

**Exhibit No:**  
**Issue:** Energy Efficiency Tariff Changes  
**Witness:** Shaylyn Dean  
**Type of Exhibit:** Direct Testimony  
**Sponsoring Party:** Spire Missouri Inc.  
**Case No.:** GR-2021-0108

**Date Prepared:** December 11, 2020

**SPIRE MISSOURI, INC.**

**CASE NO. GR-2021-0108**

**DIRECT TESTIMONY**

**OF**

**Shaylyn Dean**

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**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. WHAT IS YOUR PRESENT POSITION?**

5 A. I am the Manager of Energy Efficiency Programs for Spire Missouri (“Spire” or “the  
6 Company”).

7 **Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND  
8 BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**

9 A. I was promoted to Manager of Energy Efficiency Programs for Spire on September 8, 2017  
10 so I have been in my current role for 3 years. I oversee the Company’s Energy Efficiency  
11 Portfolio which includes the Residential, Commercial & Industrial, as well as Co-Delivery  
12 rebate/incentive programs. In my role, I follow Energy Efficiency trends and policies in  
13 other states and evaluate what new technologies exist that could help improve our program  
14 for Missouri customers. I also represent the Company at our quarterly Energy Efficiency  
15 Collaborative meetings. The Collaborative includes the Missouri Public Service  
16 Commission Staff, Office of the Public Counsel, Department of Natural  
17 Resources/Division of Energy, National Housing Trust, and Renew Missouri.

18 **Q. WHAT WAS YOUR EXPERIENCE PRIOR TO ASSUMING YOUR CURRENT  
19 POSITION?**

20 A. I joined Missouri Gas Energy (MGE), now Spire, in 2012 as a Customer and Community  
21 Relations Advisor working on Missouri Public Service Commission (“Commission”)   
22 Complaints. I also worked with the Company’s community stakeholders on a host of  
23 programs such as the Low-Income Home Energy Assistance Program (LIHEAP). I was

1 promoted to Energy Efficiency Specialist for the legacy MGE territory in March of 2015  
2 to oversee the Company's Energy Efficiency programs. Prior to joining Spire, I managed  
3 the LIHEAP Program at United Services Community Action Agency now Community  
4 Action of Greater Kansas City.

5 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

6 A. I received a Master's in Public Administration with an emphasis in Urban Administration  
7 and Policy from the University of Missouri-Kansas City (UMKC). I also received a  
8 Professional Certificate in Community Economic Development while at UMKC. Prior to  
9 UMKC, I received my Bachelor of Arts degree from the University of Iowa.

10 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS**  
11 **COMMISSION?**

12 A. Yes, I submitted Rebuttal as well as Surrebuttal Testimony in Spire's last general rate case  
13 proceeding, Case Nos. GR-2017-0125, GR-2017-0126 and Direct testimony in Case No.  
14 GO-2021-0126.

15 **PURPOSE OF DIRECT TESTIMONY**

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

17 A. The purpose of my direct testimony is to support and explain notable changes to Spire's  
18 conservation and energy efficiency tariff as well as introduce two new energy efficiency  
19 programs: Spire's On-Bill Financing Program and the Non-Co-delivery Low Income  
20 Multi-Family Energy Efficiency Program.

21 **CHANGES TO SPIRE'S RESIDENTIAL HIGH ENERGY EFFICIENCY PROGRAM**  
22

1 **Q. PLEASE EXPLAIN SPIRE’S RESIDENTIAL HIGH ENERGY EFFICENCY**  
2 **PROGRAM.**

3 A. Details on Spire’s High Energy Efficiency Program can be found in Tariff Sheet No. R-30  
4 and R-30.1. This program promotes energy efficiency by providing rebates to residential  
5 customers for installation of high energy efficiency heating systems, water heating systems,  
6 and thermostats.

7 **Q. HAS SPIRE MADE ANY NOTABLE CHANGES TO ITS HIGH ENERGY**  
8 **EFFICIENCY PROGRAM?**

9 A. Yes. Spire is proposing to increase the rebates designated for some of its high energy  
10 efficiency installs, specifically: gas furnaces and smart WIFI enabled thermostats. In our  
11 currently approved tariffs, rebates are \$200 for 92%-95.9% Annual Fuel Utilization  
12 Efficiency (“AFUE”) gas furnaces and \$300 for 96% or higher AFUE gas furnace models.  
13 Spire is proposing that the incentives for gas furnaces be increased to \$400 for the 92%-  
14 95.9% models and \$500 for 96% or higher models. Spire currently offers a \$25 rebate for  
15 our thermostat program which includes programmable models but moving forward the  
16 company will only be providing rebates for smart WIFI enabled thermostats in the amount  
17 of \$75.

18 **Q. WHY IS SPIRE PROPOSING TO INCREASE ITS REBATES FOR THESE**  
19 **INSTALLS?**

20 A. We believe that increasing the rebates would further promote energy efficiency, by further  
21 incentivizing customers to install these measures by making them even more affordable  
22 than ever before. We targeted an increase in rebates for gas furnaces and smart WIFI  
23 enabled thermostats because these installs have potential for greater energy efficiency

1 program savings. These measures are also the most utilized measures year over year by our  
2 customers for our program.

