

Exhibit No.:
Issue: LED Lighting
Witness: Martin O. Penning
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Empire District Electric
Case No. ER-2012-0345
Date Testimony Prepared: February 2013

**Before the Public Service Commission
of the State of Missouri**

Surrebuttal Testimony

of

Martin O. Penning

February 2013



SURREBUTTAL TESTIMONY
OF
MARTIN O. PENNING
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2012-0345

1 **INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

3 A. My name is Martin O. Penning, and my business address is 602 South Joplin
4 Avenue, Joplin, Missouri.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am presently employed by The Empire District Electric Company (“Empire” or
7 “Company”) as Vice President of Commercial Operations. I have held this position
8 since February of 2011.

9 **Q. ARE YOU THE SAME MARTIN PENNING THAT FILED DIRECT AND**
10 **REBUTTAL TESTIMONY IN THIS CASE ON BEHALF OF EMPIRE?**

11 A. Yes.

12 **PURPOSE**

13 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN**
14 **THIS PROCEEDING BEFORE THE MISSOURI PUBLIC SERVICE**
15 **COMMISSION (“COMMISSION”)?**

16 A. I will respond to Staff witness Hojong Kang’s contention that Empire’s LED street
17 light report was 21 days beyond the date specified in the settlement agreement
18 reached in Case No. ER-2011-0004 (see page 2, lines 1 through 4 of Kang rebuttal
19 testimony). In addition, Mr. Kang recommended in his rebuttal that Empire

1 complete its own evaluation of an LED street light system and file LED street light
2 tariffs or update the Commission concerning the timing of the LED street light tariff
3 filing. I will respond to this recommendation.

4 **Q. PLEASE DESCRIBE THE AGREEMENT REACHED ON LED STREET**
5 **LIGHTS IN CASE NO. ER-2011-0004.**

6 A. The agreement contained the following with respect to LED lights at paragraph 10.
7 “Within one year of effective dates of rates in this case, Empire agrees to file either
8 LED lighting tariff sheets or an update on an LED pilot study and plans for filing
9 future tariff sheets.”

10 **Q. HAS EMPIRE COMPLIED WITH THE SETTLEMENT AGREEMENT**
11 **REACHED IN ER-2011-0004?**

12 A. Yes. As I mentioned in my rebuttal testimony, Empire held face-to-face meetings
13 with Staff on July 14, 2011, and August 25, 2011, to discuss LED lights and provide
14 an update regarding Empire’s plans. Both of these dates are within the deadline
15 included in the agreement reached in ER-2012-0004. In addition to these face-to-
16 face meetings, Empire has had other informal interactions with the Staff concerning
17 LED lighting. In addition, Empire continues to monitor pilot studies that have been
18 undertaken by other utilities.

19 **Q. HAS EMPIRE TAKEN OTHER STEPS RELATED TO THE AGREEMENT**
20 **REACHED IN CASE NO. ER-2011-0004?**

21 A. Yes. As I indicated in my direct and rebuttal testimonies, Empire assembled a group
22 of its engineers and customer service personnel to research this technology and to
23 provide the Company’s management information concerning the benefits these

1 products may be able to provide to our customers. **Q. WHAT WAS DISCUSSED**
2 **AT THE FACE-TO-FACE MEETINGS WITH THE STAFF?**

3 A. Specifically, we discussed the technology, the benefits it may eventually offer our
4 customers, and tariff considerations. We also presented our concerns regarding the
5 immaturity of the products being offered. Staff provided its input, as well as
6 additional industry research information. We also informed Staff of Empire's
7 interactions with Kansas City Power & Light Company ("KCPL") concerning a very
8 large LED pilot study that KCPL was performing.

9 **Q. IS EMPIRE CONTINUING TO MONITOR LEDS AND THEIR PROGRESS?**

10 A. Yes. Empire continues to monitor the advances being made in this area and the
11 results of the pilot studies at other companies. Empire is also in contact with lighting
12 suppliers concerning LED products. At this point, the LED equipment available for
13 installation continues to evolve and has not yet stabilized or matured.

14 **Q. HAS EMPIRE COMPLIED WITH THE SETTLEMENT REACHED IN THIS**
15 **AREA IN CASE NO. ER-2011-0004?**

16 A. Yes. Empire has complied with the requirements of the Commission order in ER-
17 2011-0004 and is dedicated to continuing its review of lighting products and
18 equipment and offering these products to our customers as soon as the products
19 become a viable and cost effective lighting solution.

20 **Q. DOES EMPIRE AGREE WITH MR. KANG'S RECOMMENDATION AT**
21 **PAGE 3 THAT EMPIRE FILE LED TARIFFS NO LATER THAN 12**
22 **MONTHS FOLLOWING THE DATE OF THE COMMISSION'S ORDER IN**
23 **THIS CASE?**

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1 A. No. The LED products available for installation on Empire's system continue to
2 change and evolve. The hard deadline recommended by Mr. Kang is not appropriate
3 for this type of product at this time.

4 **Q. WHAT IS YOUR RECOMMENDATION WITH RESPECT TO EMPIRE'S**
5 **FUTURE LED PLANS?**

6 A. I recommend that Empire continue to monitor the progress of the LED products
7 available for installation on the system. In addition, I recommend that Empire gather
8 information concerning the results of the pilot LED programs currently underway at
9 KCPL and other utilities and report its findings in these areas to Staff at six-month
10 intervals, with a final progress report due to the Staff 15-months from the date of the
11 final order in this rate case. The final report to the Staff would also include Empire's
12 recommendation concerning the timing of any LED tariff filing, along with the
13 details, if any, associated with the preliminary design of the LED tariff.


14 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

15 A. Yes, it does.

AFFIDAVIT OF MARTIN O. PENNING

STATE OF MISSOURI)
) ss
COUNTY OF JASPER)

On the 1st day of February 2013, before me appeared Martin O. Penning, to me personally known, who, being by me first duly sworn, states that he is the Vice President Commercial Operations of The Empire District Electric Company and acknowledges that he has read the above and foregoing document and believes that the statements therein are true and correct to the best of his information, knowledge and belief.



Martin O. Penning

Subscribed and sworn to before me this 1st day of February, 2013.



JANET L. HUNLEY
My Commission Expires
September 20, 2015
Jasper County
Commission #11243846



Notary Public

My commission expires: September 20, 2015.