

Exhibit No.:  
Issue: *Weatherization Program*  
Witness: *John A. Rogers*  
Sponsoring Party: *MoPSC Staff*  
Type of Exhibit: *Surrebuttal Testimony*  
Case Nos.: *ER-2018-0145 and*  
*ER-2018-0146*  
Date Testimony Prepared: *September 4, 2018*

**MISSOURI PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF DIVISION**

**ENERGY RESOURCES DEPARTMENT**

FILED  
October 23, 2018  
Data Center  
Missouri Public  
Service Commission

**SURREBUTTAL TESTIMONY**

**OF**

**JOHN A. ROGERS**

**KANSAS CITY POWER & LIGHT COMPANY  
CASE NO. ER-2018-0145**

**AND**

**KCP&L GREATER MISSOURI OPERATIONS COMPANY  
CASE NO. ER-2018-0146**

*Jefferson City, Missouri  
September 2018*

*Staff* Exhibit No. 244  
Date 9-25-18 Reporter JR  
File No. ER-2018-0145  
0146



Surrebuttal Testimony of  
John A. Rogers

1 costs and Throughput Disincentive ("TD") sometimes referred to  
2 as lost margins revenues.

3 In Vintage 2, Staff's over/under calculation incorrectly excluded  
4 TD- from the 2017 expense level used to calculate its over/under.  
5 As the original underspend amount included lost margins revenues,  
6 the actual spend should continue to include lost margins revenues.  
7 The Company is agreeable to the re-amortization but not to the  
8 exclusion of lost margins revenues.

9 Q. Please explain why the Vintage 1 TD amounts as a result of the IEW programs  
10 are appropriate for recovery through rate base treatment in the current general rate cases.

11 A. The MEEIA requires that there be a TD for MEEIA programs approved by the  
12 Commission.<sup>1</sup> KCPL and GMO Vintage 1 TD amounts are costs which can be recovered as a  
13 result of the Commission-approved TD component of the DSIM in Case No. EO-2015-0095  
14 for KCPL MEEIA Cycle 1, Case No. EO-2012-0009 for GMO MEEIA Cycle 1, and Case No.  
15 EO-2015-0241 for the first program year only for GMO MEEIA Cycle 2.<sup>2</sup> In Case Nos.  
16 ER-2016-0156 and ER-2016-0285, the Commission approved the inclusion of the Vintage 1  
17 IEW program cost and TD in rate base with a four-year amortization so that GMO and KCPL  
18 could recover these costs through general rates because the IEW programs are no longer  
19 MEEIA programs and were removed from the MEEIA Cycle 2 DSIMs.

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<sup>1</sup> 393.1075. 3. It shall be the policy of the state to value demand-side investments equal to traditional investments in supply and delivery infrastructure and allow recovery of all reasonable and prudent costs of delivering cost-effective demand-side programs. In support of this policy, the Commission shall: (1) Provide timely cost recovery for utilities; (2) Ensure that utility financial incentives are aligned with helping customers use energy more efficiently and in a manner that sustains or enhances utility customers' incentives to use energy more efficiently.

<sup>2</sup> The Commission's March 2, 2016, *Report and Order* in Case Nos. EO-2015-0240 and EO-2015-0241 approved the NON-UNANIMOUS STIPULATION AND AGREEMENT RESOLVING MEEIA FILINGS whose Paragraph 4. a.(ii) states: Residential Programs: Income-Eligible Weatherization (this is a GMO-only program and will be available only for 2016); Home Lighting Rebate; Home Appliance Recycling Rebate; Income-Eligible Home Energy Report (this is a KCP&L program only); Home Energy Report; Online Home Energy Audit; Whole House Efficiency; Income-Eligible Multi-Family; Residential Programmable Thermostat.

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1 Q. What is the difference in amounts included in KCPL's recommended rate base  
2 and GMO's recommended rate base for the Vintage 2 non-MEEIA IEW programs, which are  
3 excluded from Staff's true-up rate base amounts?

4 A. I am told by Staff witness Matt Young that the requested amounts sought as  
5 additions to rate base are \$126,520 for KCPL, and \$25,424 for GMO.

6 Q. In Case Nos. ER-2016-0156 and ER-2016-0285, did the Commission authorize  
7 a TD for the IEW programs of GMO and KCPL, respectively, as a component of Vintage 2  
8 actual costs?

9 A. No. Further, KCPL and GMO do not include any reference or citation to such  
10 authorizations in their testimony in the current general rate cases.

11 Q. What is the basis of Mr. Rush's claim that the IEW Vintage TD should be  
12 included in rate base for the current general rate cases?

13 A. On page 10 lines 20 – 22 of his Rebuttal Testimony, Mr. Rush states: "As the  
14 original underspend amount included lost margins revenues, the actual spend should continue  
15 to include lost margins revenues.

