

Exhibit No.: \_\_\_\_\_  
Issue(s): Production Allocators/Low Income Programs  
Witness/Type of Exhibit: Meisenheimer/Surrebuttal  
Sponsoring Party: Public Counsel  
Case No.: ER-2010-0036

**SURREBUTTAL TESTIMONY**

**OF**

**BARBARA A. MEISENHEIMER**

Submitted on Behalf of  
the Office of the Public Counsel

**UNION ELECTRIC COMPANY D/B/A AMERENUE**

**Case No. ER-2010-0036**

March 5, 2010

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

In the Matter of Union Electric Company d/b/a )  
AmerenUE for Authority to File Tariffs )  
Increasing Rates for Electric Service Provided )  
to Customers in the Company's Missouri )  
Service Area. )

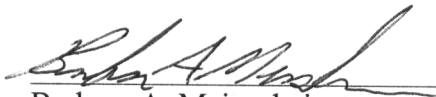
**Case No. ER-2010-0036**

**AFFIDAVIT OF BARBARA A. MEISENHEIMER**

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

Barbara A. Meisenheimer, of lawful age and being first duly sworn, deposes and states:

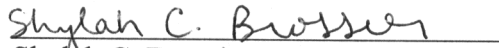
1. My name is Barbara A. Meisenheimer. I am a Chief Utility Economist for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached affidavit are true and correct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

  
Barbara A. Meisenheimer

Subscribed and sworn to me this 5<sup>th</sup> day of March, 2010.



**SHYLAH C. BROSSIER**  
My Commission Expires  
June 8, 2013  
Cole County  
Commission #09812742

  
Shylah C. Brossier  
Notary Public

My commission expires June 8<sup>th</sup>, 2013.

**SURREBUTTAL TESTIMONY**  
**OF**  
**BARBARA A. MEISENHEIMER**  
**UNION ELECTRIC COMPANY D/B/A AMERENUE**  
**CASE NO. ER-2010-0036**

***I. Introduction and Summary***

**Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

A. Barbara A. Meisenheimer, Chief Utility Economist, Office of the Public Counsel, P. O.  
2230, Jefferson City, Missouri 65102.

**Q. HAVE YOU TESTIFIED PREVIOUSLY IN THIS CASE?**

A. Yes, I filed direct testimony on class cost of service on January 6, 2010, rebuttal  
testimony on class cost of service on February 11, 2010, supplemental direct testimony on  
low-income program issues on February 19, 2010 and supplemental rebuttal testimony on  
low-income program issues on February 26, 2010.

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

A. The purpose of my surrebuttal testimony is to respond to rebuttal testimony addressing  
the appropriate allocation of production cost filed by Maurice Brubaker on behalf of  
Missouri Industrial Energy Consumers (MIEC), filed by Wilbon Cooper on behalf of  
Union Electric Company d/b/a AmerenUE and filed by Michael Sheperle on behalf of the

Staff of the Missouri Public Service Commission (Staff).. I will also respond to rebuttal testimony addressing low-income program issues filed by Anne Ross on behalf of the PSC Staff, filed by Jacqueline Hutchinson on behalf of AARP and filed by Richard Mark on behalf of AmerenUE.

## ***II. Production Cost Allocations***

**Q. WHAT IS YOUR GENERAL RESPONSE TO MR. BRUBAKER'S AND MR. COOPER'S REBUTTAL TESTIMONY THAT CRITICIZES THE PRODUCTION ALLOCATORS USED BY PUBLIC COUNSEL AND STAFF?**

A. Some of Mr. Brubaker's claims are simply false. In other instances where Mr. Brubaker's and Mr. Cooper's criticisms relate to real policy choices that must be made by the Commission, I believe that the OPC and Staff class allocations which reflect ranges for class allocations are far more reasonable than the single production allocation proposed by MIEC and the Company.

**Q. WHAT ARE MR. BRUBAKER'S AND MR. COOPER'S SPECIFIC CRITICISMS?**

A. Mr. Brubaker criticizes the OPC and Staff production allocation methods claiming that:

- The Staff and OPC methods are not supported as to theory or shown to be applicable to the AmerenUE system.
- These Staff and OPC methods significantly over-allocate costs to large high load factor customers.

