

Exhibit No. 38

Exhibit No: _____
Issue: **Limited-Income
Customer Programs
Medically Vulnerable
Customer Programs
Late Fees and
Disconnections
COVID Response**
Witness: **Julie Trachsel**
Type of Exhibit: **Surrebuttal
Testimony**
Sponsoring Party: **Spire Missouri Inc.**
Case No.: **GR-2021-0108**
Date Testimony Prepared: **July 14, 2021**

SPIRE MISSOURI INC.

CASE NO. GR-2021-0108

SURREBUTTAL TESTIMONY

OF

JULIE TRACHSEL

JULY 14, 2021

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1 **SURREBUTTAL TESTIMONY OF JULIE TRACHSEL**

2 **I. INTRODUCTION**

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

4 A. My name is Julie Trachsel and my business address is 800 Market Street, St. Louis,
5 Missouri 63101.

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

7 A. I am employed by Spire Missouri Inc. (“Spire” or “Company”) as the Manager of
8 Customer Experience Operations.

9 **Q. ARE YOU THE SAME JULIE TRACHSEL THAT PREVIOUSLY FILED**
10 **REBUTTAL TESTIMONY IN THIS PROCEEDING?**

11 A. Yes, I am.

12 **II. PURPOSE OF TESTIMONY**

13 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

14 A. The purpose of my Surrebuttal Testimony is to respond to the rebuttal testimony filed
15 by witnesses Geoff Marke on behalf of the Office of the Public Counsel (“OPC”), Kory
16 Boustead on behalf of the Commission Staff (“Staff”) and Annika Brindel on behalf of
17 the National Housing Trust (“NHT”).

18 **Q. WHAT SCHEDULES ARE YOU ATTACHING TO YOUR TESTIMONY?**

19 A. No schedules are being attached to my testimony.

20 **III. LIMITED-INCOME PROGRAMS**

21 **Q. OPC WITNESS GEOFF MARKE STATES AT P. 15 OF HIS REBUTTAL**
22 **TESTIMONY THAT OPC SUPPORTS SPIRE’S LOW-INCOME PROGRAM**

1 **RECOMMENDATIONS WITH FOUR MODIFICATIONS. DOES SPIRE**
2 **AGREE WITH THE MODIFICATIONS PROPOSED BY OPC?**

3 A. Spire does not agree with all of the proposed modifications for the reasons discussed
4 below. For simplicity’s sake, I will discuss each of OPC’s proposed modifications in
5 order.

6 **Q. OPC’S FIRST RECOMMENDATION IS THAT SPIRE SHOULD BE**
7 **REQUIRED TO MEET WITH INTERESTED STAKEHOLDERS FROM THIS**
8 **CASE TWICE ANNUALLY TO REPORT ON PROGRESS CONCERNING**
9 **ENROLLMENT, HISTORIC PARTICIPATION, AND CURRENT AND**
10 **PROJECTED BUDGET LEVELS. (Marke Rebuttal, pg. 15.) HOW DOES**
11 **SPIRE RESPOND?**

12 A. Spire supports this recommendation. Spire already has a practice of meeting with
13 interested stakeholders on a regular basis to discuss its low or limited-income programs.
14 Prior to the pandemic, Spire met with Staff, OPC, AARP, various community action
15 agencies, and the Urban League of Metropolitan St. Louis (informally and collectively
16 referred to as the “Low-Income Collaborative”), approximately two times per year to
17 discuss Spire’s limited-income programs, program enrollment, and program
18 participation, as well as other related issues. Certainly, with the pandemic, the
19 frequency of these meetings was diminished, but it is Spire’s intent to begin ramping
20 up these collaborative sessions now that the impacts of the pandemic are somewhat
21 lessened.