3 **Q. ARE THESE REBATE AMOUNTS SIMILAR TO WHAT IS OFFERED BY**  
4 **OTHER MISSOURI UTILITIES?**

5 A. Yes, in fact, the Commission approved rebate amounts of \$400 at the 90-94.9% AFUE  
6 efficiency level and \$500 for 95% AFUE or higher furnaces for Summit Natural Gas.  
7 Summit Natural Gas was also approved to provide smart WIFI enabled thermostats  
8 incentives in the amount of \$100 for Nest or Ecobee models.

9 **Q. HAS SPIRE MADE ANY OTHER NOTABLE CHANGES TO ITS RESIDENTIAL**  
10 **HIGH ENERGY EFFICIENCY PROGRAM TARIFF?**

11 A. Yes. Spire has removed the .76 UEF storage tank 55 gallons to 100 gallons water heater  
12 from the tariff because that equipment has yet to move forward in the market for consumers  
13 to purchase.

14 **SPIRE'S COMMERCIAL AND INDUSTRIAL (C/I) ENERGY EFFICIENCY TARIFF**  
15 **CHANGES**

16 **Q. PLEASE DESCRIBE ANY NOTABLE CHANGES SPIRE HAS MADE TO ITS**  
17 **C/I ENERGY EFFICIENCY TARIFF.**

18 A. Spire has made two notable changes to its C/I program under the custom and audit rebate  
19 sections which are located on Sheet R-30.7 of the Company's energy efficiency tariffs.  
20 First, Spire has modified its C/I custom payback period from two years to one year, and  
21 second Spire made several modifications to enhance its audit rebate.

22 **Q. PLEASE DESCRIBE THE PURPOSE OF THE PAYBACK PERIOD ON SHEET**  
23 **R-30.7 OF SPIRE'S TARIFF.**

1 A. Spire as well as other utilities put minimum payback periods in place to prevent free  
2 ridership and ensure that the C/I customer is sharing fairly in the energy efficiency  
3 custom investment upgrade.

4 **Q. WHY IS SPIRE PROPOSING THIS CHANGE?**

5 A. Spire has seen C/I customers deal with a very challenging economy due to COVID-19  
6 and feel this one-year payback program change will help spur more custom rebate  
7 projects to move forward. Spire has heard from C/I customers who had to delay or cancel  
8 planned projects due to the lingering economic impacts from COVID-19. That additional  
9 year is a barrier Spire wants to remove to help our C/I customers. Reducing the payback  
10 period from two years to one year is also in line with the Ameren C/I Custom program  
11 that calls for simple payback of installed measures to be greater than a 12-month period.

12 **Q. PLEASE DESCRIBE SPIRE'S MODIFICATIONS TO THE REBATE AUDIT.**

13 A. Spire has removed the square footage requirements for both Non-Profit C/I customers  
14 and all other C/I customers. Non-Profit C/I customers are eligible for a rebate of 75% of  
15 the audit cost up to \$900 which was increased from the current tariff amounts of \$600 to  
16 \$750. Non-Profit C/I customers can receive one energy audit rebate per program year  
17 without installing a rebate qualifying measure from the audit report. Once a Non-Profit  
18 C/I customer installs a qualifying gas efficiency measure from the audit report they will  
19 be eligible for the audit rebate plus an additional 100% of the installed gas measure  
20 rebates, of up to \$300. All other C/I customers are eligible for a rebate of 50% of the  
21 audit cost up to \$750 which was increased from the current tariff amounts of \$375 to  
22 \$500. For the C/I customer to be eligible for a rebate the audit report must identify at  
23 least one energy efficiency measure, which must be implemented, and the application for

1 the audit rebate must be included in the application for the qualifying energy efficiency  
2 measure. Once the other C/I customer installs a qualifying gas efficiency measure from  
3 the audit report, they will be eligible for the audit rebate plus an additional 100% of the  
4 installed gas measure rebate, up to \$250.

5 **Q. WHY IS SPIRE PROPOSING THESE MODIFICATIONS?**

6 A. Spire is enhancing the rebates for both our Non-Profit C/I customers and all other C/I  
7 customers to increase the number of energy audits completed for customers' buildings.  
8 Energy audits help customers identify and prioritize ways to improve the efficiency of  
9 their buildings and, when combined with other C/I Rebate program offerings should  
10 translate to more efficiency projects being completed. This enhancement will help with  
11 larger greenhouse gas offsets making the commercial locations more environmentally  
12 friendly while reducing the customers' energy usage.

13 **SPIRE'S ON-BILL FINANCING PROGRAM**

14  
15 **Q. PLEASE BRIEFLY DESCRIBE SPIRE'S ON-BILL FINANCING PROGRAM.**

16 A. Spire's On-Bill Financing Program is designed to promote energy efficiency and cost  
17 savings for customers by financing qualified energy efficiency measures. This program  
18 is modeled after the Pay as You Save (PAYS®) program, which was developed and  
19 trademarked by the Energy Efficiency Institute. The program allows customers to install  
20 energy efficiency measures in their homes without the barriers of credit checks. Spire  
21 would contract with a third-party program implementer that would perform an evaluation  
22 of the interested customer's home. All residential customers whether they own or rent  
23 would be eligible to participate as long as their homes are deemed to have qualified. The  
24 third-party program implementer would prepare a bid containing potential measures



1 along with an estimate of the savings. At this stage the customer will let the third-party  
2 program implementer know if they would like to participate. If the customer does choose  
3 to participate, Spire will arrange to finance the equipment and work with the third-party  
4 implementer to have the measures installed.

5 **Q. IS SPIRE INTRODUCING A TARIFF FOR ITS ON-BILL FINANCING**  
6 **PROGRAM?**

7 A. Yes. Spire has included with this filing, a placeholder tariff sheet for its proposed on-bill  
8 financing program.

