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Issue:

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Witness:

Kory Boustead

Sponsoring Party:

MO PSC Staff

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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*

Surrebuttal Testimony of
Kory Boustead

1 | not include customers who were removed from the program by GMO, customers that
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 1,² GMO's program prior to 2010 was funded at \$150,000 annually in Case No.
12 | ER-2010-0356.³ 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.

² GMO's MEEIA Cycle I was January 26, 2013- December 31, 2015, EO-2012-0009 *KCP&L Greater Missouri Operations Company's Filing for Approval of Demand-Side Programs and for Authority to Establish a Demand-Side Programs Investment Mechanism.*

³ *In the Matter of the Application of KCP&L Greater Missouri Operations Company for Approval to Make Certain Changes in its Charges for Electric Service, Report and Order, page 187.*

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1 On November 15, 2012, the Commission approved GMO's request to establish a
2 demand-side programs investment mechanism.⁴ 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, 2016⁵. 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.

⁴ EO-2012-0009 *Order Approving Non-Unanimous Stipulation and Agreement Resolving KCP&L Greater Missouri Operations Company's MEEIA Filing.*

⁵ 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.*

