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December 9, 2003

**FILED**

**DEC 09 2003**

**Missouri Public  
Service Commission**

The Honorable Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102-0360

Re: Case No. ER-2004-0034

Dear Judge Roberts:

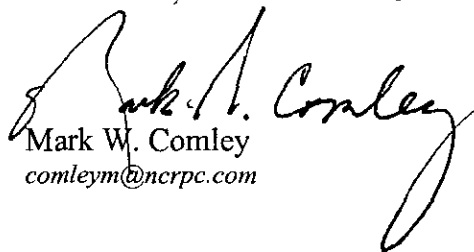
Enclosed for filing in the above referenced matter, please find the original and five copies of the Direct Testimony of Robert T. Jackson. Mr. Jackson's testimony is being filed with a facsimile affidavit. The original affidavit will be provided to the Commission just as soon as it is available.

Please contact me if you have any questions regarding this filing. Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:

  
Mark W. Comley  
comleym@ncrpc.com

MWC:ab  
Enclosure

cc: Office of Public Counsel  
General Counsel's Office  
William D. Geary  
James C. Swearengen  
Stuart W. Conrad  
Shelley A. Woods

Exhibit No.: \_\_\_\_\_  
Issue: Weatherization Program  
Witness: Robert T. Jackson  
Sponsoring Party: City of Kansas City, Missouri  
Case No.: Case No. ER-2004-0034

**FILED**

**DEC 09 2003**

**Missouri Public  
Service Commission**

**CITY OF KANSAS CITY, MISSOURI**

Case No. ER-2004-0034

**DIRECT TESTIMONY**

**OF**

**ROBERT T. JACKSON**

Kansas City, Missouri  
December, 2003

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

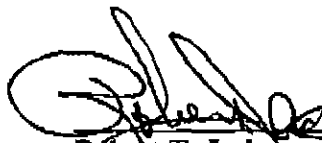
In the Matter of Aquila, Inc., d/b/a Aquila Networks            )  
L&P and Aquila Networks MPS Application to                    )  
Implement a General Rate Increase in Electricity.                )     Case No. ER-2004-0034

AFFIDAVIT OF ROBERT T. JACKSON

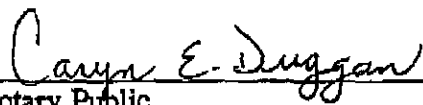
STATE OF MISSOURI     )  
                                  ) ss.  
COUNTY OF JACKSON    )

I, Robert T. Jackson, of lawful age, and being duly sworn, do hereby depose and state:

1. My name is Robert T. Jackson. I am presently Weatherization Program Administrator with the City of Kansas City, Missouri, intervener in the referenced matter.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my personal knowledge, information and belief.

  
\_\_\_\_\_  
Robert T. Jackson

Subscribed and sworn to before me, a Notary Public, this 9<sup>th</sup> day of December, 2003.

  
\_\_\_\_\_  
Notary Public

My Commission expires:  
CARYN E. DUGGAN  
Notary Public - Notary Seal  
STATE OF MISSOURI  
JACKSON COUNTY  
My Commission Expires: April 2, 2005

1 DIRECT TESTIMONY OF ROBERT T. JACKSON

2

3 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

4 A. My name is Robert T. Jackson. My business address is Department of Housing and  
5 Community Development, 11th Floor, City Hall, 414 East 12th Street, Kansas City,  
6 Missouri 64106.

7

8 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

9 A. I am employed by the City of Kansas City as Weatherization Program Administrator  
10 within the Department of Housing and Community Development.

11

12 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

13 A. I will briefly discuss the history of the Weatherization Program in Kansas City. I also  
14 will testify about how the City's program can benefit Aquila customers and improve  
15 credit and collections for Aquila. It is my recommendation that the Commission  
16 implement a weatherization program with respect to Aquila's operations in Kansas City.

17

18 Q. PLEASE DESCRIBE HOW THE WEATHERIZATION PROGRAM BEGAN.

19 A. It was the City of Kansas City that first suggested, and then helped create, one of the first  
20 city/utility partnerships in an experimental energy conservation program to benefit  
21 residential customers. The program was soon labeled the "weatherization program" and  
22 was, and still is, mainly devoted to assisting utility customers who had (or have)  
23 difficulty paying bills. As a result of the City's initiative, a partnership was established  
24 with KPL Gas Service Company. The partnership continues with Southern Union  
25 Company, d/b/a Missouri Gas Energy (MGE). In Commission Case No. GR-96-285 an  
26 agreement was reached between the City and MGE which provided for continued funding

1 of the weatherization program, and the program as approved has been continued through  
2 two subsequent rate MGE orders in Case Nos. GR-98-140 and GR-2001-292.

