

Exhibit No.:
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Witness: Scott H. Heidtbrink
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Case No.: ER-2012-0175
Date Testimony Prepared: October 10, 2012

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2012-0175

SURREBUTTAL TESTIMONY

OF

SCOTT H. HEIDTBRINK

ON BEHALF OF

KCP&L GREATER MISSOURI OPERATIONS COMPANY

**Kansas City, Missouri
October 2012**

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OF

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Case No. ER-2012-0175

1 **Q: Please state your name and business address.**

2 A: My name is Scott H. Heidtbrink. My business address is 1200 Main Street, Kansas City,
3 Missouri 64105.

4 **Q: Are you the same Scott H. Heidtbrink who pre-filed Rebuttal Testimony in this**
5 **matter?**

6 A: Yes, I am.

7 **Q: On whose behalf are you testifying?**

8 A: I am testifying on behalf of KCP&L Greater Missouri Operations Company (“GMO” or
9 the “Company”) for St. Joseph Light & Power (“L&P”) and Missouri Public Service
10 (“MPS”) territories.

11 **Q: What is the purpose of your Surrebuttal Testimony?**

12 A: My testimony addresses the position taken by Missouri Public Service Commission Staff
13 (“Staff”) witness Contessa Poole-King in Staff’s Rebuttal Testimony regarding the
14 Economic Relief Pilot Program (“ERPP” or “Program”).

15 **Q: Are you familiar with the evaluation completed for the ERPP?**

16 A: Yes, I am.

17 **Q: Why did GMO perform the evaluation?**

18 A: The ERPP tariff references that the Program may be evaluated in any Company rate or
19 complaint case. The evaluation was to be conducted by an independent third party

1 evaluator under contract with the Company that was acceptable to the Company,
2 Commission Staff, and the Office of the Public Counsel (“OPC”). The evaluation was
3 conducted to assess the Program’s results for potential expansion of the number of
4 Program participants and to make it a permanent program.

5 Furthermore, in Case No. ER-2010-0356, the Company proposed continuation of
6 the ERPP and recovery of 50% associated Program costs through our retail rates. Staff
7 witness Carol Gay Fred addressed the ERPP evaluation in the Staff Cost of Service
8 Report and in subsequent Rebuttal Testimony. Witness Fred offered the following
9 recommendation in the Staff Cost of Service Report in that case, starting on page 151,
10 lines 23-24:

- 11 • Acquire an independent third party evaluator for the Program to track
12 all aspects of the Program for weaknesses, strengths, and improvement
13 opportunities.

14 **Q: What methodology was used to assess customer feedback of the ERPP?**

15 A: A short, 11-question postcard survey was mailed to 10% of the customers currently
16 enrolled in the Program. The Company designed and mailed the postcards to 200 random
17 Program enrollees in March, 2012. Two reminder postcards were mailed in April and
18 May to those enrollees that had not yet responded. Overall, 144 completed postcards
19 were collected through June 8, 2012. This amounts to a 72% response rate.

20 **Q: Was this methodology established solely by the Company?**

21 A: No. GMO brought the evaluation plan before the DSM Advisory Group (“DSMAG”) for
22 collaborative discussion. In December 2011, proposals were vetted with the DSMAG
23 and an initial plan developed. Considerable work was completed to design the evaluation
24 components. In January 2012, when the plan components were again shared with the
25 DSMAG, the group recommended changes to the sampling method. GMO responded to

1 the requested changes and the Company revised the evaluation plan to accommodate the
2 new sampling methods.

3 **Q: Who participated in the development of the methodology for the ERPP evaluation?**

4 A: KCP&L's Regulatory Affairs, Customer Relations, Credit and Collection, and Market
5 Research areas worked in partnership to determine the survey strategy for the ERPP
6 customer surveys and the Salvation Army interviews. Our original survey strategy
7 was changed based on direct feedback from the DSMAG.

8 **Q: Who is represented in the DSMAG?**

9 A: The DSMAG consists of representatives from GMO, The Empire District Electric
10 Company, the City of Kansas City, Praxair, Commission Staff, Missouri Department of
11 Natural Resources ("MDNR"), and OPC.

