

Exhibit No:
Issues: Weatherization and Low
Income Programs

Witness: Matthew E. Daunis
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: Aquila Networks – MPS
Aquila Networks – L&P
Case No: GR-2004-0072
Date Testimony
Prepared: February 13, 2004

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. GR-2004-0072

REBUTTAL TESTIMONY

OF

MATTHEW E. DAUNIS

ON BEHALF OF

**AQUILA, INC.
d/b/a
AQUILA NETWORKS – MPS
and
AQUILA NETWORKS – L&P**

**Kansas City, Missouri
February, 2004**

State of Missouri)
) ss
County of Jackson)

AFFIDAVIT OF MATTHEW E. DAUNIS

Matthew E. Daunis, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony and schedules entitled "Rebuttal Testimony of Matthew E. Daunis"; that said testimony was prepared by him and/or under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge, information, and belief.

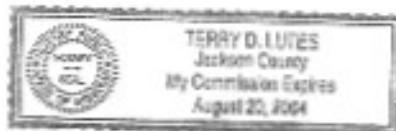
Matthew E. Daunis
Matthew E. Daunis

Subscribed and sworn to before me this 12th day of February, 2004.

Terry D. Lutes
Notary Public
Terry D. Lutes

My Commission expires:

8-20-2004



1 **REBUTTAL TESTIMONY OF MATTHEW E. DAUNIS**
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3

4 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

5 A. My name is Matthew E. Daunis. My business address is 10700 East 350
6 Highway, Kansas City, MO 64138.

7 **Q. BY WHOM ARE YOU PRESENTLY EMPLOYED AND IN WHAT**
8 **CAPACITY?**

9 A. I am employed as Manager of Energy Efficiency Programs for Aquila, Inc. I
10 am testifying on behalf of Aquila, Inc. d/b/a Aquila Networks - MPS and Aquila
11 Networks – L&P (“Aquila”).

12 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

13 A. I received a Bachelor’s degree in Mechanical Engineering from the University
14 of Maine in 1976. I received a Masters degree in Business Administration
15 from the University of Nebraska in 1985.

16 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.**

17 A. I have been in my current position since 1996. I have been employed in the
18 utility industry in positions requiring knowledge of Demand Side Management,
19 customer service, and marketing for about 17 years. Prior to that, I was
20 employed by a major HVAC manufacturer for ten years in various marketing
21 and sales positions.

22 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

23 A. The purpose of my rebuttal testimony is to respond to the direct testimony of
24 Anne E. Ross of the Missouri Public Service Commission staff regarding her
25 proposed weatherization and low income rate programs, and Anita C.
26 Randolph of the Missouri Department of Natural Resources (“MDNR”)

1 regarding her recommendations on Weatherization Assistance and other
2 energy efficiency programs.

3 **Q. WHAT ARE THE RECOMMENDATIONS OF MS. ROSS?**

4 A. Ms. Ross recommends that Aquila implement an experimental low-income
5 weatherization program in the Sedalia area.

6 **Q. WHAT ARE THE RECOMMENDATIONS OF MS. RANDOLPH?**

7 A. Ms. Randolph recommends instituting a number of programs and/or
8 expenditures that she believes will benefit low-income, residential and
9 commercial customers.

10 **Q. WHAT IS AQUILA'S POSITION REGARDING THESE**
11 **RECOMMENDATIONS?**

12 A. Aquila is willing to discuss each of these recommendations and programs
13 with the MDNR and other interested parties outside of this rate case
14 proceeding. Some of these programs may establish new social programs that
15 may or may not be in alignment with the view of this Commission. Each of
16 these programs bears a cost, some of which are substantial, and a clear
17 determination of cost recovery and cost assignment should be made.
18 Because of these uncertainties, we do not believe that these
19 recommendations should be a part of this natural gas rate case, but should
20 await a dedicated review by this Commission.

21 **Q. IS AQUILA COMMITTED TO PROVIDING LOW COST OR NO COST**
22 **WEATHERIZATION ASSISTANCE TO LOW INCOME RESIDENTIAL**
23 **CUSTOMERS AND SUPPORTING COST EFFECTIVE ENERGY**
24 **EFFICIENCY PROGRAMS?**

1 A. Aquila is currently providing low cost or no cost weatherization assistance to
2 low-income residential electric customers and supports several programs that
3 promote energy efficiency in Missouri. Aquila plans to continue support of
4 those programs in the future.

5 **Q. WHAT SPECIFIC TYPES OF PROGRAMS RELATED TO ENERGY**
6 **EFFICIENCY DOES AQUILA CURRENTLY SUPPORT?**

7 A. Aquila's Customer Finance Program offers MPS and L+P residential
8 customers the opportunity to purchase and receive the advantages of an
9 energy-efficient heat pump or condensing unit-the majority of which average
10 11.8 to 13.2 Seasonal Energy Efficiency Ratio ("SEER") well above the
11 national average of 10 SEER. Aquila also provides energy audits to
12 residential, commercial and industrial electric customers thereby aiding them
13 in identifying ways to improve their energy efficiency. The Residential
14 Lighting Program allows customers to buy compact fluorescent lamps at a
15 competitive price. Aquila is a founding member of the Heartland Utilities for
16 Energy Efficiency ("HUEE") which is a utility coalition formed to promote
17 energy efficiency in the Greater Kansas City marketplace through energy
18 education, resources and actions to help assure a secure energy future for
19 area residents.

20 **Q. WHAT TYPES OF LOW-COST OR NO-COST WEATHERIZATION**
21 **PROGRAMS DOES AQUILA CURRENTLY PROVIDE TO LOW-INCOME**
22 **CUSTOMERS?**

23 A. Aquila provides funding for specific energy efficient electric measures such
24 as compact fluorescent lights, home insulation, devices to reduce domestic

1 hot water consumption and other cost effective end use equipment. Funds
2 are provided when electric energy efficient measures have been installed.
3

4 **Q. WHY ARE ONLY LOW-INCOME ELECTRIC CUSTOMERS ELIGIBLE**
5 **UNDER AQUILA'S CURRENT LOW INCOME WEATHERIZATION**
6 **PROGRAM?**

7 A. Aquila's Low Income Program was developed and implemented as a result
8 of a Joint Agreement in 1998 between Aquila, Staff and Public Counsel with
9 regards to Aquila's Electric Resource Plan. The requirements of this Joint
10 Agreement addressed only electric customers of Aquila in Missouri. Aquila
11 has complied with the stipulations as outlined in the Joint Agreement.

12 **Q. IS AQUILA IMPLEMENTING ALL COST EFFECTIVE MEASURES IN ITS**
13 **CURRENT LOW-INCOME WEATHERIZATION PROGRAM?**

14 A. Yes.

15
16 **Q. WHAT OTHER ENERGY EFFICIENCY PROGRAMS HAS AQUILA**
17 **DEVELOPED TO DEMONSTRATE ITS CONCERN FOR LOW-INCOME**
18 **CUSTOMERS?**

19 A. Aquila's Habitat for Humanity Program offers financial incentives to
20 Missouri Habitat for Humanity affiliates for installing energy efficient
21 measures. Rebate incentives are available for compact fluorescent lamps,
22 tank and pipe wrap, low flow showerheads, kitchen aerators and attic
23 insulation.

24 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

25 A. Yes, it does.