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Service Commission

Exhibit No.:
Issue: *Low Income
Weatherization Program*
Witness: *Kory Boustead*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Rebuttal Testimony*
Case No.: *ER-2016-0023*
Date Testimony Prepared: *May 2, 2016*

**MISSOURI PUBLIC SERVICE COMMISSION
COMMISSION STAFF DIVISION**

**REBUTTAL TESTIMONY
OF
KORY BOUSTEAD**

**THE EMPIRE DISTRICT ELECTRIC COMPANY
CASE NO. ER-2016-0023**

*Jefferson City, Missouri
May 2016*

STAFF Exhibit No. 6
Date 6-02-16 Reporter RF
File No. ER-2016-0023

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OF
KORY BOUSTEAD
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Rebuttal Testimony of
Kory Boustead

1 A. Empire has requested an increase in the budget for its authorized LIWAP funds
2 of \$25,000 per year. This would increase the Company's authorized annual budget from the
3 current level of \$225,000 to \$250,000.

4 Q. Is Staff supportive of the increase?

5 A. No, Staff is not supportive of the increase. First, based on Empire's quarterly
6 reports the Company is not currently spending the annual ratepayer-funded amount of
7 \$225,000. As discussed in Staff's Revenue Requirement Cost-of-Service Report, there have
8 been significant changes to LIWAP since the American Recovery and Reinvestment Act took
9 effect. These changes include raising the low income eligibility limit from 150% of the
10 federal poverty level to 200% and increasing and indexing the amount of money that can be
11 spent on a given household from \$2,966 to \$7,105. The changes, which occurred after the
12 period reviewed in Empire's 2009 evaluation of the program, have allowed additional
13 weatherization measures to be installed in applicants' homes and may have changed the stock
14 of housing that was available to be weatherized. Additionally, the number of Low Income
15 Heating Energy Assistance Program ("LIHEAP") applications has declined each year over the
16 past four years. In other words, the program that was evaluated in 2009 is quite different from
17 the program today and should be re-evaluated.

18 Q. Will an evaluation assist Empire in reaching a goal of allocating all its funds to
19 Community Action Agencies?

20 A. Yes. A typical evaluation also evaluates Empire's processes and can identify
21 inefficiencies that inhibit Community Action Agencies' access to the funds. The process
22 evaluation assesses program delivery and opportunities for improvement. The impact

1 evaluation will provide an assessment of energy impacts of the program and the specific
2 inputs for calculation program cost-effectiveness.

3 **STAFF'S RECOMMENDATION FOR EMPIRE'S LOW INCOME**
4 **WEATHERIZATION ASSISTANCE PROGRAM**

5 Q. Please summarize Staff's position.

6 A. Staff supports the continuation of the LIWAP but is opposed to the annual
7 funding increase of \$25,000 without an evaluation of the current program. An evaluation is
8 warranted due to the significant changes to the program implemented by the American
9 Recovery and Reinvestment Act. Staff also continues to recommend that Empire invite
10 Missouri Gas Energy (MGE), a division of Laclede Gas Company, to participate in this
11 evaluation. MGE is the jurisdictional natural gas provider in most of the Empire service area
12 and many of Empire's customers are also MGE customers. The weatherization of an Empire
13 customer that is also an MGE customer will affect both the use of electricity and natural gas.

14 Q. Does this conclude your rebuttal testimony?

15 A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

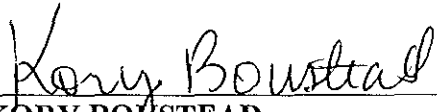
In the Matter of The Empire District Electric)
Company's Request for Authority to Implement) Case No. ER-2016-0023
a General Rate Increase for Electric Service)

AFFIDAVIT OF KORY BOUSTEAD

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW KORY BOUSTEAD and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing REBUTTAL TESTIMONY; and that the same is true and correct according to her best knowledge and belief.

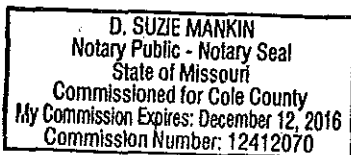
Further the Affiant sayeth not.

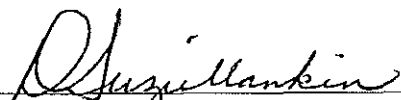


KORY BOUSTEAD

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 29th day of April, 2016.





Notary Public