- 1       •       The Capacity Utilization method and TOU methods are not traditionally
- 2       used in other jurisdiction or have not been adopted by the Missouri PSC.
- 3       •       OPC's and Staff's A&P methods double-count the average demand.

4       Mr. Cooper makes the following additional claims;

- 5       •       The TOU allocation is similar to an energy based allocation.
- 6       •       The TOU allocation shifts cost from on-peak to off-peak.

7       **Q.       HAVE YOU EXPLAINED AND PROVIDED THEORETICAL SUPPORT FOR YOUR PRODUCTION**  
8       **ALLOCATION METHODS?**

9       A.       Yes. Contrary to Mr. Brubaker's claim, my direct testimony explained that both demand  
10       and energy characteristics of a system's load are important determinants of production  
11       plant costs since production must satisfy both periods of normal use throughout the year  
12       and intermittent peak use. My direct testimony went on to explain how both the A & 4CP  
13       and TOU methods reflect normal and peak use, how each allocation was developed and  
14       how each allocation method conforms to a method recognized by the NARUC Electric  
15       Utility Cost Allocation Manual. While this Commission and other Commissions may  
16       have neither explicitly accepted or rejected the TOU method presented in my direct  
17       testimony, it is consistent with one of a number of methods recognized by the National  
18       Association of Regulatory Utility Commissions.

1 **Q. PLEASE RESPOND TO THE CLAIM THAT THE METHODS USED BY STAFF AND PUBLIC**  
2 **COUNSEL SIGNIFICANTLY OVER-ALLOCATE COSTS TO LARGE HIGH LOAD FACTOR**  
3 **CUSTOMERS.**

4 A. The Staff and OPC methods do not over-allocate costs to large high load factor  
5 customers. Large high load factor customers use the system at the same time as smaller  
6 lower load factor customers and benefit from the economies of scale and off-system sales  
7 opportunities created by sharing production facilities with smaller lower load factor  
8 customers. As discussed on pages 4-5, of the rebuttal testimony of Staff witness  
9 Sheperle, "...generation facilities are built to meet the entire load of the electric utility at  
10 every point in time." It is reasonable and appropriate that large high load factor  
11 customers pay the same cost in each hour that they use the system as the cost paid in the  
12 same hour by smaller lower load factor customers.

13 The TOU allocator does not unfairly assign cost to large customers. Instead, for  
14 each hour, the TOU allocator appropriately assigns the same capacity cost per hour to  
15 each class taking service during the hour based on the configuration of plants needed to  
16 serve the hour's total load. As a result, all customer classes pay the same higher level of  
17 costs when peaking plants are operating and the same lower level of cost when they are  
18 not running. The particular pattern of use by each class over different hours of the year  
19 appropriately leads to a difference in overall average capacity cost by class.

1 **Q. MR. COOPER AND MR. BRUBAKER RAISE THE SPECTER OF DOUBLE COUNTING ENERGY IN**  
2 **DETERMINING THE A&4CP ALLOCATOR. IS THIS A FAIR CRITICISM?**

3 A. No. The A&CP method is intentionally designed to give weight to both the class share of  
4 average demand and the class share of the system peak. This does not constitute double  
5 counting but simply a different theoretical basis for the allocator than is used in the 4NCP  
6 A&E method. The Average and Peak components of the allocator represent two  
7 distinctly different considerations. The Average component reflects that a portion of  
8 demand is not sensitive to factors that change throughout the year while the Peak  
9 component represents the allocation associated with factors that do change throughout the  
10 year such as weather. Considering the characteristics of four “like” periods, each of  
11 which is a potential peak period, recognizes that the characteristics of demand may vary  
12 by class depending on exactly when the peak demand occurs.

13 **Q. IS THE 4NCP A&E ALLOCATOR PROPOSED BY MR. COOPER AND MR. BRUBAKER MORE**  
14 **GROUNDING IN REALITY THAN THE TOU, A&4CP OR CAPACITY UTILIZATION**  
15 **ALLOCATORS?**

16 A. No. The TOU allocator, the Staff's capacity utilization allocator and the Staff and OPC  
17 A&P allocators all attempt to mirror on and off peak use that actually occurs on the  
18 system. On the other hand the 4NCP A&E method proposed by MIEC and the Company

1 allocates the Excess Demand portion of the allocator based on non coincident peaks that  
2 may exceed the actual maximum demand ever experienced on the system in the test year.

