

Exhibit No.:  
Issues: Low-Income Weatherization  
Program  
Witness: Henry E. Warren  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Rebuttal Testimony  
Case No.: ER-2014-0258  
Date Testimony Prepared: January 16, 2015

Filed  
March 23, 2015  
Data Center  
Missouri Public  
Service Commission

**MISSOURI PUBLIC SERVICE COMMISSION**

**REGULATORY REVIEW DIVISION**

**REBUTTAL TESTIMONY**

**OF**

**HENRY E. WARREN, Ph.D.**

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

**CASE NO. ER-2014-0258**

*Jefferson City, Missouri  
January 2015*

*Staff* Exhibit No. 238  
Date 2-23-15 Reporter YF  
File No. ER-2014-0258



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15

Table of Contents

REBUTTAL TESTIMONY

OF

HENRY E. WARREN, Ph.D.

UNION ELECTRIC COMPANY d/b/a AMEREN MISSOURI

CASE NO. ER-2014-0258

1. EXECUTIVE SUMMARY ..... 1

2. RESPONSE TO DIRECT TESTIMONY OF MR. JOHN BUCHANAN. .... 2

3. STAFF RECOMMENDATION ..... 4



1 and Agreement”) in Ameren Missouri’s previous rate case, Case No. ER-2012-0166<sup>1</sup> and  
2 recommends that its provisions continue.

3 **2. RESPONSE TO DIRECT TESTIMONY OF MR. JOHN BUCHANAN.**

4 Q. To which portion of Mr. Buchanan’s Direct Testimony do you take issue?

5 A. On page 5, lines 6-22, of his Direct Testimony, Mr. Buchanan states that:

6 To assist Ameren in its continuing efforts to address the needs of low  
7 income residential customers and to help improve or reduce energy  
8 consumption that may lead to lower utility bills and timely utility bill  
9 payments, the DE recommends that the Commission:

10  
11 (1) Order the discontinuation of future evaluations of the Ameren  
12 weatherization program following the scheduled completion of the  
13 July 31, 2015 "second evaluation" identified in the Nonunanimous  
14 Stipulation and Agreement Regarding Ameren Missouri's Low  
15 Income Weatherization Program from Case No. ER-2012-0166;

16  
17 (2) Require Ameren to discontinue withholding \$60,000 from the \$1.2  
18 million that it receives annually from ratepayers to hire an Evaluation,  
19 Measurement and Verification (EM&V) contractor for future  
20 evaluations;

21  
22 (3) Require Ameren to return any withheld funds that are in excess of  
23 amounts needed to support evaluation contractor expense to be used  
24 to provide low income weatherization services; and,

25  
26 (4) Authorize the removal of paragraph 5. within Ameren's current tariff  
27 sheet 175 in the section titled, "ENERGY EFFICIENCY AND  
28 DEMAND SIDE MANAGEMENT PROGRAMS", subsection titled  
29 "WEATHERIZATION PROGRAM" referencing the weatherization  
30 evaluation.

31  
32 Q. Are Mr. Buchanan’s recommendations consistent with the provisions of  
33 the Nonunanimous Stipulation and Agreement?

---

<sup>1</sup>Missouri Public Service Commission Case No. ER-2012-0166, *In the Matter of Union Electric Company, d/b/a Ameren Missouri's Tariff to Increase Its Annual Revenues for Electric Service, Nonunanimous Stipulation and Agreement Regarding Low Income Weatherization Program*, October 15, 2012.

Rebuttal Testimony of  
Henry E. Warren

1           A.     No, Staff does not believe that his recommendations are consistent with  
2 the provisions of the Nonunanimous Stipulation and Agreement and Staff does not  
3 support these recommendations. The primary reason is that Mr. Buchanan's  
4 characterization of the federal Low Income Weatherization Assistance Program (LIWAP)  
5 in his Direct Testimony (p 6, line 4 – p 7, line 4) is inadequate.

6           Although all details of the LIWAP cannot be included in his description of the  
7 program from its inception in 1977 to 2014, the program is not static and several major  
8 changes have occurred over the years. Specifically, under the American Recovery and  
9 Reinvestment Act ("ARRA") funding increased for low income weatherization from  
10 2009 to 2015, income eligibility criteria increased from about 140% to 200% of the  
11 federal poverty level, the average amount per home weatherized increased from about  
12 \$3,000 to \$6,500, and air quality rules allowed the installment of ventilators to meet new  
13 air exchange requirements. These changes remain even though the ARRA funds have  
14 been spent, and render all previous evaluations under the old guidelines obsolete. There  
15 are also undocumented changes such as improvement in power tools used in  
16 weatherization measures. The LIWAP will continue to change because the average  
17 expenditure per home is now indexed annually. The expenditure allowed in 2014 is  
18 \$6,987. Other changes will likely be forthcoming, so there will be a need for evaluations  
19 of LIWAP in the future.

20           Q.     Was DE a signatory to the Nonunanimous Stipulation and Agreement?

21           A.     Yes.

22           Q.     Have all of the provisions of the Nonunanimous Stipulation and  
23 Agreement been implemented?

Rebuttal Testimony of  
Henry E. Warren

1           A.    No.  One of the primary goals of the Nonunanimous Stipulation and  
2 Agreement was to perform comprehensive evaluations of dual fuel (natural gas and  
3 electric customers) so the effect on the household's use of natural gas and electricity  
4 could be evaluated.

5           Missouri is unusual in that only a small number of dual fuel customers are served  
6 by one jurisdictional utility, Ameren Missouri.  All the other dual fuel customers in  
7 Missouri are served by separate gas and electric utilities.  As a result, evaluations have  
8 been conducted either by the natural gas utility or the electric utility and do not include  
9 the effect of the weatherization on both energy sources.

10 **3.    STAFF RECOMMENDATION**

11          Q.    What is Staff's recommendation?

12          A.    Staff recommends that the Commission specify that the provisions in the  
13 Nonunanimous Stipulation and Agreement in Case No. ER-2012-0166 continue, so the  
14 dual fuel evaluation weatherization can be completed as scheduled in July 2015, and with  
15 the advice of the Stakeholder Group, additional evaluations will be possible.

16          Q.    Does this conclude your Rebuttal Testimony?

17          A.    Yes, it does.