

*Exhibit No.:*  
*Issue:* *Incremental Cost*  
*Witness:* *Kory J. Boustead*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Surrebuttal Testimony*  
*Case No.:* *EO-2018-0211*  
*Date Testimony Prepared:* *September 17, 2018*

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**ENERGY RESOURCES DEPARTMENT**

**SURREBUTTAL TESTIMONY**

**OF**

**KORY J. BOUSTEAD**

**UNION ELECTRIC COMPANY,  
d/b/a AMEREN MISSOURI**

**CASE NO. EO-2018-0211**

*Jefferson City, Missouri  
September 2018*



1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **KORY J. BOUSTEAD**

4 **UNION ELECTRIC COMPANY,**  
5 **d/b/a AMEREN MISSOURI**

6 **CASE NO. EO-2018-0211**

7 Q. Please state your name and business address?

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

10 Q. Are you the same Kory Boustead who sponsored the Low Income Program  
11 testimony on August 30, 2018, in the Missouri Public Service Commission Staff's ("Staff")  
12 *Rebuttal Report*?

13 A. Yes.

14 Q. What is the purpose of your Surrebuttal Testimony?

15 A. My Surrebuttal Testimony will respond to Tower Grove Neighborhoods  
16 Community Development Corporation witness Dana Gray's Rebuttal Testimony as it relates  
17 to Ameren Missouri's proposed energy efficiency Multi-Family Low-Income (MFLI)  
18 program in its Application.

19 Q. One of Ms. Gray's recommendations is that Ameren incent at least 100% of  
20 the incremental cost of qualified energy efficiency measures, including installation costs.  
21 What are the reasons Ms. Gray gives for this level of incentive?

22 A. On page 4 of Ms. Gray's Rebuttal Testimony, she speaks of her experience  
23 working with property owners/managers and how insufficient incentives are the primary  
24 reason efficiency measures are not implemented.

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1 Q. What is the incremental cost of an energy efficiency measure?

2 A. The incremental cost is the monetary difference between the baseline measure  
3 and a more efficient measure.

4 Q. Has Staff addressed concerns with respect to incentive levels and incentive  
5 ranges in the company's Application?

6 A. Yes it has. In the Staff Rebuttal Report, Staff expert witness Brad J. Fortson  
7 addresses concerns with the incentives and incentive ranges.<sup>1</sup>

8 Q. Does Staff agree that incentives offered as part of the MFLI program should  
9 cover at least 100% of the incremental cost of applicable measures?

10 A. No, Staff disagrees with Ms. Gray's recommendation regarding incentive  
11 levels for several reasons. First and foremost, unlike the federal low-income weatherization  
12 programs offered throughout the Ameren Missouri service territory, the Company has not  
13 proposed to obtain any commitments from the owner of the multi-family units through the life  
14 of the measure related to low-income renters. Many of the measures offered under the MFLI  
15 program are purchased by the building owner who rents to low-income tenants and not  
16 purchased by a low-income customer that actually qualifies for low-income assistance. While  
17 the efficiency measure may benefit the low-income customer for some amount of time, there  
18 is no guarantee that will be the case for the life of the measure. The lack of commitments  
19 between the company and MFLI property owner could lead to the owners utilizing the  
20 significantly higher incentives for substantial upgrades only to subsequently stop renting to  
21 low-income tenants. Furthermore, the MFLI program also targets common areas of MFLI

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<sup>1</sup> Staff's Rebuttal Report, page 46 lines 16-24.

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1 housing which does not directly benefit low-income customers but does benefit the owner of  
2 the MFLI property.

3 Q. If low-income programs are not specifically required to be cost effective, why  
4 does Staff take issue with the incentive levels exceeding the incremental cost of energy  
5 efficiency measures?

6 A. Staff Witness Brad Fortson discusses this topic further in his Surrebuttal  
7 Testimony filed in this case.

8 Q. Does this conclude your Surrebuttal Testimony?

9 A. Yes.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of Union Electric Company )  
d/b/a Ameren Missouri's 3rd Filing to ) Case No. EO-2018-0211  
Implement Regulatory Changes in )  
Furtherance of Energy Efficiency as )  
Allowed by MEEIA )

**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 Surrebuttal Testimony; and that the same is true and correct according to her best knowledge and belief.


Further the Affiant sayeth not.

  
**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 14<sup>th</sup> day of September 2018.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: December 12, 2020  
Commission Number: 12412070

  
Notary Public