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Witness: Henry E. Warren
Sponsoring Party: MO PSC Staff
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MISSOURI PUBLIC SERVICE COMMISSION

REGULATORY REVIEW DIVISION

REBUTTAL TESTIMONY

OF

HENRY E. WARREN

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2012-0174

*Jefferson City, Missouri
September 2012*

**** Denotes Highly Confidential Information ****

NP

Staff Exhibit No. 234-NP
Date 10/17/12 Reporter MM
File No. ER-2012-0174

Staff Exhibit - 234

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

In the Matter of Kansas City Power &)
Light Company's Request for Authority to)
Implement a General Rate Increase for)
Electric Service)

Case No. ER-2012-0174

AFFIDAVIT OF HENRY E. WARREN

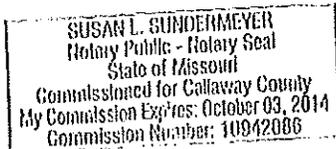
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Henry E. Warren, of lawful age, on his oath states: that he has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 5 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.



Henry E. Warren

Subscribed and sworn to before me this 5th day of September, 2012.





Notary Public

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Table of Contents

REBUTTAL TESTIMONY

OF

HENRY E. WARREN

KANSAS CITY POWER & LIGHT COMPANY

CASE NO. ER-2012-0174

1. EXECUTIVE SUMMARY 1

2. RESPONSE TO DIRECT TESTIMONY OF DOUGLAS L. BOSSART, CITY OF
KANSAS CITY, MISSOURI, ON LOW INCOME WEATHERIZATION..... 1

3. RESPONSE TO DIRECT TESTIMONY OF DR. ADAM BICKFORD,
MISSOURI DEPARTMENT OF NATURAL RESOURCES, ON LOW INCOME
WEATHERIZATION..... 3

4. STAFF RECOMMENDATION 4

Rebuttal Testimony of
Henry E. Warren

1 A. Beginning on Page 4, Line 2, of his Direct Testimony, Mr. Bossert states,
2 *“At this time I recommend that KCPL’s allocation for the City LIWAP be increased to*
3 *** _____ **”*. The Commission Order in KCPL’s last rate case, Case No.
4 ER-2010-0355 (Commission Order), states that *“The Commission determines that*
5 *KCP&L and GMO shall: continue their respective low-income weatherization programs*
6 *at their current levels of funding”* (p. 182, first full paragraph). Earlier in the
7 Commission Order, the Commission notes on p. 179, that *“Staff recommended that*
8 *KCP&L and GMO be required to continue to provide annual funding for low income*
9 *weatherization programs in the amounts of \$573,888 and \$150,000, respectively.”*
10 (emphasis added)

11 Q. What portion of the \$573,888 was allocated to KCMO under the KCP&L
12 regulatory plan that was the basis for the \$573,888?

13 A. In the KCP&L regulatory plan, Appendix C, *** _____ *** of the
14 \$573,888 was allocated to KCMO for low-income weatherization. In the Staff Report,
15 *Revenue Requirement Cost of Service*, Staff recommended that KCPL continue to fund
16 low income weatherization at \$573,888 annually (Schedule HEW 1) and that the Demand
17 Side Management Advisory Group (DSMAG) be consulted by KCPL in determining the
18 allocation of funds to the weatherization agencies. A revised version of Schedules HEW
19 1, 2, and 3 are included with this rebuttal testimony as Rebuttal Schedules HEW 1, 2, and
20 3. The amounts in the Rebuttal Schedules for 2011 and 2012 reflect amounts for low
21 income weatherization provided by KCPL in DR responses to Staff and MDNR.

1 **3. RESPONSE TO DIRECT TESTIMONY OF DR. ADAM BICKFORD ON**
2 **KCPL WEATHERIZATION PROGRAM DESIGN AND OPERATION.**

3 Q. To what portion of the Direct Testimony submitted by MDNR witness,
4 Dr. Adam Bickford regarding *KCPL Weatherization Program Design and Operation* do
5 you wish to address?

6 A. Beginning on page 5, line 24, of his Direct Testimony, Dr. Bickford states
7 that "*We are raising our concerns about KCP&L's weatherization program in this case*
8 *because resolution of these issues may require modification of KCP&L's Low-Income*
9 *Weatherization tariff*". Dr. Bickford is referring to KCPL tariff sheet No. 43H, Schedule
10 LIW. On page 6, line 8, of his Direct Testimony, Dr. Bickford concludes "*Consequently,*
11 *we are asking the Commission to order KCP&L to change its allocation method for*
12 *weatherization funds and to allow KCP&L to increase the amount of money collected*
13 *from ratepayers to fund its weatherization program to weatherize more homes.*"

14 Staff agrees with the recommendation that a new tariff needs to be filed. KCPL
15 never filed a tariff in compliance with the Commission Order in the previous rate case.
16 However, regarding the issue of increased funding, Staff recommends KCPL fund the
17 low income weatherization program annually at the level provided in the Commission
18 Order in KCPL's last rate case, \$573,888. Fully funding and allocating this amount
19 would significantly increase the amount available for low income weatherization. Also,
20 any of the \$573,888 funds not provided to the Weatherization Agencies in a year should
21 be available in subsequent years.

22 Q. To what other portion of the Direct Testimony submitted by MDNR
23 witness Dr. Bickford regarding the KCPL allocation method of low income
24 weatherization funds does Staff wish to address?

1 A. Beginning on page 9, line 12, of his Direct Testimony, Dr. Bickford states,
2 *“There is no indication that CAAs [community action agencies] are made aware of total*
3 *amount of money KCP&L has available to distribute.”* Staff agrees with this
4 observation. KCPL is not operating the low income weatherization program in
5 compliance with the Commission Order in the previous rate case. KCPL did not file a
6 revised Schedule LIW tariff sheet subsequent to the last rate case to establish procedures
7 for the operation of the low income weatherization consistent with the provisions of the
8 Commission Order.