9 **Q. WHY IS SPIRE ONLY INTRODUCING A PLACEHOLDER TARIFF SHEET AT**  
10 **THIS TIME?**

11 A. On October 30, 2020, Spire filed with this Commission under Case No. GO-2021-0126, an  
12 application for approval of Spire's On-Bill Financing Program. That case is currently still  
13 pending before the Commission. A copy of Spire's application and supporting testimonies  
14 are attached hereto as Appendix A. Spire believes that further changes will be made to its  
15 proposed On-Bill Financing tariff as a result of that docket. Once agreed upon tariff  
16 language has been established and approved by the Commission, Spire intends to file that  
17 tariff with this case.

18 **SPIRE'S NON-CO-DELIVERY TARIFF**

19  
20 **Q. PLEASE DESCRIBE THE PURPOSE OF SPIRE'S NON-CO-DELIVERY LOW-**  
21 **INCOME MULTI-FAMILY TARIFF SHEET R-30.13a.**

22 A. Spire currently has co-delivery tariffs in place with the large Missouri electric companies  
23 that overlap Spire's service territory. For the eastern service territory, Spire has a co-  
24 delivery low income multi-family tariff with Ameren Missouri, and for its western

1 service territory, Spire has a co-delivery low income multi-family tariff in place with  
2 Evergy. These co-delivery tariffs allow the utilities to partner together to help our shared  
3 customers receive energy savings and bill reductions from both the natural gas and  
4 electric energy sources jointly. The purpose of the non-co-delivery low income multi-  
5 family tariff would be to expand the program to other Spire service areas where we don't  
6 overlap Ameren Missouri and Evergy. For example, Spire serves the Independence,  
7 Missouri area which isn't served by Evergy. The Independence area has a very large  
8 number of multi-family properties with gas meters served by Spire that cannot currently  
9 participate in this program. That is just one example of an area that Spire serves that  
10 would benefit from this program and the company is confident we could have a very  
11 positive impact in other service areas as well throughout our statewide territory where we  
12 don't overlap currently with Ameren Missouri and Evergy.

13 **Q. PLEASE EXPLAIN HOW THIS PROGRAM IS FUNDED.**

14 A. This program would be funded by using unspent and/or carryover energy efficiency  
15 program portfolio funds from prior years.

16 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

17 A. Yes.

**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 )  
 ) SS.  
COUNTY OF JACKSON )

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

1. My name is Shaylyn Dean. I am Manager of Energy Efficiency Programs for Spire Missouri Inc. My business address is 7500 E 35<sup>th</sup> Terrace, Kansas City, Missouri, 64129.
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/ Shaylyn Dean \_\_\_\_\_  
Shaylyn Dean

December 11, 2020 \_\_\_\_\_  
Date

**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-  
Program and Cost Recovery Mechanism )

**VERIFIED APPLICATION OF SPIRE MISSOURI INC. FOR APPROVAL TO  
ESTABLISH AN ON-BILL FINANCING PROGRAM AND COST RECOVERY  
MECHANISM FOR IT'S MISSOURI SERVICE TERRITORY AND REQUEST  
FOR WAIVER FROM 60 DAY NOTICE RULE**

COMES NOW Spire Missouri Inc., pursuant to 20 CSR 4240-2.060 and 2.080 of the Rules of Practice and Procedure of the Missouri Public Service Commission (“Commission”) and, for its application seeking approval of a new tariffed program, an on-bill financing program, and an associated cost recovery mechanism for the recovery of Spire’s On-Bill Financing Program investments, which are aimed at facilitating expanded opportunities for customers to benefit from cost-effective energy efficiency measures, respectfully states as follows:

**THE APPLICANT**

2. Spire Missouri Inc. is a public utility and gas corporation incorporated under the laws of the State of Missouri, with its principal office located at 700 Market Street, St. Louis, Missouri 63101. A Certificate of Good Standing evidencing Spire's standing to do business in Missouri was submitted in Case No. GU-2020-0376 and is incorporated by reference herein for all purposes. The information in such Certificate is current and correct.

3. Spire Missouri Inc. is engaged in the business of distributing and transporting natural gas to customers in Missouri as a gas corporation subject to the

jurisdiction of the Commission. Spire provides gas service in Missouri to customers in the City of St. Louis and the Counties of St. Louis, St. Charles, Crawford, Jefferson, Franklin, Iron, St. Genevieve, St. Francois, Madison, Butler, Barry, Barton, Bates, Buchanan, Carroll, Cass, Cedar, Christian, Clay, Clinton, Cooper, Dade, Dekalb, Greene, Henry, Howard, Jackson, Jasper, Johnson, Lafayette, Lawrence, McDonald, Moniteau, Newton, Pettis, Platte, Ray, Saline, Stone, and Vernon.

4. Communications in regard to this Application should be addressed to:

Matthew Aplington MoBar#58565  
General Counsel  
Spire Missouri Inc.  
700 Market Street  
St. Louis, MO 63101  
314-342-0785 Office  
[Matt.Aplington@spireenergy.com](mailto:Matt.Aplington@spireenergy.com)

Goldie Bockstruck MoBar#58759  
Director, Associate General Counsel  
Spire Missouri Inc.  
700 Market Street  
St. Louis, MO 63101  
(314) 356-1568  
Goldie.Bockstruck@spireenergy.com

Wesley E. Selinger  
Manager, Rates and Planning  
Spire Missouri Inc.  
700 Market Street, 5<sup>th</sup> Floor  
St. Louis, Missouri 63101  
(314) 230-5847

5. Other than cases that have been docketed at the Commission, Spire has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates.