12 **Q: Do you believe the DSMAG was qualified to establish the terms of the ERPP
13 evaluation?**

14 A: Yes. Although the group was established to address demand-side management ("DSM")
15 programs, the participants have strong experience with program evaluation and were able
16 to identify an evaluation methodology that balanced the need to evaluate the Program
17 while limiting the cost of that evaluation.

18 **Q: During the survey strategy discussions with the DSMAG, did Staff voice concerns
19 with the ERPP customer survey approach that the group recommended?**

20 A: No. The Company is not aware of any objections from Staff to the survey approach
21 discussed with and agreed upon by the DSMAG.

1 **Q: Please summarize the development of the evaluation approach used to survey the**
2 **ERPP customers.**

3 A: The original methodology was to include a postcard survey sent out to ALL participants
4 of the ERPP. That approach was changed due to feedback and recommendations
5 primarily from MDNR and eventually all parties of the DSMAG. The revised plan was a
6 random postcard survey to 10% of the customers that were currently enrolled in the
7 Program. This change in approach was discussed during multiple conversations with the
8 DSMAG to ensure the Company was implementing the evaluation approach
9 recommended by the DSMAG.

10 **Q: Do you agree that if all participants were surveyed it would have provided an**
11 **improved comprehensive assessment of the Program?**

12 A: Not necessarily. In the course of working with the DSMAG on this issue it was
13 suggested and ultimately agreed that a sample would provide the needed response
14 without the additional expense. Given that the sample was random and included a
15 significant number of participants, the results are representative of the results that would
16 come from a complete survey.

17 **Q: How was the evaluation funded?**

18 A: The costs of the evaluation were paid from the ERPP funds.

19 **Q: If additional evaluations are performed, how will they be funded?**

20 A: Costs of additional evaluations will also be paid from the Program funds, reducing the
21 funds available to customers.

1 **Q: Ms. Poole-King claims at page 3 of her Rebuttal Testimony that Staff is unable to**
2 **identify a need for expanding the Program. Do you agree with this claim?**

3 A: No, the Company and our Program partner, Salvation Army, are denying new
4 enrollments due to the Program being at participant capacity. Expansion of the Program
5 would benefit additional low-income customers that may not qualify for other assistance
6 programs due to income requirements. The survey results summarized that participants
7 intend to re-enroll should the Program be extended. Further, additional promotion of the
8 ERPP through the GMO and Kansas City Power & Light Company (“KCP&L”)
9 Connections program has made the Program more visible and has reached the targeted
10 low income audiences.

11 **Q: Has the ERPP experienced increased participation recently?**

12 A: Yes. Both the GMO ERPP and the KCP&L ERPP met capacity on September 19, 2012.

13 **Q: What has contributed to that recent increase?**

14 A: The GMO and KCP&L Connections program has provided increased visibility to the
15 ERPP and other programs.

16 **Q: Have customers expressed the need and desire for programs like ERPP to provide**
17 **additional financial support in venues other than the customer survey?**

18 A: Yes. Customers have voiced the need for this type of program at local public hearings.

19 **Q: Are there any other factors the Commission should consider in evaluating the need**
20 **for ERPP expansion?**

21 A: If participation levels are increased and eligible customers do not apply, there are no
22 additional costs for the Program. However, many of the elderly customers surveyed are

1 on fixed incomes and live on a very tight budget. The need to assist those senior
2 customers may increase.

3 **Q: Staff has recommended the Program continue as a pilot at its current levels. Do you**
4 **agree with that recommendation?**

5 A: No. The Company believes the Program is in the best interest of all customers and the
6 evaluation results support the Program's expansion. The Company requests approval to
7 expand the Program and move it beyond the pilot phase. The Program name would be
8 changed to reflect that it is no longer a pilot program, becoming the Economic Relief
9 Program (ERP).

10 **Q: Does that conclude your testimony?**

11 A: Yes, it does.

