

Exhibit No.:

Issue(s): Energy Efficiency/Income-Eligible
Programs/Disconnection Practices/
Rate Design/Class Cost of Service

Witness/Type of Exhibit: Marke/Rebuttal

Sponsoring Party: Public Counsel

Case No.: GR-2025-0107

REBUTTAL TESTIMONY

OF

GEOFF MARKE

Submitted on Behalf of the Office of the Public Counsel

SPIRE MISSOURI, INC.

FILE NO. GR-2025-0107

May 30, 2025

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REBUTTAL TESTIMONY

OF

GEOFF MARKE

**SPIRE MISSOURI INC.,
d/b/a SPIRE MISSOURI EAST & SPIRE MISSOURI WEST**

CASE NOS.: GR-2025-0107

I. INTRODUCTION

Q. Please state your name and business address.

A. Geoff Marke, PhD, Chief Economist, Office of the Public Counsel (OPC or Public Counsel), P.O. Box 2230, Jefferson City, Missouri 65102.

Q. Are you the same Dr. Marke that filed direct testimony in GR-2025-0107?

A. I am.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of this testimony is to respond to the direct testimony regarding:

- Energy Efficiency
 - Spire witness Shaylyn Dean
- Low-Income Programs
 - Spire witnesses Julie Johnson and Shaylyn Dean
 - Missouri Public Service Commission Staff (“Staff”) witnesses Russell Drury and Adam Stamp
 - Consumer Council of Missouri (“CCM”) witness Jim Thomas
- Disconnection Practices
 - Staff witness Sarah Fontaine
 - Spire witness David Yonce
- Rate Design & Class Cost of Service
 - CCM witness Bradley T. Cebulko

My silence regarding any issue should not be construed as an endorsement of, agreement with, or consent to any other party’s filed position.

II. ENERGY EFFICIENCY

Q. Please provide some context, from OPC’s point-of-view, for the historical justification of ratepayer-funded natural gas energy efficiency programs.

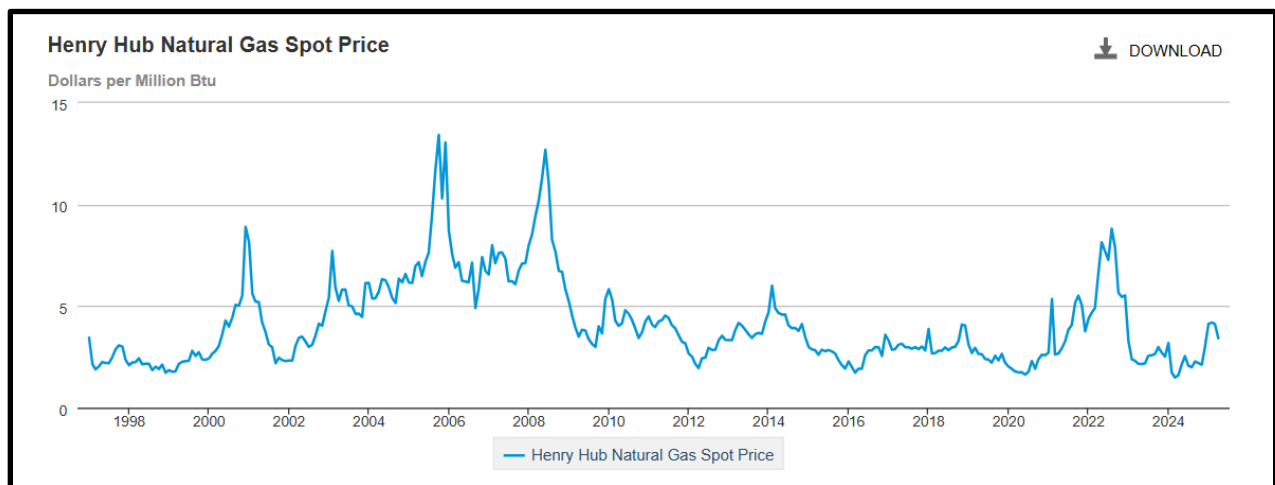
A. The following items are generally considered policy or regulatory justifications for ratepayer-funded natural gas energy efficiency programs:

- Hedge Value:
 - Reduces consumer exposure to seasonal volatility in gas commodity costs;
- Demand reduction in price effect (“DRIPE”):
 - Aggregate supply-demand relationship can produce price reductions;
- Defer supply-side investment (long-run marginal cost):
 - Local capital distribution system upgrades minimized;
- Environmental benefits:
 - Reductions in fossil fuel emissions;
- Energy and/or cost savings opportunities:
 - Direct monetary savings for participants;
- Economic development:
 - Helps support local contractors;
- Carbon tax and/or compliance regulation:
 - Serves as a complement to all-in compliance targets (e.g., Energy Efficiency Resource Standards) and/or regulatory laws (e.g., Clean Power Plan);
- Sunk costs (if programs are already in place):
 - Suspending programs loses administrative and marketing costs of program activity to date; and
- Fuel selection (natural gas utility-specific):
 - Provides an “equal” opportunity for the natural gas utility to “competitively” attract new customers.

Q. Please provide some context for why these justifications have diminished over time.

A. Stable, reduced natural gas fuel prices have been a blessing for consumers but have, in turn, decreased the cost-effectiveness of natural gas energy efficiency (“EE”) programs. Outside of the war in Ukraine which increased liquefied natural gas demand from Europe in 2022, natural gas prices have been low for over the past fifteen years as seen in Figure 1.

Figure 1: Monthly Henry Hub Natural Gas Spot Price¹



Moreover, the sweeping minimization of environmental regulations at the federal level combined with concerns surrounding principal-agent problems, the rebound effect, high free ridership, etc... make it more difficult to justify additional rate increases for these ancillary programs especially in the face of likely cuts to federally-funded low-income safety net programs (e.g., LIHEAP, LIWAP, SNAP, HeadStart, Medicaid, Section 8 housing vouchers, etc...) and continued double-digit rate increase requests from the utility service.

Q. Is Spire requesting to increase its budget?

A. They are not.

¹ U.S. Energy Information Administration (2025) Natural Gas: Data.
<https://www.eia.gov/dnav/ng/hist/rngwhhdM.htm>

Q. Is Spire requesting any changes to the measures its rebates?

A. Yes, Spire witness Shaylyn Dean is recommending that the portfolio of measures be expanded to include the following:

- Adding a separate column for Smart Wi-Fi Enabled Thermostats for an increased rebate of \$75.
- Adding 2 pool heater options:
 - If, greater than or equal to 84% thermal efficiency (“TE”) but less than 94% TE, then \$400.
 - If, greater than or equal to 94% TE, then \$750.
- Adding Energy Star qualified natural gas dryers in the amount of \$200.
- Adding insulation as an incentive option for greater than or equal to R-38 at \$.40/sq up to \$750 max;² and
- A natural gas heat pump pilot program³

Q. Would you support the inclusion of these measures?

A. My immediate answer is no; however, I may be amendable to supporting the final bulleted request regarding insulation as well as the natural gas heat pump pilot program. I am currently investigating the viability of the natural gas heat pump and identifying any necessary parameters for a potential pilot program. As such, I reserve the right to amend/expand this recommendation in surrebuttal testimony.

Q. What other changes is Mr. Dean proposing?

A. In addition, with the request to expand the list of available natural gas measures, Mr. Dean is recommending an increase of \$200,000 in funding for weatherization for Spire West to match the current amount for Spire East, an additional \$200,000 for its Red-Tag Program, and for the

² Case No. GR-2025-0067 Direct Testimony of Shaylyn Dean p. 3, 20-22 thru p. 4, 1-6.

³ Ibid. p. 12, 8-22 thru p. 13, 1-17.

Company's PAYS Tariff to be updated to be consistent with its co-delivered electric utility tariffs.

Q. Do you support those changes?

A. Yes.

III. INCOME-ELIGIBLE PROGRAM

Q. What income-eligible programs does Spire offer today?

A. A list of Spire's income-eligible programs can be seen in Table 1 below.

Table 1: Spire Missouri's current bill assistance programs

Program Name	Annual Amount	Who funds?	Description
Payment Partner Program	\$3,300,000	50/50 ratepayer & shareholder	Fixed monthly assistance towards arrearage repayment
Critical Medical Needs Program	\$500,000 + \$200,000	50/50 ratepayer & shareholder 100% Shareholder	Medical needs verified by a certified medical professional - eligible customers will be enrolled in budget billing or PPP Stops disconnection for 30 days Any unspent funds in a year shall be applied to bill and arrearage assistance
DollarHelp	Fluctuates	\$114K from shareholders and customers donations	Bill assistance set at 300% FPL
Keeping Warm (Proposed by Company)	\$200,000 (pending)	TBD	Bill credit assistance to eligible customers in the winter