6. Spire Missouri is current on its annual report and assessment fee obligations to the Commission, and no such report or assessment fee is overdue.

### **SPIRE ON-BILL FINANCING PROGRAM**

7. Spire's On-Bill Financing Program, which is modeled after the Pay as You Save (PAYS®) Program, is designed to give all residential customers who can benefit from energy efficiency measures, the ability to obtain these measures while also saving on their natural gas bill. Unlike Spire's current financing programs, which require customers to pass a credit check in order to be eligible for financing, Spire's On-Bill Financing Program eliminates this requirement. This difference will allow more customers to take advantage of cost saving energy efficiency measures.

8. Spire is also requesting approval of a new cost recovery mechanism, which would allow the Company to recover costs associated with on-bill financing Program investments. The Company's proposal includes an annual filing to true up Program costs.

9. With this application, Spire is filing tariff sheets reflecting the terms and conditions and cost recovery elements of its proposed Spire On-Bill Financing Program. Also filed concurrently with this application are the direct testimonies of Shaylyn Dean and Wesley Selinger which provide a program overview and a description of the Company's proposed cost recovery mechanism.

### **REQUEST FOR WAIVER**

10. Commission Rule 20 CSR 4240-4.017(1) provides, in part, as follows:

Any person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case. Such notice shall detail the type of case and issues likely to be before the commission

and shall include a summary of all communication regarding substantive issues likely to be in the case between the filing party and the office of the commission that occurred in the ninety (90) days prior to filing the notice.

Rule 20 CSR 4240-4.017(1)(D) permits a party to request a waiver of the above cited rule for good cause. The rule provision specifically provides that good cause may be established by submitting a verified declaration that the filing party has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case. The Company interprets this to mean that good cause is established if the filing party has had no communication with a member of the office of the Commission outside of pleadings or other public communications. Subject to that understanding, the Company has attached to this request a verified declaration that neither the Company nor any person or entity acting on behalf of the Company or its Missouri operating units, has had a communication with a member of the office of the commission in the last 150 days regarding any substantive issue relating to this case. For that reason, the Company requests that the Commission grant a waiver of the 60-day notice requirement for Spire Missouri's application.

**WHEREFORE**, pursuant to 20 CSR 4240-2.060 and 2.080 of the Rules of Practice and Procedure of the Commission, Spire Missouri respectfully requests that the Commission issue an Order, approving the tariff sheets filed with this application for the proposed Spire On-Bill Financing program and cost recovery mechanism and approve the Company's requested waiver from the 60 day filing requirements contained in 20 CSR 4240-4.017(1).

Respectfully submitted,

Goldie T. Bockstruck

Matthew Aplington  
General Counsel  
Spire Missouri Inc.  
700 Market Street, 6th Floor  
St. Louis, MO 63101  
314-342-0785 Office  
314-421-1979 Fax  
Matt.Aplington @spireenergy.com

Goldie Bockstruck MoBar#58759  
Director, Associate General Counsel  
Spire Missouri Inc.  
700 Market Street  
St. Louis, MO 63101  
(314) 356-1568  
Goldie.Bockstruck@spireenergy.com

**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing Application and Petition was served on the General Counsel of the Staff of the Missouri Public Service Commission and the Office of the Public Counsel on this 30<sup>th</sup> day of October, 2020 by hand-delivery, fax, electronic or regular mail.

/s/Goldie T. Bockstruck

Goldie T. Bockstruck



**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 Finance ) Case No. GO-2021-  
program and cost recovery mechanism )

**VERIFICATION AND AFFIDAVIT OF WESLEY E. SELINGER**

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

Wesley Selinger, of lawful age, being first duly sworn, deposes and states:

1. My name is Wesley Selinger. I am the Manager of Rates and Planning. My business address is 700 Market St., St. Louis, Missouri, 63101.
2. I have read the foregoing Application, and that the matters and things set forth therein are true and correct to the best of my knowledge, information and belief. I also hereby swear and affirm that I have read the foregoing Request for Waiver, and hereby declare that, other than pleadings or other public communications, Spire Missouri Inc. has had no communication with the office of the Commission, within the prior one hundred and fifty (150) days regarding any substantive issue likely to be in the above referenced case.
3. Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.

**Dated: October 30, 2020**

/s/ Wesley Selinger  
Wesley Selinger

**Exhibit No: 1**  
**Issue:** Spire On-Bill Financing Program  
Overview  
**Witness:** Shaylyn Dean  
**Type of Exhibit:** Direct Testimony  
**Sponsoring Party:** Spire Missouri Inc.  
**Case Nos.:**  
**Date Prepared:** October 30, 2020

**SPIRE MISSOURI, INC.**

**File Nos.**

**DIRECT TESTIMONY**

**OF**

**Shaylyn Dean**

**DIRECT TESTIMONY OF SHAYLYN DEAN**

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8 **BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**

9 A. I was promoted to Manager of Energy Efficiency Programs for Spire on September 8, 2017  
10 so I have been in my current role for 3 years. I oversee the Company’s Energy Efficiency  
11 Portfolio which includes the Residential, Commercial & Industrial, as well as Co-Delivery  
12 rebate/incentive programs. In my role, I follow Energy Efficiency trends and policies in  
13 other states and evaluate what new technologies exist that could help improve our program  
14 for Missouri customers. I also represent the company at our quarterly Energy Efficiency  
15 Collaborative meetings. The Collaborative includes the Missouri Public Service  
16 Commission Staff, Office of Public Counsel, Department of Natural Resources/Division  
17 of Energy, National Housing Trust, and Renew Missouri.

