Exhibit No.:	
Issues:	Energy Efficiency Programs
Witness:	Henry E. Warren
Sponsoring Party:	MO PSC Staff
Type of Exhibit:	Rebuttal Testimony
Case No.:	GR-2009-0434
Date Testimony Prepared:	December 18, 2009

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

HENRY E. WARREN

THE EMPIRE DISTRICT GAS COMPANY

CASE NO. GR-2009-0434

Jefferson City, Missouri
December 2009

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of The Empire District Gas Company of Joplin, Missouri for Authority to File Tariffs Increasing Rates for Gas Service Provided to Customers in the Missouri Service Area of the Company.	))))))	Case No. GR-2009-0434

AFFIDAVIT OF HENRY E. WARREN

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

Henry E. Warren, of lawful age, on his oath states: that he has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 3 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

Henry E. Warren

Subscribed and sworn to before me this 18th day of December, 2009.

NOTARY PUBLIC NOTARY SEAL STATE OF MISSOURI

SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086

Susan L. Sundermeyer
Notary Public

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REBUTTAL TESTIMONY

OF

HENRY E. WARREN

THE EMPIRE DISTRICT GAS COMPANY

CASE NO. GR-2009-0434

Q. Please state your name and business address.

A. My name is Henry E. Warren and my business address is Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri, 65102.

Q. Are you the same Henry E. Warren that contributed to the *Staff Report, Cost of Service, THE EMPIRE DISTRICT GAS COMPANY ,* filed October 20, 2009?

A. I am.

1. EXECUTIVE SUMMARY

Q. What is the purpose of your rebuttal testimony?

A. My rebuttal testimony will address two issues: 1) Regarding the issue of The Empire District Gas Company's (EDG or Company) expenditures on Residential, Small Commercial, and Large Commercial Energy Efficiency (EE) Programs; and 2) the establishment of an Energy Efficiency Collaborative (EEC), I will respond to the direct testimony of Missouri Department of Natural Resources – Energy Center (EC) Witness Laura Wolfe.

2. DIRECT TESTIMONY OF MS. LAURA WOLFE, MISSOURI DEPARTMENT OF NATURAL RESOURCES, ENERGY CENTER ON ENERGY EFFICIENCY PROGRAMS

Q. What direct testimony was submitted by Missouri Department of Natural Resources, Energy Center (EC) Witness, Ms. Laura Wolfe regarding EDG revenue collections and expenditures on EE Programs?

A. Ms. Wolfe submitted direct testimony for both Revenue Requirement and Rate Design which I will address together. In both of her direct testimonies, she proposes that EDG continue to expend the funds for EE Programs proposed by EDG Witness Ms. Sherill L. McCormack in her direct testimony for 2010 of approximately $217,000 for Residential, Small Commercial, and Large Commercial customers, but the funding increase to approximately $327,000 in the year 2011 and further increase to approximately $655,000 by 2012. She also supported Ms. McCormack's proposal for the establishment of an EEC as an advisory group consisting of EDG and member organizations of the Staff of the PSC, Office of the Public Counsel, and EC.

Q. What is your response to the direct testimonies of EC Witness Ms. Wolfe regarding EDG EE Programs?

A. In her direct testimonies, Ms. Wolfe addressed EDG's expenditures on EE Programs and proposed provisions for EDG EE programs going forward.

I recommend that EDG EE Programs continue to be funded and implemented as proposed by Ms. Sherill L. McCormack in her direct testimony as described above, and as agreed to in the PARTIAL STIPULATION AND AGREEMENT ON DSM FUNDING. Any additional funding or change in the funding mechanism for either

Residential EE programs or Small Commercial EE programs should be contingent on the success of the current programs. The EEC should be a non-binding advisory group.

The funding levels proposed by Ms. McCormack are based on a current Applied Energy Group (AEG) study of the EDG service area. The funding levels proposed by Ms. Wolfe are based on a general multi-state study in 2006 conducted by American Council for an Energy-Efficient Economy (ACEEE). The more current and focused AEG study should by relied on more than the ACEEE study.

3. STAFF RECOMMENDATION

Q. What is your recommendation regarding the direct testimonies of EC Witness Ms. Wolfe regarding the funding for EE Programs and the EEC?

A. My recommendation is EDG should fund the EE Programs for the Residential, and Commercial customers as proposed by Ms. McCormack. Staff agrees that the EEC should be established as a non-binding advisory group.

Q. Why do you recommend a non-binding advisory group?

A. So that decisions about the EE programs ultimately are Company decisions, and Staff, or any other stakeholder, does not directly determine the expenditure of funds by the Company outside of a case.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.