Weatherization	\$750,000 Spire West \$950,000 Spire East + \$200,000 (pending)	50/50 ratepayers & shareholders 100% Shareholder	A program that helps low-income households reduce their energy bills and improve the comfort and safety of their homes through energy-efficient upgrades. These upgrades can include things like insulation, sealing air leaks, and repairing or upgrading heating and cooling systems. The program serves as a complement to the federal program.
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1 **Q. Did OPC file any testimony in direct over Spire’s income-eligible programs?**

2 A. Not over existing bill or arrearage assistance programs. I did file a recommendation for an
3 income-eligible rate design that effectively waives the monthly customer charge for qualifying
4 customers.

5 **Q. What position did parties take in direct testimony over these programs?**

6 A. Spire witness Julie Johnson recommended that the Commission approve a new arrearage
7 assistance program titled “Keeping Families Warm.” The program largely mirrors Ameren
8 Missouri’s Keeping Current/Cool arrearage assistance programs.

9 Ms. Johnson recommends that \$200,000 of supplemental funding for the Critical Needs
10 Program (Case No. GR-2021-0127) be redirected to this new program.

11 CCM witness Jim Thomas recommended that Spire Payment Partner and Critical Medical
12 Needs programs initiate annual targets for enrollment with input from stakeholders.^{4,5} Mr.

13 Thomas also recommended increased funding, enrollment, and outreach for Spire’s Rehousing

⁴ Payment Partner Program: customers with a household income at or below 200% FPL can apply for fixed monthly assistance of \$35 a month as well as arrearage repayment that matches the customer's arrearage balance dollar-for-dollar.

⁵ Critical Medical Needs Program: The Critical Medical Needs Program assists customers whose medical condition(s) would be aggravated by service disconnection. This program delays service disconnection for up to 30 days and requires verification from a medical professional. Spire also provides financial support for this program in partnership with other utilities and the United Way. Excess funding for the program is redirected as bill credits.

1 program.⁶ Finally, Mr. Thomas recommends that Spire initiate targeted marketing for these
2 programs, as well as an increased emphasis on its Dollar Help program.⁷

3 Staff witnesses Russell Drury and Adam Stamp were supportive of historical efforts to date.
4 Mr. Stamp recommended that Spire file the results of a Spire-initiated participant survey in its
5 next rate case.

6 **Q. Do you support Spire's recommendations?**

7 A. Possibly. As drafted, I am not entirely sure how the proposed Keeping Warm program is
8 materially different than Spire's current Payment Partner Program.

9 **Q. Do you support CCM's recommendations?**

10 A. I am generally in support of CCM's recommendations regarding targeted marketing and
11 aspirational targets.

12 **Q. What are your recommendation for these programs?**

13 A. I believe it is helpful for the Commission to consider Spire's existing income eligible programs
14 and proposed rate design as addressing three separate but interrelated problems that impact
15 Spire Missouri's most vulnerable customers. Those problems include affordability, crisis
16 response, and bill stability. Table 2 provides a breakdown of these three problems and the
17 programmatic response.

⁶ Rehousing Program: A program recently enacted and designed to complement Ameren's Missouri New Start Energy Relief Program which assists unhoused individuals and families with rehousing by providing up to \$1,000 to cover past due balances and late fees, enabling them to re-establish electric service at a new permanent residence.

⁷ Dollar Help Program: Is a bill assistance program in which Spire matches funds from employees and customers for up to \$150,000 annually.

Table 2: Breakdown of Spire’s income-eligible programs and what problem it addresses

Problem	Company Response
Bill Affordability Are existing bills affordable?	<ul style="list-style-type: none"> • Spire Income Eligible Rate Design (Proposed)
Crisis Response Is there an Emergency Situation?	<ul style="list-style-type: none"> • Critical Medical Needs • Rehousing • Dollar Help
Bill Stability Are arrearages and bill volatility an issue?	<ul style="list-style-type: none"> • Payment Partner • Keeping Warm (proposed) • Budget Billing • Weatherization

I am in general support of the proposals put forward by the Company and CCM and continue to support my recommendation for the Spire Income Eligible Rate Design. Moving forward, I recommend the Commission maintain the current funding levels for existing programs and support the new income-specific rate design for eligible residential customers. I also recommend that each tariffed program be drafted in such a manner as to allow for the reallocation of funds across programs if funding should cease at the federal level for local Community Action Agencies and/or the programs that they administer (e.g., LIHEAP).

