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March 31, 2021

VIA HAND DELIVERY

FILED

MAR 3 1 2021

MISS. PUBLIC SERVICE COMMISSION

Katherine Collier Executive Secretary and General Counsel Mississippi Public Service Commission 501 North West Street, Suite 201A Jackson, MS 39201

IN RE:

Application for Approval of Energy Efficiency

Portfolio Plan and Related Matters

Dear Katherine:

Enclosed for filing with the Mississippi Public Service Commission are the original and twelve (12) copies of Spire Mississippi Inc.'s Application for Approval of Energy Efficiency Portfolio Plan. Please file the Application and return the extra copy stamped "Filed" to me via my office courier.

Thank you for your courtesies. If you have any questions, please call.

Yours truly,

WATKINS & EAGER PLLC

George R. Fair

GRF:jsb Enclosures

cc w/enc:

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MISS. PUBLIC SERVICE COMMISSION

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

SPIRE MISSISSIPPI INC. ID# GC-120-0083-00

DOCKET NO. 21 - UA - 51

RE: APPLICA

APPLICATION FOR APPROVAL OF ENERGY EFFICIENCY PORTFOLIO

PLAN AND RELATED MATTERS

DESIGNATION: MISCELLANEOUS APPLICATION RULE 10;

MISCELLANEOUS FILING RULE 9.107

APPLICATION

COMES NOW, Spire Mississippi Inc. ("Spire") pursuant to the Mississippi Public Utilities Act, Miss. Code Ann. § 77-3-1, et seq. (2000 and Supp. 2014) (the "Act"), and Rules 10 and 9.107 of the Public Utilities Rules of Practice and Procedure of the Mississippi Public Service Commission and Public Utilities Staff ("Rules"), and files this Application for approval by the Mississippi Public Service Commission (the "Commission") of its Energy Efficiency Portfolio Plan ("EEPP") and cost recovery of demand-side management expenditures and investments through its Rate Stabilization and Adjustment ("RSA") formula rate plan. In support of this Application, Spire would show unto the Commission the following:

1. Spire is a corporation organized and existing under the laws of the State of Mississippi. Spire's mailing address is 315 South Main Street, Hattiesburg, Mississippi 39401. Spire's email addresses are: Kyle.Rogers@spireenergy.com and

<u>Daniel.Ford@spireenergy.com</u>. Spire is also a "public utility" as defined in the Act and is engaged in the business of providing natural gas service to and for the public for compensation in Mississippi.

- 2. Original Rule 29, established in Docket No. 2010-AD-2, required both electric and gas utilities to implement certain conservation and energy efficiency programs in their operations and to make annual reports regarding such programs. Because Spire served less than 25,000 customers, it was exempt from the initial implementation and filing requirements, i.e. the "Quick Start" programs.
- 3. Rule 29 was amended in Docket No. 2018-AD-64 to include the implementation of an integrated resource planning rule for electric utilities and to revise the implementation and reporting requirements for the energy efficiency programs for both electric and gas utilities. Specifically, the Amended Rule required the utilities to provide annual reports of the energy efficiency programs implemented by the utility (through Annual Energy Delivery Plans) and to provide the Commission with a schedule according to which the utility would follow to satisfy the annual reporting requirements.
- 4. Pursuant to the Amended Rule, Spire timely filed its proposed schedule to meet the reporting requirements of the Rule stating that it would file an Application requesting approval of its energy efficiency plan by August 1, 2020. Spire subsequently amended the schedule to provide that it would file an Application requesting approval of its energy efficiency plans by April 1, 2021.
- 5. Spire engaged Applied Energy Group Inc. ("AEG"), an energy management and consulting firm, to assist it in the design and implementation of its energy efficiency programs and to prepare required annual reporting of the evaluation,

measurement and verification of demand-side management investments under these programs. AEG has completed its report which is attached as Exhibit A (the "Report").