22 **Q. WHAT IS OPC’S SECOND PROPOSED MODIFICATION?**

1 A. OPC suggests that Spire’s Fixed Charge Assistance Program (“FCAP”) be set at \$35
2 for households at or below 135% of the Federal Poverty Level (“FPL”), and \$25 for
3 households at or below 200% of the FPL. (Marke Rebuttal, pg. 25.)

4 **Q. DOES SPIRE CONCUR WITH THIS RECOMMENDATION?**

5 A. No. Although Dr. Marke is correct that one of Spire’s goals is to expand the overall
6 amount and eligibility of its limited-income programs, Spire maintains that keeping the
7 budget amounts for the FCAP consistent at \$35 is reasonable. Spire has already
8 proposed to increase the eligibility for its limited-income programs from 185% to 200%
9 of the FPL, and this increased eligibility will permit Spire to assist more of its
10 customers. In addition, keeping a single budget amount makes implementation of the
11 program more streamlined and reduces confusion for the implementer.

12 **Q. DR. MARKE ALSO RECOMMENDS THAT THE OVERALL BUDGET FOR**
13 **SPIRE’S LIMITED-INCOME PROGRAMS BE INCREASED BY \$350,000 FOR**
14 **A TOTAL \$2 MILLION BUDGET. (Marke Rebuttal, pg. 15.) HOW DO YOU**
15 **RESPOND?**

16 A. Spire believes that OPC’s proposed increase is too drastic of an increase at this time.
17 Spire diligently monitors its limited-income program dollars to ensure that as many
18 customers as possible receive assistance through the various programs Spire offers and
19 Spire is committed to apportioning program funding appropriately throughout the year.
20 To do this, Spire must balance program participant needs against the program dollars
21 remaining at any given point in the year. For example, during the first year of Spire’s
22 Limited-Income Program, dollars were overspent earlier in the program year; the
23 following year, too few dollars were spent, leaving carryover to the subsequent year. If

1 Spire increases the program budget by an additional \$350,000, as proposed by OPC,
2 added to the increase in eligibility to 200% of the FPL, plus Spire’s monthly bill credits
3 and arrearage payment matching credits for on-time monthly payments, the Company
4 believes the program budget should not be increased at this juncture until we can assess
5 how the eligibility increase impacts program dollars.

6 **Q. DR. MARKE’S FOURTH PROPOSED RECOMMENDATION IS FOR SPIRE**
7 **SHAREHOLDERS TO CONTRIBUTE HALF OF THE TOTAL FUNDS FOR**
8 **THE PAYMENT PARTNER PROGRAM¹, RESULTING IN A REDUCTION**
9 **OF SPIRE’S REVENUE REQUIREMENT OF \$650,000. (Marke Rebuttal, pg.**
10 **15.) DOES SPIRE AGREE WITH OPC’S RECOMMENDATION?**

11 A. Spire does not agree with this recommendation. While the Company understands
12 OPC’s position, Spire has shown that it is committed to the community we service
13 through a variety of other means. For example, last year, Spire donated over \$1.5
14 million to Missouri not for profit organizations and paid Spire Missouri staff for 3,346
15 hours to volunteer in the community. During the COVID-19 pandemic, Spire provided
16 assistance programs to support our customers in need by using DollarHelp funds by
17 those impacted by the pandemic. In addition, in collaboration with several
18 stakeholders, Spire added to its pandemic relief efforts, spending over \$1.4 million to
19 assist our customers with bill credits and matching credits to customer bills, including
20 approximately \$700,000 coming from Spire shareholders.

¹ The current name is “Low-Income Energy Affordability Program.” Spire is suggesting in this proceeding to change the name to “Payment Partner Program.”