Q. Can you provide a little more context for why federal funding could cease to flow to local Community Action Agencies?

A. Last week, the U.S. House of Representatives released long-awaited tax and budget proposals that would provide about \$1.5 trillion in tax breaks but also result in the largest cuts to Medicaid and Supplemental Nutrition Assistance Program (“SNAP”) in history. Moreover, there are expected cuts and/or no funding at all for other safety-net programs and services such as the Low-Income Home Energy Assistance Program (“LIHEAP”), the

Community Services Block Grant, the Low-Income Weatherization Program and cuts to Section 8 Housing.⁸

As such, if Missouri's Community Action Agencies cease to receive federal funding moving forward all of Spire's income-eligible approved (and proposed programs) will run the risk of being unable to enroll new or re-enroll existing customers. This is because most of Spire's income-eligible programs are dependent on the Community Action Agencies verifying eligibility.

Q. Is there a contingency plan in place if the Community Action Agencies cease to exist?

A. Not at the moment. I am currently in the process of arranging those discussions and will hopefully be able to update my surrebuttal testimony accordingly.

IV. DISCONNECTION PRACTICES

Q. Why are Spire's disconnection practices being addressed in this rate case?

A. Staff represented that it has been receiving complaints from Spire Missouri customers for over three years regarding Spire Missouri's practice of disconnecting customers due to the customer's failure to schedule a safety inspection on days when disconnection is not allowed for non-pay under the Cold Weather Rule ("CWR"). Stated differently, Spire has been disconnecting customers for safety-related inspections without customer's consent during days in which a disconnection moratorium is in place due to extreme weather triggered by the Cold Weather Rule.

Q. Did Staff issue any recommendations?

A. Yes. Those recommendations are as follows:

- Staff recommends that Spire Missouri's tariff be revised in order to reflect the new policy that was shared with Staff at its February 25, 2025, meeting changing its policy

⁸ The White House (2025) The President's Proposed Budget. <https://www.whitehouse.gov/wp-content/uploads/2025/05/Fiscal-Year-2026-Discretionary-Budget-Request.pdf>

1 to not disconnect service on Cold Weather Rule days for all disconnections except ACI
2 safety inspections and locked meters showing consumption.

- 3 • Staff recommends that Spire Missouri refine its vacant with consumption meter
4 procedures. It should ensure soft disconnects are closely monitored and hard
5 disconnects occur in a timely manner.⁹ Spire Missouri needs to ensure that customers
6 are not using service for years at a time without being billed and then are faced with
7 large rebills. Spire Missouri should provide a monthly report to CXD [Customer
8 Experience Department] Staff showing the number of delayed transfer/vacant with
9 usage meters for the previous month.
- 10 • Staff recommends that Spire Missouri examine its current practices and procedures for
11 all types of disconnections and reconnections. Staff believes that Spire Missouri's plan
12 to develop and implement cross-functional processes and procedures is a step in the
13 right direction. Staff believes that clear, cross-functional procedures will not only
14 benefit the Company in ensuring that no violations of Commission rule or Company
15 tariff occur, but it will greatly benefit its customers ensuring that customer expectations
16 are consistent. Spire Missouri should share its updated cross-functional procedures
17 with CXD Staff upon completion. It should also include the date the procedure was
18 implemented and to whom it was disseminated.
- 19 • Staff recommends that Spire Missouri make efforts to complete disconnections related
20 to ACI non-compliance in the timeframe referenced in its letters to the customer.
21 Another letter should not be sent after the final notice, as this is confusing to the
22 customer. Spire Missouri should report these efforts and the results to Staff on a
23 quarterly basis.

⁹ The delayed transfer process starts when a customer moving out of their residence requests to stop their service. Rather than performing a hard disconnect, where the Company would physically turn the gas off entirely, in a delayed transfer, the customer account is closed, and the gas is left on with the expectation that a new customer will likely move in. This is also known as a soft disconnect.