- 6. The Spire EEPP described in the Report includes a Residential Program and a Business Program for commercial and industrial customers that includes customer and trade ally rebate incentives associated with installing qualifying energy efficient natural gas equipment. The Residential Program also will include free energy efficiency kits to customers that qualify based on income level. Spire's proposed EEPP is described in more detail in the Report, including each program's target markets, implementation strategies, measures and related incentives, evaluation procedures, budget costs, participation levels, energy savings and cost effectiveness results. The Report also includes three years of forecast participation, energy savings and budget costs with data for years two and three included for informational purposes only.
- 7. Spire requests that its energy efficiency plan year be established on a March 31 year-end and its AEDP filing be due annually by August 1. In doing so, the Staff will have the opportunity to review Spire's AEDP filing in advance of the Company's RSA filing which is on a June 30 test year and is due annually by September 15. Spire would include proposed cost recovery of demand-side management investments and expenses as reflected in its AEDP in the RSA filing that is reviewed by Staff and requires Commission approval.
- 8. Since Spire is requesting initial approval of its EEPP through this filing and since the implementation of the program may take as much as four months after Commission's approval, Spire requests its initial filing of the AEDP be due by August 1, 2022.

- 9. Spire proposes the costs associated with evaluating, designing, and implementing its EEPP be charged to a regulatory asset and amortized to expense over a 3-year period beginning with the start date of Spire's EEPP.
- 10. Rule 29.107(c) states, "Utilities may also propose a mechanism to adjust budgets and cost recovery to respond to customer demand, to take advantage of market opportunities, to deal with oversubscription and to avoid stop-start funding". Rule 29.107 also states that "Cost recovery should be addressed in each utility's formula rate plan and demand-side management expenditures, including any prudently incurred over or under recovery of actual expenditures in an annual period, may be allowed in the formula rate plan test year." Spire thus proposes energy efficiency budget flexibility of up to 20% of the total portfolio budget. If Spire anticipates the spending level to exceed 120% of the portfolio budget, it will notify the Staff and the Commission Staff and seek the Commission's approval to further modify the budget. Additionally, Spire requests that portfolio spending which exceeds the portfolio budget up to 20% be charged to a regulatory asset to reflect the under-recovery of portfolio costs that would be recovered in the subsequent formula rate plan year.
- 11. Spire also proposes to amend its RSA formula rate plan tariff provisions to reflect cost recovery of demand-side management expenditures and investments including the over or under recovery of actual expenditures. Spire's proposed amendments to the RSA tariff provisions are provided at Exhibit B.
- 12. In support of this filing, Spire attaches the pre-filed direct testimony of Joseph Reilly, Project Manager, AEG, as Exhibit C and pre-filed direct testimony of Kyle Rogers, Vice President External Affairs, Spire, as Exhibit D.

13. Notice of the filing of this Application is being provided upon all interested persons as defined in Rule 2.115.

WHEREFORE, PREMISES CONSIDERED, Spire hereby requests that this Application be received and filed, that notice be given in the manner prescribed by law; and that after considering all the relevant information, the Commission issue an order approving (i) Spire's proposed EEPP as described within Exhibit A, (ii) the establishment of the energy efficiency program reporting period based on a March 31 year-end, (iii) the proposed budget in year 1 of the program as may be pro-rated based on a partial year, (iv) the proposed due date of Spire's AEDP of August 1 each year with the initial filing being due by August 1, 2022, (v) the proposed treatment of energy efficiency implementation costs to be charged to a regulatory asset and recovered through the RSA over a 3-year period, (vi) the proposed budget flexibility up to 120% of the Commission approved budget with any excess charged to a regulatory asset for cost recovery in the subsequent formula plan rate year, and (vii) the proposed changes to the RSA tariff provisions as reflected within Exhibit B.

Spire further requests such other, further, and general relief as may be beneficial, required or needed.

RESPECTFULLY SUBMITTED, this the 29 day of March, 2021.

SPIRE MISSISSIPPI INC

By:

Kyle Rogers

Vice President – External Affairs

Rule 6.104(1) Signature:

George R. Fair (MSB #5118)

Bailey R. Fair (MSB # 104173)

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VERIFICATION

STATE OF ALABAMA

COUNTY OF Jefferson

Personally appeared before me, the undersigned authority in and for the jurisdiction aforesaid, Kyle Rogers, who after being by me first duly sworn, deposes and says that he is the Vice President of External Affairs for Spire Mississippi Inc., and that as such is fully authorized to execute the above and foregoing Application for and on behalf of Spire Mississippi Inc., and that the statements contained in the filing are true and correct to the best of his knowledge, information and belief.

Kyle Rogers

SWORN TO AND SUBSCRIBED BEFORE ME, this the 29th day of March, 2021.

Marska H Blackeull Notary Public

My Commission Expires:

1119/21