16 Q. Do you agree?

17 A. No.

18 Q. Please explain.

19 A. Vintage 2 IEW programs are no longer MEEIA programs. In fact, the  
20 Vintage 2 IEW programs are no longer considered to be demand-side programs under 4 CSR  
21 240-20.092(1)(M). Demand-side program means any program conducted by the utility to  
22 modify the net consumption of electricity on the retail customer's side of the electric meter,  
23 including, but not limited to, energy efficiency measures, load management, demand

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1 response, and interruptible or curtailable load, *but not including deprivation of service or*  
2 *low-income weatherization.* [Emphasis added.]

3 Q. Please state other reasons you believe there should be no Vintage 2 IEW TD  
4 amounts in rate base in these general rate cases.

5 A. Other reasons there should be no Vintage 2 TD recovery for the IEW programs  
6 include, but are not limited to:

- 7 • The IEW is a United States Department of Energy (“DOE”) low-income  
8 assistance program and not a demand-side program, for which KCPL and  
9 GMO contribute a relatively small amount of the overall program funding;
- 10 • Except for GMO’s program year 2016 evaluation, measurement and  
11 verification (“EM&V”) for its MEEIA IEW program, KCPL and GMO  
12 have not engaged an independent EM&V contractor to perform EM&V on  
13 the IEW programs to parse out the annual energy and demand savings  
14 which can be attributed to KCPL’s and GMO’s contributions to the overall  
15 funding of the DOE’s IEW program;
- 16 • The Commission ruled that for Ameren Missouri’s, KCPL’s, and GMO’s  
17 MEEIA Cycle 2 demand-side programs and DSIMs that a TD must result  
18 from final EM&V performed by an independent EM&V contractor;<sup>3</sup> and
- 19 • The Commission’s MEEIA rules require that a TD result from final EM&V  
20 performed by an independent EM&V contractor.<sup>4</sup>

21 Q. Does that conclude your Surrebuttal Testimony?

22 A. Yes.

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<sup>3</sup> The Commission’s March 2, 2016, *Report and Order* in Case Nos. EO-2015-0240 and EO-2015-0241 approved the NON-UNANIMOUS STIPULATION AND AGREEMENT RESOLVING MEEIA FILINGS whose Paragraph 4. a.(ii) states: Residential Programs: Income-Eligible Weatherization (this is a GMO-only program and will be available only for 2016); Home Lighting Rebate; Home Appliance Recycling Rebate; Income-Eligible Home Energy Report (this is a KCP&L program only); Home Energy Report; Online Home Energy Audit; Whole House Efficiency; Income-Eligible Multi-Family; Residential Programmable Thermostat.

<sup>4</sup> 4 CSR 240-20.093(2)(H) Any throughput disincentive component of DSIM shall be based on energy or energy and demand savings from utility demand-side programs approved by the commission in accordance with 4 CSR 240- 20.094 Demand-Side Programs and will be *determined as a result of energy and demand savings determined through EM&V.* [Emphasis added.]

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service ) ) Case No. ER-2018-0145  
) )  
) )  
) ) and

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-2018-0146  
) )  
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**AFFIDAVIT OF JOHN A. ROGERS**

STATE OF MISSOURI )  
) ) ss,  
COUNTY OF COLE )

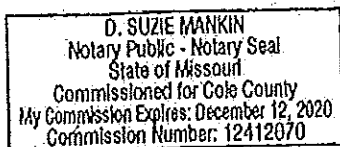
COMES NOW JOHN A. ROGERS, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Suprebuttall Testimony* and that the same is true and correct according to his best knowledge and belief.

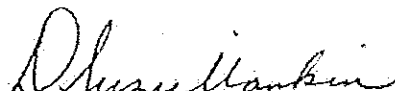
Further the Affiant sayeth not.

  
\_\_\_\_\_  
JOHN A. ROGERS

**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 30th day of August 2018.



  
\_\_\_\_\_  
Notary Public

### Educational Background and Work Experience of John A. Rogers

I have a Master of Business Administration degree from the University of San Diego and a Bachelor of Science degree in Engineering Science from the University of Notre Dame. My work experience includes 34 years in energy utility engineering, system operations, strategic planning, regulatory affairs, general management and management consulting. From 1974 to 1985, I was employed by San Diego Gas & Electric with responsibilities in gas engineering, gas system planning and gas operations. From 1985 to 2000, I was employed by Citizens Utilities primarily in leadership roles for gas operations in Arizona, Colorado and Louisiana. From 2000 to 2003, I was an executive consultant for Convergent Group (a division of Schlumberger) providing management consulting services to energy utilities. From 2004 to 2008, I was employed by Arkansas Western Gas and was responsible for strategic planning and resource planning. I have provided expert testimony before the California Public Utilities Commission, Arizona Corporation Commission, Arkansas Public Service Commission and Missouri Public Service Commission in general rate cases, applications for special projects, gas resource plan filings, electric resource plan filings, demand-side management programs and demand-side programs investment mechanism cases. I have been employed by the Missouri Public Service Commission since December 2008 and am responsible for the Commission Staff's review of and recommendations concerning electric utility resource planning, demand-side management programs, demand-side programs investment mechanisms, and fuel adjustment clauses.