1 **Q. DR. MARKE EXPRESSES HIS AGREEMENT WITH NATIONAL HOUSING**
2 **TRUST WITNESS COLTON’S PROPOSAL TO SUSPEND LATE PAYMENT**
3 **FEES UNTIL THE END OF 2022. (Marke Rebuttal, pgs. 16-17.) WHAT IS**
4 **SPIRE’S RESPONSE TO THIS RECOMMENDATION?**

5 A. Spire does not support the recommendation to suspend late payment fees until the end
6 of 2022. First, it should be noted that Mr. Colton recommends that Spire suspend late
7 payment fees for all residential customers (Colton Direct, pg. 27), and not merely
8 customers with limited means or income. Mr. Colton recommends, and Dr. Marke
9 endorses, the suspension of late fees based in part on the argument that late fees
10 disproportionately affect those customers already struggling financially. Spire
11 disagrees. Any Spire limited-income customer actively participating in a FCAP defers
12 payment of any arrearages into twelve monthly payments that are carefully structured
13 to reduce any hardship associated with bill payment. A customer on a FCAP does not
14 have late fees assessed at all, so the assertion that limited-income customers are
15 disproportionately impacted by the imposition of late fees is simply inaccurate. Such
16 customer can be late on their payment one month and then will have a true-up the
17 following month.

18 **Q. DR. MARKE SUGGESTS THAT ONE ARGUMENT IN SUPPORT OF LATE**
19 **FEES IS THAT THEY THEORETICALLY ENCOURAGE TIMELY**
20 **PAYMENTS. (Marke Rebuttal, pg. 17.) DO YOU AGREE?**

21 A. Not necessarily, no. The imposition of late fees does not always encourage subsequent
22 timely payments, but we do find that seeing a late fee assessed on a bill motivates the
23 customer to call Spire to discuss options for repayment, including Budget Billing and

1 other Spire programs. So while a late fee may not encourage timely payment, it
2 certainly encourages customers to be proactive in managing their energy bill, and that
3 often allows customers to receive assistance or clarity on their bills.

4 **Q. WHAT ARE THE PITFALLS ASSOCIATED WITH THE**
5 **RECOMMENDATION THAT SPIRE SUSPEND LATE FEES FOR ANOTHER**
6 **YEAR AND A HALF FOR ALL RESIDENTIAL CUSTOMERS, NOT JUST**
7 **LOW-INCOME CUSTOMERS?**

8 A. Suspending late fees for all residential customers simply creates a new potential
9 problem by encouraging customers to become more lackadaisical in payment of their
10 bills. If a customer who is financially able to pay their bill in a timely fashion elects
11 not to do so, with the knowledge that they will not incur late fees, this could be a
12 cascading issue for collection of properly billed and assessed charges.

13 **Q. OPC SUPPORTS LEGAL SERVICES OF EASTERN MISSOURI'S**
14 **RECOMMENDATION THAT SPIRE CREATE A THREE-YEAR PILOT**
15 **PROGRAM MODELED AFTER THE MARYLAND CRITICAL NEEDS**
16 **PROGRAM INITIATED BY BALTIMORE GAS & ELECTRIC COMPANY.**
17 **(Marke Rebuttal, pgs. 21-22). DO YOU BELIEVE SPIRE NEEDS SUCH A**
18 **PROGRAM?**

19 A. I do not. As explained in my Rebuttal Testimony, Spire already has programs in place
20 to assist its customers who have chronic or serious medical conditions. Spire's
21 Registered Customer Program, which is applicable to any customer that is disabled
22 and/or over 65 years of age, provides extra disconnection protection during the months
23 of November to March. Customers complete an application, which then puts their

1 account in a status that provides for extra notification prior to disconnection during the
2 months of November to March. Customers enrolled in the program can designate a
3 third party that will be contacted prior to disconnecting service for nonpayment. They
4 are also mailed a renewal application in September. Spire also has a Medical
5 Emergency Certification program in place to stop a disconnection when a household is
6 experiencing a medical crisis certified by a doctor. This program allows the customer
7 to submit an application, which, when granted, provides the customer with a 21-day
8 extension before payment is due. Spire also offers the Extended Due Date Program,
9 which allows a longer period of time to make a payment before a late fee is assessed.