- Staff recommends that Spire Missouri track the number of disconnections made for each reason and then provide to Staff monthly the number of disconnections for each reason broken down daily for the previous month.
- CXD Staff currently meets with Spire Missouri on a monthly basis to discuss customer service and billing matters. Staff recommends that, moving forward, these meetings occur on a quarterly basis; however, Spire Missouri should meet with and/or inform CXD Staff of any customer service or billing issues as they occur. Staff also reserves the right to schedule a meeting with Spire Missouri at any point that it determines there are customer service or billing concerns that need to be discussed outside of the scheduled quarterly meetings.
- Staff recommends that Spire Missouri look at its scheduling procedures to determine how it can more efficiently handle these processes to better meet the needs of its customers awaiting reconnection.¹⁰

Q. Did Spire file testimony on this topic?

A. Spire witness David Yonce filed supplemental direct with an attached internal investigation into Spire's disconnection and reconnection practices. The Report issued the following recommendations:

Recommendation 1: Ensure ownership of the delayed transfer process is clearly documented and communicated. The Company has completed this.

Recommendation 2: Apply cold weather rule to delayed transfers. The Company has completed this.

Recommendation 3: If a customer is disconnected as a result of a delayed transfer, make every effort to reconnect the customer no later than the next working day. The Company will implement this by June 1, 2025.

¹⁰ Case No. GR-2025-0107 Direct Testimony of Sarah Fontaine p. 23-25.

1 **Recommendation 4:** Develop comprehensive documentation of cross-functional
2 processes for disconnections and reconnections. The Company has completed this.

3 **Recommendation 5:** Proactively communicate customer service issues with Staff to
4 ensure they are aware of potential abnormal customer service issues. Spire commits to
5 proactive communication with Staff.

6 **Recommendation 6:** Consider pausing disconnects for non-payment during the winter
7 months, December through February. There are advantages and disadvantages to doing
8 this, but the Company is open to doing this if the Commission wishes.

9 **Recommendation 7:** Consider applying cold weather rule to atmospheric corrosion
10 inspections (ACIs). The Company is open to this if it is acceptable to the Commission
11 given the safety requirements associated with these inspections.¹¹

12 **Q. What is your response?**

13 A. I am in favor of Staff's recommendations (in particular, prioritizing disconnections on
14 Monday) and most of Spire's. I am a little hesitant to support pausing disconnections for non-
15 payment during the winter months in its entirety but agree that internal parameters need to be
16 put in place moving forward as the Cold and Hot Weather rules disconnection moratorium
17 have been extended from 24 hours to 72 hours per the recently passed SB 4 legislation.

18 I recommend that OPC be included on all future quarterly customer experience meetings with
19 the Staff and the Company and that the Company agree to provide any reports, handouts, or
20 presentations at least 48 hours before the actual meeting. Further recommendations may be
21 forthcoming depending on the Company's response to Staff and issued discovery.

¹¹ Case No. GR-2025-0107 Supplemental Direct Testimony David A. Yonce, Schedule DAY-SD-1- Disconnection and Reconnection Report. p. 8.

V. RATE DESIGN / CLASS COST OF SERVICE

Q. What were the parties' CCOS positions?

A. Predictably, they all varied.

Q. Did OPC perform a CCOS study?

A. No. There was not enough time or resources available, so I base my recommendations, in part, on the studies filed in this case.

Q. What CCOS study do you believe the Commission should rely on?

A. I recommend that the Commission should rely on the CCM study in setting rates. I will make further recommendations, if necessary, regarding revenue neutral shifts across classes after the revenue requirement final becomes clearer.

Q. Do you have any overall concerns that the Commission should be aware of in setting rates?

A. That there is a greater than zero chance that many/most of Spire's most vulnerable customers will experience severe hardship in the near future if federal subsidies are minimized. A large rate increase will necessarily exacerbate those hardships and likely result in increased involuntary disconnections.

Q. Does this conclude your testimony.

A. Yes.

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

In the Matter of Spire Missouri Inc. d/b/a Spire's)	
Request for Authority to Implement a General)	<u>Case No. GR-2025-0107</u>
Rate Increase for Natural Gas Service Provided in)	
the Company's Missouri Service Areas)	

AFFIDAVIT OF GEOFF MARKE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

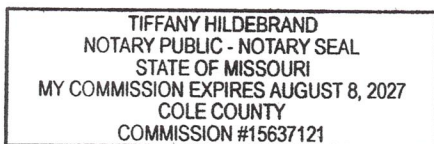
Geoff Marke, of lawful age and being first duly sworn, deposes and states:

1. My name is Geoff Marke. I am a Chief Economist for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.




Geoff Marke
Chief Economist

Subscribed and sworn to me this 28th day of May 2025.



My Commission expires August 8, 2027.



Tiffany Hildebrand
Notary Public