3

4 Q. HAS THE PROGRAM BEEN SUCCESSFUL.

5 A. Yes, it has been successful. A report on the merits of the program was delivered to the  
6 Commission in Case No. GR-2001-292. In that case, TecMRKT Works filed a report  
7 entitled *Process and Impact Evaluation of Missouri Gas Energy's Pilot Weatherization*  
8 *Program*. TecMRKT stated at page vii of the executive summary:

9 [W]e found the program provides positive benefit cost ratios,  
10 strong energy savings and is well organized and structured to  
11 provide valuable services to the participants. We found that the  
12 program is functioning well and is able to deliver valuable services  
13 to participants in a way that should be viewed as a credit to the  
14 Company, the City and many of the installation contractors. In  
15 addition, the program operations, records, and tracking systems we  
16 examined are exceptionally well designed and maintained and  
17 effectively support the program operations and implementation.

18

19 Q. IS THE PROGRAM ADMINISTERED PURSUANT TO GOVERNMENTAL  
20 GUIDELINES.

21 A. Yes, the City operates the program pursuant to guidelines established by the U. S.  
22 Department of Energy as administered by the Missouri Department of Natural Resources  
23 (DNR). DNR also acts as the distributor of the available weatherization program grants,

1 and in that respect has designated Kansas City as the home weatherization subgrantee for  
2 all of Clay, Platte and Jackson counties. This means that for eligible homes in the three  
3 county area, Kansas City acts as administrator of home weatherization projects and will  
4 receive, distribute and account for the grant funding to finance them.

5 Q. HAS AQUILA ALREADY BENEFITTED FROM THE BENEFITS OF THE  
6 WEATHERIZATION PROGRAM?

7 A. I think it most certainly has. The Aquila electric customers, who have had their homes  
8 weatherized through the MGE weatherization program, have been relieved of the burden  
9 of gas bills that were excessive due to poor home insulation or inefficient gas furnaces. In  
10 trimming their monthly gas bills, the weatherization program has made it easier for the  
11 residents of these homes to pay for other utilities. In the case of weatherized homes  
12 generally, this translates into more efficient utilization of energy for such things as air  
13 conditioning in the summer. The Weatherization Program supplies a cross benefit to both  
14 the gas and electric utilities that provide services to a weatherized residence.  
15 Additionally, there have been Aquila electric customers who have qualified for federal  
16 weatherization assistance through my office. Yet, there are many other eligible Aquila  
17 electric customers who have not. That is the reason why I believe Aquila should itself  
18 implement, with the assistance of the City, a weatherization program to help these low  
19 income customers.

20 Q. WHAT BENEFITS COULD AQUILA DERIVE FROM IMPLEMENTING A  
21 WEATHERIZATION PROGRAM OF ITS OWN?

22 A. Very simply, a weatherization program for eligible low-income customers translates into  
23 direct benefits for the participating utility. Those benefits include a reduction in energy,  
24 which in turn means reduction in demand for power. This should appeal to the  
25 company's interests in lowering costs of generation and distribution. As a customer's

1 energy demand is reduced, so too is the customer's bill for service. This means higher  
2 affordability for utility services and a reduction in overdue bills and bad debt.

3

4 Q. WHAT IS YOUR PROPOSAL TO THE COMMISSION

5 A. I propose that the Commission direct that Aquila implement a weatherization program for  
6 the benefit of eligible customers that will supplement the available federal funding  
7 though DNR and any other agencies. Such a program must naturally comply with and  
8 follow all federal guidelines established by the US Department of Energy as administered  
9 by DNR. I understand that witnesses for DNR will have greater detail on the mechanics  
10 and funding sources for such a program and I will not discuss that in my testimony. I  
11 propose as well that the Aquila weatherization program take advantage of the services of  
12 my department, which has shown that it can successfully partner with utilities on this  
13 important service.

14

15 Q. IS THE CITY PREPARED TO ADMINISTER A WEATHERIZATION PROGRAM IN  
16 CONJUNCTION WITH AQUILA.

17 A. Yes. My department is equipped and staffed for this purpose and is ready and willing to  
18 work with Aquila just like it works with MGE in its program.

19 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

20 A. Yes, it does.