10 **Q. STAFF WITNESS KORY BOUSTEAD RECOMMENDS THAT THE**
11 **COMMISSION REJECT SPIRE’S PROPOSED CHANGES TO ITS LOW-**
12 **INCOME ENERGY AFFORDABILITY PROGRAM (Boustead Rebuttal, pgs.**
13 **2-5.), IN PART DUE TO STAFF’S SUGGESTION THAT SPIRE IS NOT**
14 **COMPLYING WITH WHAT WAS AGREED TO IN A PRIOR STIPULATION**
15 **AND AGREEMENT AND THAT SPIRE IS NOT FOLLOWING ITS**
16 **APPROVED TARIFFS. IS SPIRE IN COMPLIANCE WITH ITS TARIFF AND**
17 **THE PRIOR AGREEMENT?**

18 A. Yes, I believe Spire is compliance. It is also not entirely clear from the testimony
19 why Staff believes Spire is not following its Tariff Sheets R-31 through R-33 for the
20 Low-Income Energy Affordability Program. Staff appears to imply that Spire is in
21 violation of its tariff terms due to its proposal to combine the program budgets for Spire
22 East and Spire West if the Commission approves combining Spire’s territories into one.
23 (Boustead Rebuttal, pg. 4.) Given that the Commission has not approved combining

1 Spire’s territories at this time, the budgets remain separate and Spire maintains that it
2 administers its limited-income program in compliance with the tariff sheets approved
3 by the Commission.

4 **Q. HOW DOES STAFF ALLEGE THAT SPIRE IS NOT IN COMPLIANCE WITH**
5 **THE *PARTIAL STIPULATION AND AGREEMENT REGARDING LOW***
6 ***INCOME ENERGY AFFORDABILITY PROGRAM* IN SPIRE’S PRIOR RATE**
7 **CASE GR-2017-0216?**

8 A. That is also unclear from Ms. Boustead’s testimony. On page three of her testimony,
9 Staff witness Boustead quotes from the stipulation and agreement that “representatives
10 of the parties, in consultation with the CAAs, will meet beginning no later than 120
11 days after the effective date of new tariffs in these cases to discuss the process for
12 evaluating the effectiveness of the current Program as well as potential enhancement
13 to the parameter and structure of the program for potential implementation in the
14 future.”

15 **Q. HAS SPIRE MET PURSUANT TO THAT STIPULATION?**

16 A. Yes. Spire met with those entities within the timeframe required by the Partial
17 Stipulation and Agreement. In addition, while the tariff only required one meeting,
18 Spire held additional meetings in order to keep communication open on the success of
19 the program and challenges of the program. During those meetings, the Low-Income
20 Collaborative that I referenced earlier in my testimony wanted us to communicate more
21 with the customers about the program, so Spire implemented the use of letters to be
22 included at each stage of the program – enrollment, cancellation and graduation. Those
23 meetings were beneficial, in addition to meeting the tariff requirement.

1 **Q. ON BEHALF OF THE NATIONAL HOUSING TRUST, WITNESS ANNIKA**
2 **BRINDEL STATES THAT SPIRE’S PROPOSED RATE INCREASE WILL**
3 **UNDULY BURDEN THOSE MISSOURI HOUSEHOLDS LIVING AT 200%**
4 **FPL. (Brindel Rebuttal, pgs. 5-6.) HOW DO YOU RESPOND?**

5 A. Spire is consistent in its commitment to provide guidance and assistance to its
6 customers with limited means. Spire is seeking to increase its limited-income program
7 income qualification to 200% FPL to include families that are over income for LIHEAP
8 yet still struggling. Spire works with its customers to find the appropriate programs for
9 each customer’s situation. In addition to Spire’s Registered Customer Program and the
10 Medical Emergency Certification Program, Spire also offers the Extended Due Date
11 Program, which allows a longer period of time to make a payment before a late fee is
12 assessed. Along with these programs, Spire assists customers using the Limited-
13 Income Program funds, DollarHelp funds, and the Cold Weather Payment
14 Arrangement. There are other proactive measures that Spire completes for our Limited-
15 Income customers, including outbound calls to reconnect services using DollarHelp
16 funds, reaching out to agencies to pledge crisis funds on accounts that are in threat of
17 disconnection, and offering assistance with filling out LIHEAP applications.