3 **Q. IS THE 4CP USED BY REPRESENTATIVE OF THE PEAK DEMAND ON AMERENUE'S SYSTEM?**

4 **A.** Yes. I addressed this issue on page 5, of my direct testimony.

5 **Q. MR. BRUBAKER'S SCHEDULE MEB-COS-R-3 PAGE 1, PRESENTS A MEASURE OF CAPACITY**  
6 **COST PER KW BY CUSTOMER CLASS. ARE THESE COSTS REPRESENTATIVE OF THE**  
7 **CAPACITY COST PER HOUR DERIVED FROM THE TOU ALLOCATOR?**

8 **A.** No. The production plant capacity cost per hour and percentage above or below average  
9 cost produced by the TOU allocation method are shown below:

Table 1.

Class	Ave. Plant Capacity Cost Per MW Hour	Percentage Above or Below Ave. Cost Per MW Hour
RES	\$84.98	3.1%
SGS	\$83.50	1.3%
LGS/SPS	\$81.36	-1.3%
LPS	\$79.59	-3.4%
LTS	\$78.59	-4.7%

10 The TOU allocation method assigns the highest capacity cost per MW hour to the  
11 Residential and Small General Service classes and the lowest cost per MW hour to the  
12 LPS and LTS classes. The average plant capacity cost generated by the TOU method for



1 the customer classes shown is \$82.42. The average per MW hour cost of \$84.98  
2 allocated to the Residential class is 6.77% higher than the \$79.59 average per MW hour  
3 cost allocated to the LPS class. The average per MW hour cost of \$84.98 allocated to the  
4 Residential class is 8.13% higher than the \$78.59 average per MW hour cost allocated to  
5 the LTS class.

6 **Q. WHAT DO YOU CONCLUDE REGARDING MR. BRUBAKER'S CRITICISM OF THE TOU**  
7 **ALLOCATOR BASED ON THE COSTS ILLUSTRATED IN SCHEDULE MEB-COS-R-3?**

8 A. Schedule MEB-COS-R-3 does not support Mr. Brubaker's criticisms of the TOU  
9 allocator because the cost differences illustrated in Schedule MEB-COS-R-3 are primarily  
10 attributable to differences other than the TOU production allocator.

11 **Q. PLEASE RESPOND TO MR. COOPER'S AND MR. BRUBAKER'S ARGUMENT THAT THE TOU**  
12 **ALLOCATION IS SIMILAR TO AN ENERGY BASED ALLOCATION.**

13 A. The following table shown below illustrates the parties' allocators compared to allocators  
14 based purely on class shares of the coincident peak, non-coincident peak and annual  
15 energy consumption.

Table 2.

	<u>RES</u>	<u>SGS</u>	<u>LGS/SPS</u>	<u>LPS</u>	<u>LTS</u>
Pure CP Allocation	47.80%	10.92%	28.11%	7.58%	5.58%
Pure NCP Allocation	47.79%	10.92%	28.10%	7.58%	5.61%
BAI & AmerenUE	46.65%	11.01%	28.63%	7.79%	5.92%
Staff Ave & 4CP	41.07%	10.41%	30.66%	9.20%	8.64%
OPC Ave & 4CP	40.69%	10.33%	30.92%	9.49%	8.57%
Staff Capacity Utilization	40.59%	10.40%	30.86%	9.31%	8.84%
OPC TOU	38.15%	9.81%	31.71%	10.02%	10.31%
Pure Energy Allocation	36.93%	9.76%	32.24%	10.63%	10.43%

While focused on how similar the TOU allocation is to a pure energy based allocation, Mr. Cooper and Mr. Brubaker fail to acknowledge how similar their proposed 4NCP A&E allocations are to allocations that would be produced by purely peak based allocations. Unlike the TOU allocation's similarity to energy based allocations, the 4NCP A&E allocation's similarity to purely peak based allocators is not supported by an examination of production plant and class loads in each hour of the year. Adoption of the 4NCP A&E method would virtually ignore use throughout the year as a reasonable component of a production allocator.