18 **Q. WHAT WAS YOUR EXPERIENCE PRIOR TO ASSUMING YOUR CURRENT**  
19 **POSITION?**

20 A. I joined Missouri Gas Energy (MGE), now Spire, in 2012 as a Customer and Community  
21 Relations Advisor working on Missouri Public Service Commission Complaints. I also  
22 worked with the Company’s community stakeholders on a host of programs such as the  
23 Low-Income Home Energy Assistance Program (LIHEAP). I was promoted to Energy

1 Efficiency Specialist for the legacy MGE territory in March of 2015 to oversee the  
2 Company's Energy Efficiency programs. Prior to joining Spire, I managed the LIHEAP  
3 Program at United Services Community Action Agency now Community Action of Greater  
4 Kansas City.

5 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

6 A. I received a Master's in Public Administration with an emphasis in Urban Administration  
7 and Policy from the University of Missouri-Kansas City (UMKC). I also received a  
8 Professional Certificate in Community Economic Development while at UMKC. Prior to  
9 UMKC, I received my Bachelor of Arts degree from the University of Iowa.

10 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS**  
11 **COMMISSION?**

12 A. Yes, I submitted Rebuttal, as well as, Surrebuttal Testimony in Spire's last general rate  
13 case proceeding, Case Nos. GR-2017-0215 and GR-2017-0216.

14 **I. PURPOSE OF DIRECT TESTIMONY**

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

16 A. The purpose of my direct testimony is to support and explain Spire's application to  
17 establish Spire's On-Bill Financing Program.

18 **II. SPIRE ON-BILL FINANCING PROGRAM**

19 **Q. WHAT IS AN ON-BILL FINANCING PROGRAM?**

20 A. Spire's On-Bill Financing Program is designed to promote energy efficiency and cost  
21 savings for customers by financing qualified energy efficiency measures. This program is  
22 modeled after the Pay as You Save (PAYS®) program, which was developed and  
23 trademarked by the Energy Efficiency Institute ("EEI"). As explained by EEI, "the

1 PAYS® system enables building owners or tenants to purchase and install money-saving  
2 resource-efficient measures with no up- front payment and no debt obligation. Those who  
3 benefit from the savings pay for these measures through a tariffed charge on their utility  
4 bill, but only for as long as they occupy the location where the measures are installed  
5 because the charge stays with the meter. The monthly charge is always lower than the  
6 measure’s estimated savings and it remains on the bill for that location until all costs are  
7 recovered. Like a loan, PAYS® allows for payment over time, but unlike a loan, the  
8 payment obligation ends when the cost of the measure has been paid, occupancy ends, or  
9 the measure fails.”

10 **Q. PLEASE DESCRIBE THE OVERALL BENEFITS TO SPIRE’S ON-BILL**  
11 **FINANCING PROGRAM.**

12 A. This program will expand opportunities for customers to adopt cost-effective energy  
13 efficiency measures through on-bill financing without having to worry about credit  
14 reporting barriers that make it challenging for individuals to upgrade due to cost. Spire  
15 will be able to show additional greenhouse gas emissions offsets benefiting the  
16 environment.

17 **Q. DOESN’T SPIRE CURRENTLY HAVE A FINANCING PROGRAM AVAILABLE**  
18 **TO ITS CUSTOMERS TO INSTALL THESE TYPES OF MEASURES?**

19 A. Yes, Spire does operate the Energywise and Insulation finance programs, however these  
20 programs are only available to customers that qualify after the company has reviewed their  
21 credit history along with pulling a credit report. Currently 25% of those that apply do not  
22 qualify for the program due to credit history and are therefore denied the opportunity to

1 make the equipment upgrades. These customers could have been helped had an on-bill  
2 financing program been available.

3 **Q. WHO IS ELIGIBLE TO PARTICIPATE IN THE SPIRE ON-BILL FINANCING**  
4 **PROGRAM?**

5 A. All Spire residential customers are eligible regardless of income level.

6 **Q. WHO OWNS THE MEASURE AFTER IT HAS BEEN PAID?**

7 A. The owner of the premise will own the equipment after it has been paid off.

8 **Q. ARE THERE CRITERIA AN ON-BILL FINANCING PROGRAM INVESTMENT**  
9 **MUST MEET?**

10 A. Yes. All of the measures must be cost effective. The on-bill charge associated with an  
11 individual investment is limited to 80% of the value of the energy savings generated by  
12 that investment. In addition, the payback period for an investment is set to 80% of the life  
13 of the investment, with a cap of 12 years.

14 **Q. ARE INVESTMENTS EVALUATED TO ENSURE THAT THESE CRITERIA ARE**  
15 **BEING MET?**

16 A. Yes. As described below, for this program, the Company will contract a third-party  
17 program implementer. As part of the program, the program implementer will perform an  
18 annual evaluation to verify that the above-mentioned criteria are being met. If it is  
19 determined that investments are failing to satisfy these criteria, adjustments will be made  
20 at that time to recalibrate charges to align with these criteria.

