

*Exhibit No.:*  
*Issue(s):* EM&V/PAYS  
*Witness:* Mark Kiesling  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Surrebuttal Testimony  
*Case No.:* ER-2019-0374  
*Date Testimony Prepared:* March 27, 2020

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**ENERGY RESOURCES DEPARTMENT**

**SURREBUTTAL TESTIMONY**

**OF**

**MARK KIESLING**

**THE EMPIRE DISTRICT ELECTRIC COMPANY**

**CASE NO. ER-2019-0374**

*Jefferson City, Missouri*  
*March 2020*

1                                   **SURREBUTTAL TESTIMONY OF**

2                                   **MARK KIESLING**

3                                   **THE EMPIRE DISTRICT ELECTRIC COMPANY**

4                                   **CASE NO. ER-2019-0374**

5           Q.    Please state your name and business address.

6           A.    My name is Mark Kiesling, and my business address is Missouri Public Service  
7 Commission, P. O. Box 360, Jefferson City, Missouri 65102.

8           Q.    Are you the same Mark Kiesling that filed testimony on January 29, 2020, as a  
9 part of the Missouri Public Service Commission Staff’s (“Staff”) *Staff Direct Report – Class*  
10 *Cost of Service*?

11          A.    Yes, I am.

12          Q.    What is the purpose of your surrebuttal testimony?

13          A.    My surrebuttal testimony will address the recommendation of Office of the  
14 Public Counsel (“OPC”) witness Mr. Geoff Marke that the evaluation, measurement, and  
15 verification (“EM&V”) budget for energy efficiency programs that was ordered in The Empire  
16 District Electric Company’s (“Empire”) last rate case (ER-2016-0023) not be used for EM&V,  
17 but instead be used for a third-party low-income assistance study. I will also briefly address  
18 Mr. Marke’s concerns with Empire proposing Pay As You Save (“PAYS”) in its potential  
19 forthcoming Missouri Energy Efficiency Investment Act (“MEEIA”) application.

20          Q.    What is Mr. Marke’s recommendation in regards to the EM&V budget for  
21 Empire’s energy efficiency programs?

22          A.    Mr. Marke recommends the EM&V budget for Empire’s energy efficiency  
23 programs not be used for an EM&V evaluation. Instead, Mr. Marke proposes that those funds  
24 be used for a third-party low income assistance study.

Surrebuttal Testimony of  
Mark Kiesling

1 Q. Is EM&V required for Empire’s energy efficiency programs?

2 A. Yes. As stipulated in Empire’s last rate case, Case No. ER-2016-0023,  
3 “All programs will have impact and process evaluation, measurement and verification  
4 (“EM&V”) performed by a third party independent contractor for the first two (2) full program  
5 years at a budget of 5% of the actual expenditures for the two (2) full program years<sup>1</sup>.”

6 Q. Does Empire have energy efficiency programs as part of the Missouri Energy  
7 Efficiency Investment Act (“MEEIA”)?

8 A. No.

9 Q. Is Empire Planning on filing for energy efficiency programs with a MEEIA  
10 application?

11 A. Per Nathaniel W. Hackney’s direct testimony filed in this case, Mr. Hackney  
12 states, “Liberty-Empire’s current intention is to file a MEEIA portfolio and request for  
13 a Demand-Side Investment Mechanism (“DSIM”) before the completion of this pending  
14 rate case<sup>2</sup>”.

15 Q. Is EM&V a requirement of MEEIA?

16 A. Yes.

17 Q. Does Staff agree with Mr. Marke’s recommendation for the EM&V budget?

18 A. Partially.

19 Q. Please explain.

20 A. At the time of this surrebuttal filing, EM&V has not been performed for the first  
21 two full program years as stipulated to in Case No ER-2016-0023. Empire notified Staff that it  
22 was in the process of receiving bids to perform the EM&V on the first two full program years

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<sup>1</sup> ER-2016-0023, Stipulation and Agreement Regarding DSM TARIFFS.

<sup>2</sup> ER-2019-0374, Direct Testimony Nathaniel W. Hackney, Page 3, Lines 5-6.

1 in a quarterly meeting in January 2020. As Mr. Hackney has stated in his direct testimony in  
2 this case, Empire is planning on filing a MEEIA application sometime in 2020. If Empire's  
3 MEEIA application is approved, EM&V would be required to be performed on the programs  
4 approved as part of Empire's MEEIA application. With the likelihood that Empire will file a  
5 MEEIA application in the near future, Staff supports the recommendation that the EM&V  
6 budget for program years 1 and 2 be used for a third-party low income assistance study.  
7 However, if Empire files a MEEIA application in the near future and the application is not  
8 approved, Staff recommends EM&V be performed for program year 3 (June 2019 - May 2020)  
9 and program year 4 (June 2020 - May 2021) and the EM&V report be filed in this docket no  
10 later than December 31, 2021. The budget for the EM&V for program years 3 and 4 would be  
11 the same amount that was stipulated to in Case No. ER-2016-0023 for program years 1 & 2.

12 Q. Does Mr. Marke express concerns with Empire proposing a PAYS program as  
13 part of a potential forthcoming MEEIA application?

14 A. Yes, in Mr. Marke's rebuttal testimony filed in this case, Mr. Marke states,  
15 "If Empire cannot confidently and consistently provide its customers with their usage and  
16 proper billed amount I struggle with how a PAYS program could properly work<sup>3</sup>."

17 Q. Does Staff share the same concern as Mr. Marke in regards to Empire proposing  
18 a PAYS program as part of a potential forthcoming MEEIA application?

19 A. Yes, Staff shares the same concern as Mr. Marke.

20 Q. Does this conclude your surrebuttal testimony?

21 A. Yes, it does.

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<sup>3</sup> ER-2019-0374, Rebuttal Testimony Geoff Marke, Page 15, Lines 16-18.

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

In the Matter of The Empire District Electric            )  
Company's Request for Authority to File                )        Case No. ER-2019-0374  
Tariffs Increasing Rates for Electric Service         )  
Provided to Customers in its Missouri                )  
Service Area    )

AFFIDAVIT OF MARK KIESLING

STATE OF MISSOURI                                    )  
  )        ss.  
COUNTY OF COLE                                    )

COMES NOW MARK KIESLING and on their oath declares that they are of sound mind and lawful age; that they contributed to the foregoing Surrebuttal Testimony; and that the same is true and correct according to their best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

/s/ Mark Kiesling  
MARK KIESLING