**Q. PLEASE RESPOND TO MR. BRUBAKER'S CLAIM THAT THE TOU ALLOCATION REFLECTS A SUMMER PEAK WEIGHT OF ONLY .05% BASED ON THE 4 HIGHEST PEAK HOURS.**

**A.** Mr. Brubaker fails to acknowledge that the production capacity cost allocated under the TOU method based on class use in those four hours are only the cost incurred in those four hours. The remaining costs are allocated based on class use in the other 8,756 hours

1           that costs are incurred. The 4NCP A& E method on the other hand allocates over 55% of  
2           total production capacity cost based on use in only .05% of total hours.

3 **Q.   MR. COOPER CLAIMS THAT THE TOU ALLOCATION SHIFTS COST FROM ON-PEAK TO OFF-**  
4 **PEAK. PLEASE RESPOND.**

5 A.   Again while crafting criticism of the TOU allocator, Mr. Cooper fails to acknowledge the  
6       weakness of his own 4NCP A&E allocations. While the TOU allocator does reflect  
7       differences in production capacity costs based on the plants that are operating in each  
8       hour of the year, the 4NCP A&E does not. Contrary to Mr. Cooper's claim, it is the 4NCP  
9       A&E method that over allocates fixed production capacity costs to off-peak hours.

10 **Q.   WHAT IS YOUR RESPONSE TO MR. COOPER'S CRITICISM OF THE LOAD FACTOR USED IN**  
11 **DEVELOPING YOUR PRODUCTION CAPACITY ALLOCATOR?**

12 A.   The load factor I used was not significantly different than that used by the Company. I  
13       used a 55.57% Load Factor. The Company used a 55.47% load factor.

14 **Q.   PLEASE RESPOND TO MR. BRUBAKER'S ARGUMENT THAT PUBLIC COUNSEL ALLOCATES**  
15 **THE PRODUCTION CAPACITY ON TOU BUT ALLOCATES FUEL ON THE BASIS OF ENERGY.**

16 A.   If the TOU allocation method is used to allocate production capacity costs, Public  
17       Counsel does not object to also basing the fuel allocation on TOU. In response to Mr.

Brubaker's comments, I have developed a TOU based fuel allocator that Ryan Kind has incorporated into Public Counsel's class cost of service study.

**Q. PLEASE DESCRIBE THE DEVELOPMENT OF THE TOU BASED FUEL ALLOCATOR.**

A. Public Counsel worked with Michael Rahrer with the Emelar Group, the developer of the RealTime production cost model, to obtain the hourly fuel costs by plant generated during the RealTime run discussed in my direct testimony. Each hour's fuel costs were assigned to customer classes based on each class's proportion of use in that hour. The allocations were then summed over the 8760 hours of the year to determine each class' share of fuel costs.

**Q. HOW DO THE RESULTS OF THE TOU BASED FUEL ALLOCATOR COMPARE TO AN ENERGY BASED ALLOCATION?**

A. The results are shown below:

Table 3.

	<u>RES</u>	<u>SGS</u>	<u>LGS/SPS</u>	<u>LPS</u>	<u>LTS</u>
TOU Fuel Allocator	37.01%	9.71%	32.14%	10.35%	10.79%
Energy Allocator	37.02%	9.76%	32.21%	10.60%	10.41%

The allocations differ little for the Residential class. The primary impact appears to be a shift in cost responsibility between the LPS and LTS classes.

1 **Q. FOLLOWING THE FILING OF REBUTTAL TESTIMONY, THE STAFF CORRECTED THE**  
2 **MARKET PRICES USED IN ITS FUEL RUN. ARE YOU WORKING TO EVALUATE ANY**  
3 **SIGNIFICANT IMPACT THIS MAY HAVE ON YOUR TOU PRODUCTION ALLOCATOR?**

4 **A.** Yes. Public Counsel is working to determine if the corrected prices will significantly  
5 impact our production allocator. I will file any changes to the allocator if we determine  
6 that there is a significant impact.

