

*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*

1  
2  
3  
4  
5  
6  
7  
8  
9

**TABLE OF CONTENTS OF  
REBUTTAL TESTIMONY  
OF  
KORY BOUSTEAD  
THE EMPIRE DISTRICT ELECTRIC COMPANY  
CASE NO. ER-2016-0023**

EMPIRE’S LOW INCOME WEATHERIZATION ASSISTANCE PROGRAM..... 1  
STAFF’S RECOMMENDATION FOR EMPIRE’S LOW INCOME WEATHERIZATION  
ASSISTANCE PROGRAM..... 3

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **KORY BOUSTEAD**

4 **THE EMPIRE DISTRICT ELECTRIC COMPANY**

5 **CASE NO. ER-2016-0023**

6 Q. Please state your name and business address.

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

9 Q. Are you the same Kory Boustead who filed testimony on March 25, 2016, as  
10 a part of the Missouri Public Service Commission Staff's ("Staff") Revenue Requirement  
11 Cost-of-Service Report?

12 A. Yes.

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

14 A. The purpose of my rebuttal testimony is to address The Empire District  
15 Electric Company's ("Empire" or "Company") proposal to increase the annual funding of the  
16 Low-Income Weatherization program in the Direct Testimony of W. Scott Keith.

17 **EMPIRE'S LOW INCOME WEATHERIZATION ASSISTANCE PROGRAM**

18 Q. Where does Empire discuss the Low-Income Weatherization Assistance  
19 Program ("LIWAP")?

20 A. The discussion of the LIWAP is on pages 21 to 24 of the Direct Testimony of  
21 Mr. Keith.

22 Q. What is the Company proposing to change in regards to the LIWAP annual  
23 funding?

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.

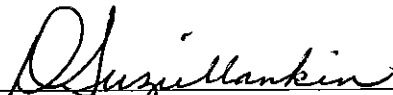
Further the Affiant sayeth not.

  
\_\_\_\_\_  
**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 29<sup>th</sup> day of April, 2016.

**D. SUZIE MANKIN**  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: December 12, 2016  
Commission Number: 12412070

  
\_\_\_\_\_  
Notary Public