

Exhibit No.:
Issue: *Low Income Programs*
Witness: *Kory Boustead*
Sponsoring Party: *MO PSC Staff*
Type of Exhibit: *Surrebuttal Testimony*
Case No.: *ER-2016-0156*
Date Testimony Prepared: *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 your 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)”.¹ 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

¹ ER-2016-0156 Rebuttal Testimony of Dr. Geoff Marke filed August 15, 2016, page 36, lines 4-6.

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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.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of KCP&L Greater Missouri)
Operations Company's Request for Authority) Case No. ER-2016-0156
to Implement A General Rate Increase for)
Electric Service)

AFFIDAVIT OF KORY BOUSTEAD

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

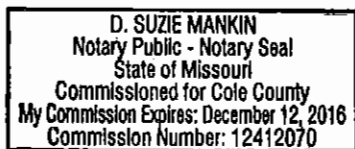
COMES NOW KORY BOUSTEAD and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Surrebuttal Testimony and that the same is true and correct according to her best knowledge and belief.

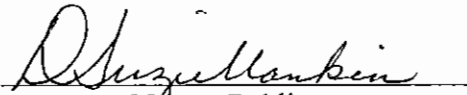
Further the Affiant sayeth not.


KORY BOUSTEAD

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 2nd day of September, 2016.




Notary Public