7 ***III. Low-Income Program Issues***

8 **Q. HAS AARP WITNESS HUTCHINSON QUANTIFIED THE POTENTIAL PARTICIPATION LEVELS**  
9 **OR PROGRAM COSTS ASSOCIATED WITH UNLIMITED ENROLLMENT OF AT LEAST ALL**  
10 **LIHEAP ELIGIBLE HOUSEHOLDS WITH INCOME UP TO 135% OF THE FEDERAL POVERTY**  
11 **LEVEL, PROPOSED ANY TIERED ALL ELECTRIC OR SUMMER COOLING BILL CREDITS**  
12 **DIFFERENT THAN THOSE PROPOSED IN YOUR SUPPLEMENTAL DIRECT OR**  
13 **SUPPLEMENTAL REBUTTAL TESTIMONIES, OR PROPOSED ANY ARREARS REPAYMENT**  
14 **INCENTIVES DIFFERENT THAN THOSE PROPOSED IN YOUR SUPPLEMENTAL DIRECT**  
15 **TESTIMONY?**

16 **A.** No.

1 **Q. CAN PUBLIC COUNSEL REASONABLY BE EXPECTED TO AGREE WITH SUCH A PROGRAM**  
2 **FUNDED EITHER IN WHOLE OR IN PART BY RATE-PAYERS ABSENT QUANTIFICATION OF**  
3 **THE PROGRAM COSTS?**

4 A. No. Public Counsel is charged with advocating the interest of all AmerenUE customers.  
5 It is appropriate that the program cost be know and that the cost to rate-payers be found  
6 just and reasonable if they are called upon to fund such a program.

7 **Q. HAVE YOU RECEIVED ADDITIONAL INFORMATION REGARDING THE POTENTIAL TO FUND**  
8 **A LOW-INCOME PROGRAM THROUGH VOLUNTARY DOLLAR MORE CONTRIBUTIONS?**

9 A. Yes. In response to Public Counsel Data Request number 3006, AmerenUE has provided  
10 information on the annual amounts collected through Dollar More for the past several  
11 years. The annual voluntary rate-payer contributions are not substantially higher than the  
12 annual program costs presented in my supplemental direct and rebuttal testimonies.  
13 Based on this information I believe it is not reasonable to believe that voluntary rate-  
14 payer funding through Dollar More can provide the primary funding source for any low-  
15 income program adopted by the Commission in this case.

16 **Q. HOW DO THE VOLUNTARY CUSTOMER CONTRIBUTIONS THROUGH DOLLAR MORE**  
17 **COMPARE TO THE PROGRAM COSTS PRESENTED BY PARTIES IN THIS CASE?**

18 A. Voluntary contributions have been approximately 58¢ per customer per year.

1 **Q. MR. MARKS CLAIMS THAT YOU PROPOSE NO MECHANISMS FOR OVERCOMING**  
2 **OBSTACLES OF INSUFFICIENT OUTREACH, ADMINISTRATION AND OVERSIGHT. DO YOU**  
3 **AGREE WITH THIS CHARACTERIZATION OF YOUR TESTIMONY?**

4 **A.** No. In supplemental rebuttal testimony I indicated that a collaborative working group  
5 could be established for purposes of administration and evaluation. In addition, in  
6 supplemental direct testimony, I indicated that Laclede's low-income program could serve  
7 as a model for aspects of the program not directly addressed in my testimony. Ms Ross,  
8 Ms. Hutchinson and I participated in settlement negotiations and working group meetings  
9 that addressed methods to promote outreach and to develop processes and reporting  
10 requirements that would improve administration and oversight. A key element of the  
11 GR-2007-0208 Stipulation and Agreement addressing Laclede's low-income program was  
12 a plan for evaluation based on criteria that would allow parties to gauge payment  
13 characteristics. I have included Attachment 3 from the Stipulation and Agreement as  
14 Schedule 1 to my testimony. While Public Counsel did not originally propose a low-  
15 income program in this case, I believe the efforts described above can reasonably be  
16 expected to address many of the past program deficiencies in outreach, administration,  
17 oversight and evaluation.

1 **Q. MS. ROSS CLAIMS THAT PUBLIC COUNSEL SUGGESTED THAT THE COMMISSION WAIT ON**  
2 **STARTING A LOW-INCOME PROGRAM PENDING EVALUATION OF THE SUCCESS OF OTHER**  
3 **PROGRAMS. IS THIS ENTIRELY ACCURATE?**

A. No. In the section of my supplemental direct testimony that Ms. Ross references, I was simply stating that Public Counsel had not proposed a low-income program pending other evaluations. The statement was not intended to be a deterrent to the Commission in implementing a program if it found that a program was reasonable and necessary to address the needs of AmerenUE's low-income customers. Ms. Hutchinson argues persuasively on the issue of need. I believe that my testimony provides a program framework that is reasonable in size and can be implemented in the context of this case.

