisions Designed to Implement a General Rate Increase for Natural Gas Service in the Missouri Service Areas of the Company)))))) Case No. GR-2014-0152

**MISSOURI DIVISION OF ENERGY’S
STATEMENT OF POSITION**

COMES NOW the Department of Economic Development – Division of Energy (“DE”) and states its position¹ as follows:

Energy Efficiency and Low Income Weatherization Programs

A. *Should Liberty have an evaluation, measurement and verification (EM&V) performed to determine the cost-effectiveness of an energy efficiency program before making any future expenditures on the program?*

No. DE does not believe this issue is properly an issue, as it was raised for the first time in surrebuttal testimony. Furthermore, the process of energy efficiency program design, evaluation, and modification is a normal part of the Energy Efficiency Advisory Group (“EEAG”) process. Abruptly cutting funding pending evaluation is wholly inconsistent with the EEAG process and evaluative practices of other Missouri gas utilities; it fails to enhance the EEAG process; and it could harm the Company’s ongoing energy efficiency efforts.

B. *Should low income weatherization assistance funding be in addition to the 0.5 percent target funding level for energy efficiency, or should the 0.5 percent target funding level include energy efficiency and low income weatherization assistance programs combined?*

The Commission should authorize energy efficiency funding at a target level of 0.5% of gross operating revenues, excluding low income weatherization funding. As a *target* funding level, this would not be a mandate to spend money on non-cost-effective programs, but rather

¹ DE previously filed testimony regarding recovery of administrative costs for low income weatherization. DE is no longer pursuing that issue. Therefore, it does not appear on the Issues List and it is not addressed here.

would be an invitation by the Commission to invest in cost-effective programs out to approximately 0.5% of operating revenues. By setting the 0.5% target for energy efficiency alone, the Commission could uphold Liberty's commitment to low-income weatherization, while encouraging bolder investments in prudent, cost-effective energy efficiency.

Respectfully submitted,

/s/ Jeremy Knee

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been emailed to the certified service list this 3rd day of September, 2014.

/s/ Jeremy Knee

Jeremy Knee