21 **Q. HOW WOULD SPIRE'S PROPOSED ON-BILL FINANCING PROGRAM**  
22 **WORK?**

1 A. Under Spire’s proposed program, the Company would contract with a third-party program  
2 implementer. The program implementer would perform an evaluation of the homes of  
3 interested customers. If the home is deemed qualified to participate in the program, the  
4 implementer would prepare a bid containing potential measures, other than direct-install  
5 measures the customer may elect to have installed, along with an estimate of the associated  
6 savings. At this stage, if a customer chooses to participate, Spire will arrange to finance  
7 and install the measures.

8 **Q. WHAT IS SPIRE’S PROPOSED PROGRAM BUDGET?**

9 A. Spire is requesting approval for an \$11 million annual program budget, with \$1 million  
10 carved out for program start-up, administrative, marketing, and implementation costs. The  
11 proposed budget would support investments across all of Spire’s service territory.

12 **Q. WHAT IS SPIRE’S PROPOSAL FOR UNSPENT FUNDS?**

13 A. Unspent funds would roll over to be administered in subsequent program years.

14 **Q. HOW MANY PROJECTS DOES THE COMPANY BELIEVE THIS BUDGET  
15 WOULD SUPPORT?**

16 A. If Spire were to utilize the entire budget annually, the Company estimates it would support  
17 approximately 1,300 projects.

18 **Q. IS THERE A LIMIT ON THE AMOUNT OF ENERGY EFFICIENCY MEASURES  
19 A CUSTOMER MAY INSTALL UNDER THE PROGRAM?**

20 A. The amount of energy efficiency measures will depend on the third party implementer’s  
21 home analysis so we can make sure the program is getting the intended savings.

22 **Q. WILL PROGRAM PARTICIPANTS BE ELIGIBLE FOR EXISTING REBATES  
23 AND INCENTIVES?**

1 A. Yes. Spire’s existing rebates and incentives will be available to participating customers.

2 **Q. WHAT HAPPENS IF A PARTICIPATING CUSTOMER MOVES?**

3 A. One of the interesting elements of Spire’s On-Bill Financing Program is that investments  
4 are not tied to the customer but to the premise. Therefore, if a participating customer  
5 moves, the next owner/tenant will assume the responsibility for the program charge as part  
6 of their Spire gas bill.

7 **Q. CAN PARTICIPATING CUSTOMERS BE DISCONNECTED FOR NON-**  
8 **PAYMENT OF THE ON-BILL FINANCING CHARGE?**

9 A. Yes. The on-bill charge associated with the participating customer’s investments will be  
10 treated as all other bill charges with non-payment resulting in disconnection.

11 **Q. WHAT DOES IT MEAN FOR A MEASURE TO HAVE FAILED?**

12 A. A measure has failed if the installed upgrades are no longer functioning as intended and  
13 the occupant or building owner, as applicable, did not damage or fail to maintain the  
14 installed upgrades

15 **Q. HOW WILL SPIRE DETERMINE THAT AN ENERGY EFFICIENCY MEASURE**  
16 **HAS FAILED?**

17 A. Participating customers shall report the failure of the installed upgrades to the Program  
18 Administrator or Spire as soon as possible. Spire will determine the cause of the failure  
19 and make the repairs if that determination wasn’t found to be something caused by the  
20 owner, customer, or occupants.

21 **Q. WHAT HAPPENS IF A MEASURE FAILS?**



1 A. Spire will reduce or suspend the Service Charge until the Company and/or third party can  
2 repair the upgrades. If the measure cannot be repaired or replaced in a cost-effective  
3 manner the remaining Service Charge fees will be waived.

4 **Q. CAN CUSTOMERS MAKE A DOWN PAYMENT ON THE INVESTMENT AT**  
5 **THE TIME OF INSTALLATION?**

6 A. Yes. Customers can make a down payment at the time of installation to offset a portion of  
7 the costs to be financed through the on-bill charge.

8 **Q. HAVE SIMILAR PROGRAMS BEEN APPROVED IN MISSOURI?**

9 A. Yes, PAYS® programs were approved as part of Evergy’s most recent MEEIA  
10 proceeding, as well as Ameren Missouri’s recent MEEIA extension filing. These  
11 approved programs have annual budgets of \$15 million and \$5 million, increasing to \$10  
12 million dollars respectively.

13 **Q. HAVE ANY OTHER GAS UTILITIES EXPLORED LAUNCHING A SIMILAR**  
14 **ON-BILL FINANCING PROGRAM?**

15 A. Yes. CenterPoint Energy has submitted a Tariffed On-Bill Financing program to the  
16 Minnesota Public Service Commission.

17 **Q. HAS SPIRE CONSIDERED CO-DELIVERING IT’S ON-BILL FINANCING**  
18 **PROGRAM?**

19 A. Spire is currently evaluating the potential for a co-delivered program and, similar to the  
20 approved tariff sheets of Ameren Missouri in Case No. EO-2018-2011, has incorporated  
21 that possibility into its proposed tariff.

22 **Q. WHY WOULD SPIRE CO-DELIVER IT’S ON-BILL FINANCING PROGRAM?**

1 A. A co-delivered program evaluating the whole house energy consumption would offer the  
2 greatest energy efficiency benefit to the customer if the electric utility also has an on-bill  
3 financing program. Spire would still pursue doing this program in areas where a co-  
4 delivery agreement doesn't exist with an electric utility.