4 **Q. CAN YOU AGREE WITH MS. ROSS THAT LOW-INCOME PARTICIPANTS SHOULD ONLY BE**  
5 **REQUIRED TO APPLY FOR WEATHERIZATION BUT SHOULD BE ALLOWED TO PARTICIPATE**  
6 **WHETHER OR NOT THEY RECEIVE WEATHERIZATION?**

7 A. There are pros and cons to requiring that participants actually receive weatherization.  
8 Limiting participation based on a requirement that participants homes are actually  
9 weatherized increases the likelihood of greater program benefits to those who qualify.  
10 Requiring actual weatherization as Ms. Ross points out might cause those who rent or  
11 who are on a waiting list for weatherization to be excluded from participation. This being  
12 said, Public Counsel will defer to Ms. Ross and support Staff's position on this issue.



1 **Q. DO YOU AGREE WITH STAFF THAT A COMPARATIVE ANALYSIS OR ROUNDTABLE TO**  
2 **ADDRESS BEST PRACTICES IS NECESSARY IN ADVANCE OF IMPLEMENTING LOW-INCOME**  
3 **PROGRAM FOR AMERENUE?**

4 A. It depends. Through past program negotiations, program reviews and trial and error we  
5 have identified a workable framework for an experimental program. A program of  
6 limited size that can be delivered through tried methods and can offer more affordable  
7 bills for low-income households. Such a program can also benefit other customers by  
8 improving the payment habits of program participants and promoting more regular  
9 subscription to the shared system. If on the other hand, the Commission determines that  
10 significant changes are needed to the structure or scope of the program that I've outlined,  
11 or determines that an industry-wide program should be developed, then I would agree that  
12 additional analysis and participation by a broader group of stakeholders may be needed.

13 **Q. MIGHT THERE BE BENEFIT IN THE COMMISSION DOING BOTH?**

14 A. Yes. By doing both the Commission could address both the immediate need of  
15 AmerenUE's low-income customers and the longer-term need to investigating low-  
16 income programs from a broader perspective.

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

18 A. Yes.

### **Attachment 3**

## **Laclede Experimental Low-Income Energy Assistance Program (LELIEAP)**

**Goal – To assist low-income/disabled customers maintain consistent gas utility service by sustaining bill payments on an annual basis, in an effort to break the on and off cycle that may cause accumulating/rolling debt arrearage.**

#### **Objectives:**

- Leverage payments between utility, Community Action Agency (CAA) and customer
- Minimize impact of income on all aspects of payment performance
- Improve consistent bill payments with customers remaining on the system
- Interrupt the arrears-to-disconnect cycle by assisting customers who fall into payment trouble
- Improve capacity of existing bill payment processes to be effective for all customers
- Determine the overall impact of a low-income program on all ratepayers, i.e., reduced un-collectibles, lower collection costs, savings on recurring reconnection cost, and reduced late fee collections
- Determine if the program's discount levels make service affordable.

#### **Goal Measurements (to be collected monthly by Laclede and/or the CAA and reported quarterly to the Review/Evaluation Team):**

1. Total number of residential customers
2. Total number of residential customers in the program
3. Total number of residential customers in each program income range
4. For residential customers in the program, provide the total number of: (a) elderly, (b) disabled and (c) low-income residents with children in the home under 5 years of age and the total number of individuals within the household
5. For individual residential customers in the program, provide per month the total bill amount, late fees, payments, number of disconnects, reconnects, number of customer notices identified by date, other written contacts, and amounts written-off as un-collectible for 12 months pre-program and throughout life of the program, regardless if the customer remains on the program.
6. Total number of participants at the start, during and at the end of the program
7. Each participants beginning and ending arrearage amount
8. Amount of funds contributed by Laclede.
9. Total Number of customers turned off or disconnected due to nonpayment
  - a. Number of notices provided to participants prior to disconnection
  - b. Number of payment arrangements made prior to disconnection
10. Individual customer usage in the 12 months before the program start and individual customer usage throughout the life of the program from program beginning
11. Pre- and post-grants and self payments by individual program participants
12. Number of participants who remain on utility system after program participation

