

Exhibit No.:
Issue(s): *Tariff Issue*
Witness: *Kory J. Boustead*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Rebuttal Testimony*
Case No.: *ER-2019-0374*
Date Testimony Prepared: *March 3, 2020*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF AND RATE DESIGN DEPARTMENT

REBUTTAL TESTIMONY

OF

KORY J. BOUSTEAD

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2019-0374

Jefferson City, Missouri
March 2020

1 **REBUTTAL TESTIMONY OF**

2 **KORY J. BOUSTEAD**

3 **THE EMPIRE DISTRICT ELECTRIC COMPANY**

4 **CASE NO. ER-2019-0374**

5 Q. Please state your name and business address.

6 A. Kory J. Boustead, Rate and Tariff Examiner II with the Missouri Public Service
7 Commission, 200 Madison Street, P.O. Box 360, Jefferson City, Missouri, 65102.

8 Q. Are you the same Kory J. Boustead that supported testimony in the *Staff Direct*
9 *Report (Public and Confidential), Appendix 1 and Appendix 2 (Public and Confidential)* filed
10 on January 15, 2020?

11 A. Yes.

12 Q. What is the purpose of your testimony?

13 A. I am responding to the direct testimony filed by National Housing Trust witness
14 Annika Brink in regards to the Income-Eligible Multi-Family Direct Install (“Income-Eligible
15 Multi-Family”) Program.

16 Q. What is the National Housing Trust’s position regarding Empire’s
17 Income-Eligible Multi-Family program?

18 A. Ms. Brink proposes two budget recommendations. 1.) Based on data from the
19 2015 analysis cited in her testimony, she proposes that the Company spend \$345,000 to
20 \$880,000 annually on income eligible multifamily energy efficiency. Stating this is
21 compared to budgets of \$96,000 in 2017 and \$100,000 in 2018¹, and 2.) Given the current
22 budget levels, she proposes that the Company ramp up gradually to reach a spending level of

¹ The analysis cited is over a 20 year period when the Company should be up to the proposed end range of \$880,000.

1 around \$350,000 in 2023. For example, the Company might budget \$160,000 in 2021 and
2 \$240,000 in 2022 as its ramp-up.²

3 Q. When did the Income-Eligible Multi-Family program start?

4 A. The program was the result of the Stipulation and Agreement in Case No.
5 ER-2016-0023 filed on June 20, 2016, and approved by the Commission on August 10, 2016.

6 A description of the program can be found in paragraph 13 that states:

7 a. Planned DSM / Energy Efficiency: The
8 Signatories agree that between the effective date of this
9 Stipulation and January 1, 2017, or as soon as possible after
10 January 1, 2017, they will work together through the existing
11 DSMAG to develop four (4) new DSM programs, namely, a
12 Residential HVAC, a C&I custom rebate, a low-income multi-
13 family, and either a non-low-income multi-family, single family
14 low-income or an on-bill financing program targeted at low-
15 income families.

16 b. The DSMAG will model these programs to the
17 extent possible on existing programs in the state of Missouri
18 and/or other best practices identified by the DSMAG.

19 c. Each program developed will include a proposed
20 annual budget, energy and demand savings target(s), and
21 marketing strategy.

22 d. All programs will have impact and process
23 evaluation, measurement and verification (“EM&V”) performed
24 by a third party independent contractor for the first two (2) full
25 programs years at a budget of 5% of the actual expenditures for
26 the two (2)full program years.

27 The tariff sheet, 8c.1, went into effect June 1, 2017.

28 Q. What is the approved budget for the program?

29 A. In the Stipulation and Agreement in Case No. ER-2016-0023, the budget was
30 set at \$96,000 for 2017 and \$100,000 for 2018³.

² Direct testimony of National Housing Trust witness Annika Brink, page 9 lines 14-16 and page 10 lines 1-2.

³ Empire currently approved tariff sheet 8e.

1 Q. Has the budget been met for 2017 and 2018?

2 A. No, as of Empire's most recent Demand Side Management Advisory Group
3 ("DSMAG") meeting January 30, 2020, approximately half of the total approved budget was
4 spent per Empire's reporting of its energy efficiency programs presented to the DSMAG during
5 the meeting. No costs were attributed to the program in 2017 or 2018.

6 Q. Does Empire currently have an approved MEEIA?

7 A. No.

8 Q. Does Empire plan to file for a MEEIA in the near future?

9 A. Yes. In the direct testimony of company witness Nathaniel W. Hackney,
10 "Liberty-Empire's current intention is to file a MEEIA portfolio and request for a DSIM before
11 the completion of this pending rate case".⁴

12 Q. Will Empire propose an Income-Eligible Multi-Family program similar to the
13 currently approved tariffed program?

14 A. The Company indicated it intends to consider a full array of program delivery
15 options⁵ likely including the currently offered low-income programs, or similar programs, and
16 also intends to encourage and facilitate stakeholder input throughout the process as a means to
17 maximize the potential for success of the MEEIA filing.⁶

18 Q. Based on Staff's review of the program's performance to date does Staff agree
19 with NHT's proposed budget increase?

20 A. No, due to the limited performance time and limited data with the program⁷ and
21 the lengthy ramp up period, while not providing a position on Staff's response to a potential

⁴ Direct Testimony, Nathaniel W. Hackney, page 3.

⁵ Ibid.

⁶ Ibid.

⁷ Although there were budgets in 2017 and 2018, program costs were not booked until 2019.

Rebuttal Testimony of
Kory J. Boustead

1 Empire MEEIA portfolio, Staff proposes this is a topic to continue within the anticipated
2 MEEIA filing later this year. MEEIA provides the potential for certain opportunities to Empire
3 and its customers that Empire's current tariffed energy efficiency does not.

4 Q. Does this conclude your testimony?

5 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of The Empire District Electric)
Company's Request for Authority to File) Case No. ER-2019-0374
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)

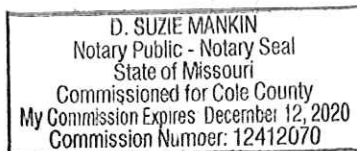
COMES NOW KORY J. BOUSTEAD and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony*; and that the same is true and correct according to her best knowledge and belief.


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 2nd day of March 2020.




Notary Public