5 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

6 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-  
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 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: October 30, 2020

**Exhibit No: 2**  
**Issue: Spire On-Bill Financing Cost  
Recovery Mechanism**  
**Witness: Wesley E. Selinger**  
**Type of Exhibit: Direct Testimony**  
**Sponsoring Party: Spire Missouri Inc.**  
**Case Nos.:**  
**Date Prepared:**

**SPIRE MISSOURI, INC.**

**File No.**

**DIRECT TESTIMONY**

**OF**

**Wesley E. Selinger**

**DIRECT TESTIMONY OF WESLEY E. SELINGER**

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

2 A. My name is Wesley E. Selinger and my business address is 700 Market St., St. Louis,  
3 Missouri, 63101.

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

5 A. I am presently employed as Manager, Rates and Planning at Spire Missouri Inc. (“Spire”  
6 or the “Company”).

7 **Q. PLEASE STATE HOW LONG YOU HAVE HELD YOUR POSITION AND**  
8 **BRIEFLY DESCRIBE YOUR RESPONSIBILITIES.**

9 A. I have been in my present position since September 2017, when I joined Spire. In this  
10 position, I am responsible for managing rate and regulatory matters, including the  
11 Company’s ISRS filings, as well as, the rate/regulatory planning and research functions of  
12 Spire and its two operating units in Missouri, Spire East and Spire West. As part of my  
13 duties, I am responsible for the research, assessment, development, and implementation of  
14 Spire’s rate/regulatory initiatives. I am also responsible for advancing those initiatives in  
15 the applicable regulatory forum.

16 **Q. WHAT WAS YOUR EXPERIENCE PRIOR TO ASSUMING YOUR CURRENT**  
17 **POSITION?**

18 A. Prior to joining Spire, from June 2012 through September 2013, I was employed by the  
19 Center for Business and Regulation at the University of Illinois – Springfield as an assistant  
20 to the Director of that organization. In that capacity, I assisted in research on regulatory  
21 issues and worked with stakeholders from public and private sector groups concerning  
22 regulatory issues. From September 2013 to August 2015, I was employed by Vectren  
23 Corporation, an electric and natural gas combination utility located in Evansville, Indiana

1 as a Rates Analyst in the Company's Rates and Regulatory Department. In this role, I  
2 managed several of the Company's rate adjustment filings, including but not limited to, the  
3 Fuel Adjustment Clause and Pipeline Safety Adjustment. I also performed regulatory  
4 research and participated in the evaluation and development of the Company's regulatory  
5 initiatives. From August 2015 until joining Spire, I was employed by Vectren Corporation  
6 as a Senior Regulatory Policy Analyst. In that role, I participated in the evaluation and  
7 development of the Company's strategic approach to regulatory developments and  
8 initiatives; communicating results and feedback to the Company's executive leadership and  
9 implementing those initiatives in the appropriate regulatory venue.

10 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

11 A. I graduated from the University of Illinois – Springfield with a Bachelor's degree in  
12 Economics with a minor in Accounting in 2013. I also earned a Master's degree in Public  
13 Administration, from the University of Illinois – Springfield, in 2016.

14 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS**  
15 **COMMISSION?**

16 A. Yes. I testified in Case Nos. GO-2019-0115, GO-2019-0116, GO-2019-0356, GO-2019-  
17 0357, GO-2020-0229 and GO-2020-0230.

18 **I. PURPOSE OF DIRECT TESTIMONY**

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

20 A. The purpose of my direct testimony is to sponsor and explain Spire's proposed On-Bill  
21 Financing program cost recovery mechanism.

22 **II. COST RECOVERY MECHANISM**

23 **Q. PLEASE BRIEFLY DESCRIBE SPIRE'S ON-BILL FINANCING PROGRAM.**

1 A. Spire’s On-Bill Financing Program is designed to promote the installation of energy  
2 efficiency measures by making program financing available to all residential customers  
3 whose homes are shown to benefit from the installation of these measures. Customer  
4 homes must undergo an energy efficiency analysis to determine if the installation of  
5 energy efficiency measures would result in the requisite cost savings under the program.  
6 Unlike other financing programs offered by the Company, the on-bill financing program  
7 does not require a credit check to qualify. A detailed description of Spire’s On-Bill  
8 Financing Program is included in the direct testimony of Spire witness Shaylyn Dean.

9 **Q. PLEASE PROVIDE A DESCRIPTION OF THE COMPANY’S PROPOSAL FOR**  
10 **COST RECOVERY OF ON-BILL FINANCING PROGRAM INVESTMENTS.**

11 A. Spire is proposing to recover on-bill financing program investment costs through a new  
12 annual recovery mechanism. This new mechanism would allow Spire to make annual  
13 filings to recover the cost of Spire On-Bill Finance Program investments and reflect any  
14 offsetting investment recoveries.

15 **Q. HOW WOULD PARTICIPATING CUSTOMERS CONTRIBUTE TO THE**  
16 **RECOVERY OF THE FINANCING COSTS OF SPIRE ON-BILL FINANCE**  
17 **INVESTMENTS?**

18 A. As described in the testimony of Spire witness Shaylyn Dean, participating customers will  
19 payback investments over time through an on-bill finance charge. The on-bill finance  
20 charges will be designed to recover investments plus a 4% interest charge and will not  
21 exceed 80% of the value of the energy savings the investments generate. In addition, the  
22 payback period for an investment is set to 80% of the life of the investment, with a cap of  
23 12 years. The difference between the participant finance charge and the Company’s

1 approved cost of capital including a tax gross up and other associated charges such as  
2 property tax and O&M expenses will be recovered through annual filings of the new  
3 mechanism.