**John A. Rogers**  
**Testimony, Reports and Rulemakings**

**BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION**

<u>File Number</u>	<u>Company</u>	<u>Issues</u>
ER-2010-0036	Ameren Missouri	Fuel Adjustment Clause Demand-Side Programs (DSM) DSM Cost Recovery
EX-2010-0368 EW-2010-0254	Missouri Public Service Commission	Missouri Energy Efficiency Investment Act Rulemaking
EX-2010-0254 EW-2009-0412	Missouri Public Service Commission	Electric Utility Resource Planning Rulemaking
EO-2009-0237	KCP&L Greater Missouri Operations Company	Electric Utility Resource Planning Compliance Filing
ER-2009-0090	KCP&L Greater Missouri Operations Company	Fuel Adjustment Clause
ER-2010-0355	Kansas City Power and Light	DSM Cost Recovery Fuel Switching
ER-2010-0356	KCP&L Greater Missouri Operations Company	Fuel Adjustment Clause DSM Cost Recovery Fuel Switching
AO-2011-0035	All Electric Utilities	DSM Status Report
EO-2011-0066	Empire District Electric Company	Electric Utility Resource Planning Compliance Filing
ER-2011-0028	Ameren Missouri	DSM Cost Recovery
EO-2011-0271	Ameren Missouri	Electric Utility Resource Planning Compliance Filing
EO-2012-0009	KCP&L Greater Missouri Operations Company	Demand-side Programs Investment Mechanism
EO-2012-0142	Ameren Missouri	Demand-side Programs Investment Mechanism



**John A. Rogers**  
**Testimony, Reports and Rulemakings**

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION (cont.)

<u>File Number</u>	<u>Company</u>	<u>Issues</u>
ER-2012-0166	Ameren Missouri	DSM Cost Recovery Demand-side Programs Investment Mechanism
ER-2012-0174	Kansas City Power & Light	DSM Cost Recovery
ER-2012-0175	KCP&L Greater Missouri Operations Company	DSM Cost Recovery Demand-side Programs Investment Mechanism
ER-2012-0345	Empire District Electric Co.	DSM Cost Recovery
EO-2012-0323	Kansas City Power & Light	Electric Utility Resource Planning Compliance Filing
EO-2012-0324	KCP&L Greater Missouri Operations Company	Electric Utility Resource Planning Compliance Filing
EO-2013-0537	Kansas City Power & Light	Electric Utility Resource Planning Annual Update
EO-2013-0538	KCP&L Greater Missouri Operations Company	Electric Utility Resource Planning Annual Update
EO-2013-0547	Empire District Electric Co.	Electric Utility Resource Planning Compliance Filing
EX-2014-0205	Dogwood Energy, LLC	Rulemaking Petition
EO-2014-0095	Kansas City Power & Light	Demand-side Programs Investment Mechanism
EO-2015-0084	Ameren Missouri	Electric Utility Resource Planning Compliance Filing
EO-2015-0254	Kansas City Power & Light	Electric Utility Resource Planning Compliance Filing
EO-2015-0252	KCP&L Greater Missouri Operations Company	Electric Utility Resource Planning Compliance Filing

**John A. Rogers**  
**Testimony, Reports and Rulemakings**

**BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION (cont.)**

<u>File Number</u>	<u>Company</u>	<u>Issues</u>
EO-2015-0055	Ameren Missouri	Demand-side Programs Investment Mechanism
EO-2015-0240	Kansas City Power & Light	Demand-side Programs Investment Mechanism
EO-2015-0241	KCP&L Greater Missouri Operations Company	Demand-side Programs Investment Mechanism
EO-2016-0223	Empire District Electric Co.	Electric Utility Resource Planning Compliance Filing
ER-2016-0156	KCP&L Greater Missouri Operations Company	Annualized Sales for Energy Efficiency
ER-2016-0285	Kansas City Power & Light	Annualized Sales for Energy Efficiency
EO-2018-0092	Empire District Electric Co.	Customer Savings Plan

**BEFORE THE ARKANSAS PUBLIC SERVICE COMMISSION**

<u>Docket Number</u>	<u>Company</u>	<u>Issues</u>
07-079-TF	Arkansas Western Gas	Arkansas Weatherization Program
07-078-TF	Arkansas Western Gas	Initial Energy Efficiency Programs
07-041-P	Arkansas Western Gas	Special Contract
06-028-R	Arkansas Western Gas	Resource Planning Guidelines for Electric Utilities
05-111-P	Arkansas Western Gas	Gas Conservation Home Weatherization Program