

SEP 2 8 2016

Missouri Public Service Commission Exhibit No.: Issue: Witness: Sponsoring Party: Type of Exhibit: Case No.. Date Testimony Prepared: 109 Low Income Programs Kory Boustead MO PSC Staff Surrebuttal Testimony ER-2016-0156 September 2, 2016

# **MISSOURI PUBLIC SERVICE COMMISSION**

#### **COMMISSION STAFF DIVISION**

#### **ENERGY RESOURCES**

# SURREBUTTAL TESTIMONY

OF

## **KORY BOUSTEAD**

## KCP&L GREATER MISSOURI OPERATIONS COMPANY

## CASE NO. ER-2016-0156

Jefferson City, Missouri September 2016

1	SURREBUTTAL TESTIMONY			
2	OF			
3	KORY BOUSTEAD			
4	KCP&L GREATER MISSOURI OPERATIONS COMPANY			
5	CASE NO. ER-2016-0156			
6	INTRODUCTION			
7	Q. Please state you name, title and business address.			
8	A. Kory Boustead, Rate & Tariff Examiner II, Missouri Public Service			
9	Commission ("Staff"), P.O. Box 360, Jefferson City, Missouri, 65102.			
10	Q. Are you the same Kory Boustead who filed in Staff's Cost of Service report?			
11	A. Yes I am.			
12	EXECUTIVE SUMMARY			
13	Q. What is the purpose of your surrebuttal testimony?			
14	A. The purpose of this testimony has two parts. The first is to respond to			
15	comments filed by The Office of the Public Counsel ("OPC") regarding KCP&L Greater			
16	Missouri Operations Company's ("GMO") low-income program, the Economic Relief Pilot			
17	Program (ERPP), and the second is to respond to comments filed by Division of Energy			
18	("DE") on the Income-Eligible Weatherization Program ("IXWN")			
19	Q. Does Staff agree with OPC's recommendation on the evaluation for the ERPP?			
20	A. Staff agrees with OPC on "the sole condition that the recommended evaluation			
21	be limited to interested parties to this case as well as the agency tasked with implementing the			
22	funds (the Salvation Army)". <sup>1</sup> As stated in my previously filed testimony in this case, the			
23	survey results contained in the evaluation are insufficient, due to random sampling that did			
	<sup>1</sup> ER-2016-0156 Rebuttal Testimony of Dr. Geoff Marke filed August 15, 2016, page 36, lines 4-6.			

<sup>&</sup>lt;sup>1</sup> ER-2016-0156 Rebuttal Testimony of Dr. Geoff Marke filed August 15, 2016, page 36, lines 4-6.

## Surrebuttal Testimony of Kory Boustead

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2	requested removal from the program and those that successfully completed the program.			
3	The survey participants were isolated to 10% of currently enrolled ERPP participants.			
4	Q. Does Staff agree with the DE's recommendation to increase the			
5	Income-Eligible Weatherization Program funding from the Company's proposal of \$300,000			
6	to \$500,000?			
7	A. No.			
8	Q. Why does Staff disagree with increasing the funding?			
9	A. It is Staff's position to keep the funding for the program at \$300,000. Prior to			
10	the program transitioning to GMO's Missouri Energy Efficiency Investment Act (MEEIA)			
11	Cycle 1, <sup>2</sup> GMO's program prior to 2010 was funded at \$150,000 annually in Case No.			
12	ER-2010-0356. <sup>3</sup> On February 17, 2009, The American Recovery and Reinvestment Act of			
13	2009 ("ARRA") was signed by President Obama. The federal government, through the			
14	ARRA, provided special funding of \$128 million for the Missouri Weatherization Program			
15	for the period of April 2009 - March 2012 ("ARRA Period"). The ARRA provided an			
16	average of \$6,500 of weatherization for households with income at 200% or less of the			
17	Federal Policy Guidelines. In the previous three year period (2006-2008), prior to the ARRA			
18	Period, federal funding for the Missouri Weatherization Program was approximately			
19	\$18 million and the average amount of weatherization per household was \$3,000. During that			
20	time the Community Action Agencies and other local agencies ("Weatherization Agencies")			
21	made a concerted effort to utilize the ARRA funding before the March 2012 deadline.			
	<ul> <li><sup>2</sup> GMO's MEEIA Cycle I was January 26, 2013- December 31, 2015, EO-2012-0009 KCP&amp;L Greater Missour Operations Company's Filing for Approval of Demand-Side Programs and for Authority to Establish a Demand-Side Programs Investment Mechanism.</li> <li><sup>3</sup> In the Matter of the Application of KCP&amp;L Greater Missouri Operations Company for Approval to Make Certain Changes in its Charges for Electric Service, Report and Order, page 187.</li> </ul>			
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not include customers who were removed from the program by GMO, customers that

### Surrebuttal Testimony of Kory Boustead

1	On November 15, 2012, the Commission approved GMO's request to establish a			
2	demand-side programs investment mechanism. <sup>4</sup> The Company's MEEIA Cycle 1 programs			
3	went into effect on January 26, 2013. Due to the short length of time between the ARRA			
4	Period and the program being included in MEEIA, Staff wants to see how the			
5	program operates outside of MEEIA, without ARRA funding before we increase the			
- 6	weatherization funding.			
7	Q. What is Staff's recommendation in regards to ERPP?			
8	A. Staff's recommendation is to have a 2nd third-party evaluation which is made			
9	up of more past and present participants of the ERPP. Staff would not object to GMO's use			
10	of True North Market Insights, LLC again for the second evaluation or GMO submitting an			
11	RFP for a new evaluator, not to exceed \$50,000. The funds for the evaluation should be used			
12	from the ERPP carryover funds.			
13	Q. What is Staff's recommendation in regards to the Income-Eligible			
14	Weatherization?			
15	A. Staff recommends the Commission approve the program funds in base rates at			
16	\$300,000 as filed in my testimony in the Staff Direct Revenue Requirement Report on			
17	July 15, $2016^5$ . Staff further recommends that GMO start to utilize the practice of fully			
18	contracting out all available weatherization funds, including carry-over, to the weatherization			
19	agencies.			
20	Q. Does this conclude your testimony?			
21	A. Yes.			

 <sup>&</sup>lt;sup>4</sup> EO-2012-0009 Order Approving Non-Unanimous Stipulation and Agreement Resolving KCP&L Greater Missouri Operations Company's MEEIA Filing.
 <sup>5</sup> ER-2016-0156 In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement A General Rate Increase for Electric Service – Staff Direct Revenue Requirement Report, filed July 15, 2016, page 149, lines 15-16.

#### **BEFORE THE PUBLIC SERVICE COMMISSION**

#### **OF THE STATE OF MISSOURI**

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In the Matter of KCP&L Greater Missouri **Operations Company's Request for Authority** to Implement A General Rate Increase for **Electric Service** 

Case No. ER-2016-0156

#### **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 Surrebuttal Testimony and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

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#### JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the Coupty of Cole, State of Missouri, at my office in Jefferson City, on this 2rd day

, 2016. of

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

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