

*Exhibit No.:*  
*Issue(s):* *Low Income Programs*  
*Witness:* *Kory J. Boustead*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Rebuttal Testimony*  
*Case No.:* *ER-2021-0312*  
*Date Testimony Prepared:* *December 20, 2021*

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**ENERGY RESOURCES DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**KORY J. BOUSTEAD**

**THE EMPIRE DISTRICT ELECTRIC COMPANY,  
d/b/a Liberty**

**CASE NO. ER-2021-0312**

*Jefferson City, Missouri*  
*December 2021*

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **KORY J. BOUSTEAD**

4 **THE EMPIRE DISTRICT ELECTRIC COMPANY,**  
5 **d/b/a Liberty Utilities**

6 **CASE NO. ER-2021-0312**  
7

8 Q. Please state your name and business address.

9 A. Kory J. Boustead and my business address is Missouri Public Service Commission,  
10 P.O. Box 360, Jefferson City, Missouri, 65102.

11 Q. By whom are you employed and in what capacity?

12 A. I am employed by the Missouri Public Service Commission (“Commission”) as a  
13 Research/Data Analyst, Energy Resources Department, Industry Analysis Division.

14 Q. Are you the same Kory J. Boustead that supported testimony in Staff’s Cost of  
15 Service Report filed on October 29, 2021 in this case?

16 A. Yes, I am.

17 Q. What is the purpose of your rebuttal testimony?

18 A. The purpose of my rebuttal testimony is to respond to the direct testimony filed  
19 in this case by Office of the Public Counsel (“OPC”) witness Dr. Geoff Marke. Specifically,  
20 I will be addressing Dr. Marke’s recommendations for the existing low-income programs and  
21 his recommendations for additional low-income programs.

22 **Low-Income Pilot Program**

23 Q. Please give a brief overview of the Low-Income Pilot Program (“LIPP”).

24 A. The LIPP is a ratepayer-funded low-income program providing a 100% discount  
25 of the monthly customer charge of \$13.00 for customers eligible for the Low Income Home

1 Energy Assistance Program (“LIHEAP”). The program was initially authorized by the  
2 Commission in Case No. ER-2016-0063 with a total budget of \$250,000. The Commission  
3 authorized continuation of the program with no changes in Case No. ER-2019-0374.

4 Q. What are OPC’s recommendations concerning the LIPP?

5 A. Dr. Marke provides two recommendations: 1) the Company should discontinue the  
6 LIPP and implement a payment partner program, such as Ameren Missouri’s Keeping Current  
7 and Keeping Cool programs, and 2) Empire shareholders should contribute \$500,000 to assist  
8 customers who are in arrears and for cooling assistance.<sup>1</sup>

9 Q. What information does Dr. Marke provide to support his recommendations?

10 A. Dr. Marke contends that the number of participants has declined over the years  
11 and record keeping is insufficient, because customers have been removed from the program  
12 and the number of participants does not take into account double-counting (i.e., customers  
13 dropping off but then participating at a later date). Therefore, Dr. Marke questions the success  
14 of the program.

15 Dr. Marke makes the shareholder contribution recommendation, because he writes  
16 that the Company did not fulfill the corporate social responsibility it agreed to in Case No.  
17 EM-2016-0213.<sup>2</sup>

18 Q. Does Staff find OPC’s additional recommendations regarding the LIPP reasonable?

19 A. Yes, Staff finds OPC’s recommendations reasonable, because 1) the lack of  
20 participant record keeping and accurate data prevents measurement of the LIPP’s success, and  
21 2) the payment partner programs show continued success.

---

<sup>1</sup>Direct testimony of Dr. Geoff Marke, page 58, lines 18-20.

<sup>2</sup>Direct testimony of Dr. Geoff Marke pages 58 and 59.

1 **Weatherization Program (“Program”)**

2 Q. Provide a brief overview of the Program.

3 A. The Program provides education and weatherization assistance to primarily lower  
4 income residential customers in Empire’s electric service territory. The Program assists  
5 customers through conservation, education, and weatherization initiatives to reduce their use of  
6 energy. The Program also may potentially reduce the Company’s level of bad debts. The  
7 Program has an annual budget of \$250,000, which ratepayers provide. The Missouri Division  
8 of Energy handles Program administration.

9 Q. What is OPC’s recommendation for the Program?

10 A. Dr. Marke has three recommendations:

11 1) Empire shareholders should contribute \$500,000 annually for  
12 weatherization assistance to fulfill the corporate social responsibility obligation  
13 it agreed to in Case No. EM-2016-0213. This would set total funding at  
14 \$750,000 annually, but would not result in a revenue requirement increase.

15 2) The Community Action Agencies (“CAAs”) should have increased  
16 discretion with the funds Empire provides. According to Dr. Marke, this funding  
17 should be used to incentivize and retain employees by awarding bonuses, create  
18 marketing products, and initiate a reasonable “pass-over” measure related to  
19 health and safety to ensure projects are completed.

20 3) The CAAs should be encouraged to report their use of the funding at the  
21 Empire Annual Low-Income meetings.

22 Q. Does Staff find OPC’s additional recommendations regarding the Program  
23 reasonable?

1           A. Yes, Staff finds the recommendations reasonable, given that other investor-owned  
2 utilities have received positive feedback from expanding the CAAs' use of program funds and  
3 supplementing program resources with shareholder funds.

4           Q. Does OPC make any other recommendations regarding low-income programs?

5           A. Yes, OPC has three additional recommendations<sup>3</sup>:

6           1) Empire should create a Critical Needs Program consistent with the terms  
7 agreed to and approved in Case No. GR-2021-0108. This program's funding would  
8 be split 50/50 between ratepayers and shareholders, with total annual funding of  
9 \$200,000. Unspent funding should be allocated to Empire's bill assistance  
10 program.

11           2) Empire should fund a one-time independent third party needs assessment  
12 study, at a cost not exceeding \$100,000. Funding should be drawn from  
13 Empire's bill assistance program.

14           3) Empire's Customer Service Reps ("CSRs") who receive calls from  
15 customers struggling to pay bills should be trained to ask for customer  
16 consent to forward their contact information to the relevant Community Action  
17 Agency ("CAA") so a CAA representative may contact them about  
18 weatherizing their home free of charge and about the availability of other  
19 assistance.

20           OPC's recommendations would create a \$100,000 annual increase to ratepayer funded  
21 low-income assistance in the revenue requirement and would require a \$1.1 million annual  
22 contribution from shareholders.

---

<sup>3</sup> Direct testimony of Dr. Geoff Marke pages 62-63.

Rebuttal Testimony of  
Kory J. Boustead

1 Q. What is Staff's position on OPC's additional recommendations?

2 A. Staff finds OPC's recommendations reasonable.

3 Q. Does this conclude your rebuttal testimony?

4 A. Yes.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of the Request of The Empire )  
District Electric Company d/b/a Liberty for ) Case No. ER-2021-0312  
Authority to File Tariffs Increasing Rates for )  
Electric Service Provided to Customers in its )  
Missouri Service Area )

**AFFIDAVIT OF KORY J. BOUSTEAD**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW KORY J. BOUSTEAD**, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Kory J. Boustead*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

*Kory J. Boustead*  
\_\_\_\_\_  
**KORY J. 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 15<sup>th</sup> day of December, 2021.

*Dianna L. Vaught*  
\_\_\_\_\_  
Notary Public