13. Number of sustained bill payments-seasonal
14. Number of sustained bill payments on an annual basis
15. Number of heating degree days for entire program cycle
16. Energy-saving measures implemented (housing stock improvements, programmable thermostat, thermal window coverings, weather stripping, energy efficient appliance changes, etc.)
17. Number of participants who are renters versus homeowners

**Program Evaluation:**

- Does the program change individual customer behavior?
- Does the program identify a relationship between weather influences, housing stock and usage?
- Does the program identify a group(s) of customer who benefited most?
- Does the program demonstrate a substantial benefit to leveraging assistance dollars?
- Does the program demonstrate a savings to all utility company customers? Has bad debt declined? Has Company reduced disconnects? Has Company collections decreased?
- Does the program demonstrate a savings to the utility?
- Do payment arrangements decrease?
- By each Federal Poverty Level (FPL) or range, are customers able to pay their utility bill with the assistance of the leveraged dollars, and does that translate to a decrease in the costs of collection activities?
  - What is that decrease in costs?
  - What is the benefit/cost ratio for this program?

**Voting Members:** Laclede Gas Company  
 Staff  
 Office of the Public Counsel  
 Any other Stipulation Signatories who wish to participate

**Program Evaluation: Independent Third Party**

**Program Review and Evaluation Team:** Laclede Gas Company  
 Community Action Agency  
 Missouri Public Service Commission Staff  
 Office of the Public Counsel  
 Department of Family Support

**Note: Meetings will be open meetings with 24 hour notice to the public**

**Program Administrators:** Laclede & CAA

## **LELIEAP Program Description:**

### **Program Life – Three (3) years or As Directed by the Commission**

Any participant from the previous low-income program will be allowed to participate in this program.

Any participant in the program shall be allowed to default once and remain on the program once they make-up the defaulted amount difference.

**Intent for equity– The number of participants and program dollars should be spread proportionally among the various FPL ranges for review, should any necessary changes or revisions be required for study purposes during the life of the program.**

#### **1. Arrearage Repayment Incentive:**

1. Participants will make a flat rate up-front payment
2. 0-50 % FPL - \$ 25.00
3. 51%-99% FPL - \$ 35.00
4. 100%-125% FPL - \$ 55.00
5. 126%-185% FPL or above where applicable and identified by CAA through documentation available for review by the Review Team - \$ 65.00
6. Dollar for dollar matching until arrears is paid in full
7. Program requires participants to be placed on budget billing with the option to opt out of set budget billing provided customer is willing to pay current bill amounts plus any additional amount which will be matched by program funds. Arrearage is to be spread over a 24 month period with at least a minimum payment amount of \$5.00 per month.
8. Existing customer on the previous program will be transferred to this program transparently and for customers who were dropped previously, they will be reinstated into this program.

#### **2. Bill Credit:**

1. Bill credits are to be applied monthly to the customer's bill for 24 months after the customer enters the program.
2. Bill credit amounts:
  - i. 0-50% FPL - \$60.00
  - ii. 51% - 99% FPL - \$40.00
  - iii. 100%-125% FPL - \$30.00
  - iv. 126%-185% FPL or above where applicable and identified by CAA and documented, bill credits of \$10.00 should apply.

### **3. LIHEAP (ECIP) Grants:**

1. For participants of this program who are eligible for ECIP funds, ECIP funds shall not be matched under the Arrearage Repayment Incentive component of this experimental program.
2. No credit refunds are to be issued by the Company to a participant enrolled in the arrearage forgiveness or bill credit component of the program for the life of the program period.

### **4. Administration and goal measurements:**

1. CAA must obtain a signed release from participants to allow the sharing their customer specific account information to the Review/Evaluation team
2. Company will provide on-site staff to work with the CAA, to verify eligibility and arrange program participation, as well as, provide real-time customer status.
3. Company will develop a program that will track participants account by listing consumption per month, payments, arrearage balance if applicable, current account balance, and pledged/leveraged dollars (i.e. LIHEAP or private funds).
4. Program measurements will be provided every three months one week prior to the quarterly meeting to the Staff, OPC, DFS and any other interested parties to this case, in summary form (in attached format) with backup data provided upon request.