9 **4. STAFF RECOMMENDATION**

10 Q. What is your recommendation regarding the Direct Testimonies of KCMO
11 witness Douglas L. Bossert and MDNR witness Dr. Bickford?

12 A. My recommendation is for the Commission to reiterate and clarify its
13 Order from the previous rate case. This following recommendation modifies the Staff
14 recommendation included in my testimony in the *Staff Report, Revenue Requirement*
15 *Cost of Service*, filed August 2, 2012. The auditors assigned to this case have verified
16 that KCPL has not included the amount of \$573,888 in revenues used to calculate rates
17 subsequent to the previous rate case (Case No. ER-2010-0355). The unfunded amounts
18 in Schedules HEW 1 and HEW 3 do not represent funds accruing to KCPL, and there is
19 no monetary carryover. Therefore Staff recommends that the Commission Order:

- 20 1) KCPL include \$573,888 annually in revenues and rates for low-income
21 weatherization. Any of the \$573,888 funds (plus any interest or return
22 earned thereon) which is not provided to the Weatherization Agencies in a
23 year should be available in subsequent years.

Rebuttal Testimony of
Henry E. Warren

- 1 2) KCPL consult the KCP&L DSM Advisory Group (DSMAG) on the
2 allocation and distribution of low-income weatherization funds;
3 3) KCPL provide quarterly reports to the DSMAG on the allocation and
4 distribution of funds to the KCPL Weatherization Agencies¹;
5 4) As long as the KCPL low-income weatherization program is funded in
6 rates the program should not be included in any subsequent filing under
7 the Missouri Energy Efficiency Investment Act (MEEIA); and
8 5) KCPL file tariff sheets that revise Tariff Sheet Nos. 43H, 43I, 43I.1, and
9 43I.2 to comply with the Order in from this case.

10 Q. Does this conclude your Rebuttal Testimony?

11 A. Yes, it does.

¹ These may be submitted in EFIS as a non-case related submission

Schedule HEW 1

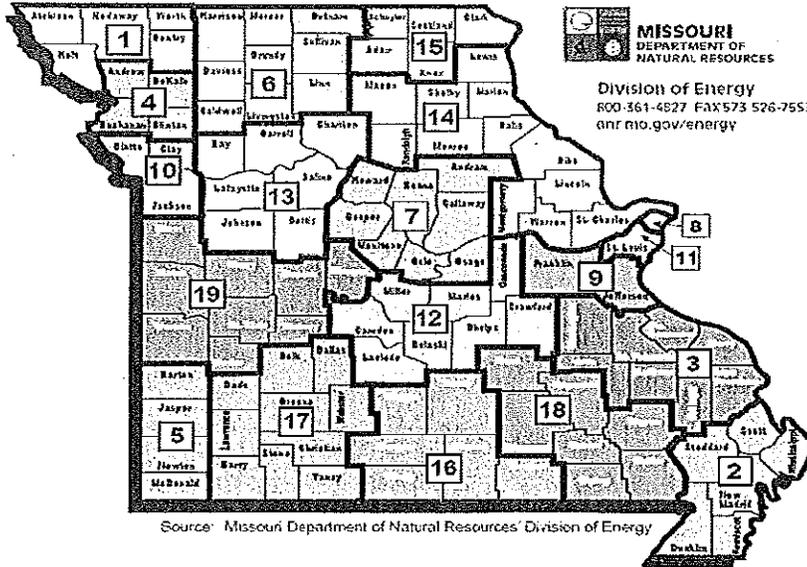
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**KANSAS CITY POWER & LIGHT - KCPL
CASE NO. ER-2012-0174**

**MDNR Subgrantees (Weatherization Agencies)
for Low Income Weatherization**



- 1 Community Services, Inc. of Northwest Missouri, Maryville (CSI)
 - 2 Delta Area Economic Opportunity Corporation, Portageville (DAEOC)
 - 3 East Missouri Action Agency, Park Hills (EMAA)
 - 4 Community Action Partnership of Greater St. Joseph (CAPSTJO)
 - 5 Economic Security Corporation of the Southwest Area, Joplin (ESC)
 - 6 Green Hills Community Action Agency, Trenton (GHCAA)
 - 7 Central Missouri Community Action, Columbia (CMCA)
 - 8 Urban League of Metro. St. Louis (ULMSL)
 - 9 Jefferson-Franklin Community Action Corporation, Hillsboro (JFCAC)
 - 10 Kansas City Housing and Community Development Department, (KCHCDD)
 - 11 Community Action Agency of St. Louis County, Overland (CAASTLC)
 - 12 Missouri Ozarks Community Action, Inc., Richland (MOCA)
 - 13 Missouri Valley Community Action Agency (MVCAA)
 - 14 North East Community Action Corporation, Bowling Green (NECAC)
 - 15 Northeast Missouri Community Action Agency, Kirksville (NMCAA)
 - 16 Ozark Action, Inc., West Plains (OAI)
 - 17 Ozarks Area Community Action Corp., Springfield (OACAC)
 - 18 South Central Missouri Community Action Agency, Winona (SCMCAA)
 - 19 West Central Missouri Community Action Agency, Appleton City (WCMCAA)
- INDEPENDENCE
O'FALLON
ST. CHARLES
Helping Ministry Neighborhood Development Corporation, Hayti (HMNDC)
Mid-America Regional Council, Kansas City (MARC)

Eligible for KCPL Low Income Weatherization Funds

Schedule HEW 3

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