18 **Q. NATIONAL HOUSING TRUST WITNESS BRINDEL ALSO SUPPORTS**
19 **TESTIMONY SUBMITTED BY CONSUMERS COUNCIL WITNESS**
20 **HUTCHINSON RECOMMENDING THAT SPIRE BE ORDERED TO TRACK**
21 **AND REPORT ENERGY BURDEN DATA, NUMBER OF CUTOFFS,**
22 **COLLECTION ACTIONS AND OTHER DATA. (Brindel Rebuttal, pg. 19-20.)**
23 **DO YOU BELIEVE THIS IS NECESSARY?**

1 A No, I do not. The State of Missouri already tracks energy burden data and demographic
2 data in its administration of LIHEAP, so it would be inefficient for Spire to do the same.
3 Moreover, agencies that administer LIHEAP also track the number of customers who
4 register for energy assistance.

5 **Q. MS. BRINDEL RECOMMENDS THAT SPIRE SHOULD SEEK TO**
6 **ALLEVIATE THE ENERGY BURDEN IN LOW-INCOME HOUSEHOLDS**
7 **WHILE INCENTIVIZING SAVINGS BEHAVIOR. (Brindel Rebuttal, pgs.**
8 **20-21.) DO YOU BELIEVE THIS IS NECESSARY?**

9 A. I do not think Ms. Brindel recommends anything new for Spire to implement with this
10 recommendation. Spire already provides incentives for customers to maximize energy
11 savings behavior through our matching arrearage payments and budget billing
12 arrangements. In addition, Spire continually monitors all of its programs and
13 implements adjustments, as needed, to assist more customers. Income-eligible LIHEAP
14 customers are automatically enrolled in Spire's FCAP if they have \$300.00 or more in
15 arrearages after the LIHEAP pledge. LIHEAP agencies also refer customers for
16 enrollment when they are over income for LIHEAP, but meet the income limits for
17 FCAP. As we continue to monitor the Limited-Income Program, we may adjust to
18 \$100.00 or more in arrearages after the LIHEAP pledge is made. We also completed
19 enhancements so that FCAP can be initiated through the Spire Pledge Portal. We meet
20 with our Community Action Agencies and LIHEAP partners one to two times a year
21 to review Spire programs and the Spire Pledge Portal. In these meetings we review the
22 following Spire plans and programs: Extended Payment Date Program; Medical
23 Emergency Certification; Registered Customer; Fixed Charge Assistance Program;

1 Furnace Repair Program; Pandemic Assistance; and LIHEAP account monitoring.
2 Therefore, Spire does not believe additional incentives are necessary. In addition to
3 these programs, Spire also provides a furnace repair program for limited income
4 households and contributes to weatherization needs.

5 **IV. CONCLUSION**

6 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

7 A. Yes.

**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) **Case No. GR-2021-0108**
Rate Increase for Natural Gas Service Provided in)
the Company's Missouri Service Areas)

AFFIDAVIT

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

Julie Trachsel, of lawful age, being first duly sworn, deposes and states:

1. My name is Julie Trachsel. I am Manager of Customer Experience Operations at Spire Missouri Inc. My business address is 800 Market St., St. Louis, Missouri, 63101.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony on behalf of Spire Missouri Inc.
3. Under penalty of perjury, I declare that my answers to the questions contained in the foregoing surrebuttal testimony are true and correct to the best of my knowledge and belief.

/s/ Julie Trachsel

Julie Trachsel
7/14/21

Date