4 **Q. HOW WILL A SPIRE ON-BILL FINANCE CHARGE BE STRUCTURED?**

5 A. Revenue requirements derived in annual Spire On-Bill Financing mechanism filings  
6 will be administered as a separate fixed charge line item on customer's bills. Schedule  
7 WES-1 contains an example On-Bill Financing specimen tariff sheet.

8 **Q. CAN YOU PROVIDE AN EXAMPLE SPIRE ON-BILL FINANCING  
9 MECHANISM REVENUE REQUIREMENT CALCULATION?**

10 A. Yes, Schedule WES-2 attached to this testimony includes an example Spire On-Bill  
11 Financing mechanism revenue requirement calculation. As shown, the calculation assumes  
12 an annual Spire On-Bill Financing investment spend of \$11 million. This investment  
13 amount is offset by customer payments received during the recovery period of  
14 approximately \$917,000. The cost of capital approved in Spire's most recent rate case is  
15 applied to the net of investments and recoveries and the result is grossed up to account for  
16 income taxes. The mechanism would also account for recovery of any associated  
17 property taxes and operations and maintenance expenses associated with investments.

18 **Q. HOW WILL SPIRE ON-BILL FINANCING INVESTMENTS BE TREATED IN A  
19 FUTURE SPIRE RATE CASE?**

20 A. Spire is proposing to keep recognition of Spire On-Bill Financing investment costs and  
21 revenues within its proposed mechanism and not in the Company's rate base used to  
22 establish base rates. By taking this approach the Company will be able to



1 contemporaneously reflect investments made and customer bill payments received within  
2 the mechanism.

3 **Q. WHY DOES THE COMPANY BELIEVE AN INTERIM COST RECOVERY**  
4 **MECHANISM IS APPROPRIATE FOR ITS PROPOSED PROGRAM?**

5 A. While the Company is enthusiastic about offering a new tool to customers to expand  
6 opportunities for benefiting from cost-effective energy efficiency investments, on-bill  
7 finance programs are still relatively new and have largely been used by electric  
8 cooperatives. To its knowledge, Spire would be one of the first pure natural gas utilities  
9 to offer such a program. While Missouri electric companies have a vehicle in the MEEIA  
10 charge to offer interim cost recovery, as a natural gas utility, Spire has no such  
11 mechanism. The Company's proposed mechanism would remedy this inequity and allow  
12 Spire to approach on-bill finance costs in a similar manner approved for Missouri electric  
13 utilities.

14 **Q. DOES ANY OTHER MISSOURI UTILITY HAVE AN ON-BILL FINANCE**  
15 **PROGRAM?**

16 A. Yes. Within the past year, Evergy was ordered by the Commission to establish a PAYS®  
17 program, and Ameren Missouri's PAYS® program has been recently approved.

18 **Q. PLEASE DESCRIBE THE COST RECOVERY MECHANISM UTILIZED FOR**  
19 **EVERGY AND AMEREN MISSOURI'S ("AMEREN") PAYS PROGRAMS.**

20 A. While Evergy has not made a specific PAYS® proposal at this time, Ameren's PAYS®  
21 cost recovery approach was agreed to in settlement and approved by the Commission in  
22 Case No. EO-2018-0211. Ameren will recover PAYS® investments through both its  
23 MEEIA charge, as well as, through cost deferrals for future recovery.

1 Q. DOES THIS COMPLETE YOUR 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-  
Program and Cost Recovery Mechanism                )

A F F I D A V I T

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

Wesley E. Selinger, of lawful age, being first duly sworn, deposes and states:

1.       My name is Wesley E. Selinger. I am the Manager, Rates and Planning at 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 my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Wesley E. Selinger  
Wesley E. Selinger

Dated: October 30, 2020

P.S.C. MO. No.  
CANCELLING

P.S.C. MO. No.

Original

SHEET No. 19

Spire Missouri Inc. d/b/a/ Spire

For: Spire Missouri

**SPIRE ON-BILL FINANCING PROGRAM SURCHARGE**

Description: The On-Bill Financing Charge is designed to recover eligible On-Bill Financing program costs as described in the Company's rules and regulations Sheet Nos. R-30.22 – 30.26 as authorized by the Missouri Public Service Commission.

Applicability: In addition to the other charges provided for in the Company's tariff, a monthly On-Bill Financing Charge shall be added to each customer's bill for service rendered on and after the effective date of the Company's annual On-Bill Financing filings.

Schedule of Surcharges: The amount of the On-Bill Financing Program Charge by rate schedule is as follows:

Residential Service (RG)	\$ 0.00
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Specimen

DATE OF ISSUE:

DATE EFFECTIVE:

ISSUED BY: Scott A. Weitzel, Managing Director, Regulatory & Legislative Affairs  
Spire Missouri Inc., St. Louis, MO. 63101

**Spire Missouri**  
**Spire On-Bill Financing Program Revenue Requirement Calculation**

Total PAYS Expenditures	\$ 11,000,000.00
Recovered Expenditures (Customer Payments)	\$ 916,666.67
Net PAYS Expenditures	\$ 10,083,333.33
Rate of Return	7.20%
ROR Required	<u>725,768</u>
Income Tax Conversion Factor	1.34135
Revenue Requirement on Capital	<u>973,509</u>
Net Property Taxes	220,000
O&M Expenses	-
PAYS Revenue Requirement for the Period	1,193,509