

Exhibit No.:
Issue: ERPP
Witness: Jimmy D. Alberts
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Sponsoring Party: KCP&L Greater Missouri Operations Company
Case No.: ER-2010-0356
Date Testimony Prepared: December 15, 2010

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2010-0356

REBUTTAL TESTIMONY

OF

JIMMY D. ALBERTS

ON BEHALF OF

KCP&L GREATER MISSOURI OPERATIONS COMPANY

**Kansas City, Missouri
December 2010**

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Case No. ER-2010-0356

1 **Q: Please state your name and business address.**

2 A: My name is Jimmy D. Alberts. My business address is 1200 Main Street, Kansas City,
3 Missouri 64105.

4 **Q: Are you the same Jimmy D. Alberts who submitted Direct Testimony in this case on**
5 **behalf of KCP&L on or about June 4, 2010?**

6 A: Yes, I am.

7 **Q: What is the purpose of your Rebuttal Testimony?**

8 A: The purpose of my Rebuttal Testimony is to rebut issues raised by Staff of the Missouri
9 Public Service Commission in their Cost of Service Report in this case concerning the
10 Economic Relief Pilot Program (“ERPP”).

11 **Q: What specific testimony are you rebutting?**

12 A: I am rebutting Staff’s proposed recommendation that the Company retain an independent
13 third-party evaluator prior to the end of the ERPP and be assessed a penalty of
14 disallowing the fifty percent reimbursement of the cost of the program until such an
15 evaluator is established. The purpose of an evaluation at the end of the program is to
16 assess future direction, and should not be used as a mechanism to disallow costs. Also, I
17 will update information regarding the ERPP and address Staff’s recommendations to
18 work more extensively with the Salvation Army; improve ERPP education and public

1 awareness; allow the Salvation Army access to AgencyLink; and the promotion of future
2 Connections campaigns..

3 **The Economic Relief Pilot Program**

4 **Q: Please provide a brief update as to the status of the ERPP.**

5 A: Since the filing of my direct testimony, the number of ERPP enrolled participants has
6 increased from four hundred and sixty-one customers to, for all intents and purposes,
7 fully subscribed at 1,000 customers.

8 **Q: What do you mean by, “for all intents and purposes” that the program is fully
9 subscribed?**

10 A: The statement, “for all intents and purposes”, seeks to capture the dynamic nature of the
11 program. On any given day there are likely a few spaces that become available to
12 customers as participants leave the program, creating a brief circumstance where there
13 are openings in the program until other eligible customers enroll in the program.

14 **Q: Do you take exception at Staff’s testimony proposed recommendation that the
15 Company retain an independent third-party evaluator of the ERPP and be assessed
16 a penalty of disallowing the fifty percent reimbursement of the cost of the program
17 until such an evaluator is established?**

18 A: Yes. The Company would be amenable to a third-party evaluator if the ERPP program
19 was shrouded in complexity, but the ERPP is far from complex, highly transparent, and
20 simple to gauge if it is fully subscribed—which is its current status. In light of that
21 transparency, a third-party evaluator would provide little or no greater insight to the
22 management of the program and add unnecessary costs. The third party-evaluator would
23 provide value at the end of the three year pilot program as we assess the future direction

1 of the program. It seems at cross-purposes to disallow recovery of the costs for a
2 program designed to help low income customers.

3 **Q: Should the Company be penalized absent an independent third-party evaluator?**

4 A: No. This is a pilot program and, as a matter of policy, a threat of penalties as companies
5 explore potentially beneficial customer programs would have a chilling effect on those
6 companies wishing to engage in future pilot programs. In other words, although the
7 suggested penalty seeks to incent the Company to engage a third-party evaluator, in the
8 long term, such a penalty—or threat of a penalty—will actually remove the incentive for
9 the Company to engage in future pilot programs.

10 **Q: Does KCP&L’s ERPP tariff address the issue of evaluation?**

11 A: Yes. Specifically, the tariff states, “The pilot program may be evaluated in any Company
12 rate or complaint case. The evaluation shall be conducted by an independent third party
13 evaluator under contract with the Company, that is acceptable to the Company,
14 Commission Staff and the Public Counsel. The costs of the evaluator shall be paid from
15 the program funds.”

16 **Q: So if a third-party evaluator is contracted, wouldn’t that reduce funds available to
17 help customers?**

18 A: Absolutely. A conservative estimate of the cost for such an evaluation is \$10,000.
19 Presuming customers who enter the program stay on the program for 12 months, the
20 reduction in available funds would mean about sixteen customers would not be funded
21 and turned away.

22 **Q: Does the Company routinely provide program status information to the Staff?**

1 A: Yes, statistics by month that include the number of customers enrolled, the number of
2 customers dropped, ERPP credits and other information.

3 **Q: Has the Staff expressed any concerns about the program in light of the reports?**

4 A: No, not to my knowledge.

5 **Q: Would you care to comment on Staff's other recommendations for the ERPP?**

6 A: Yes. Staff recommends (1) the Company work more extensively with the Salvation
7 Army; (2) improve education and public awareness; (3) allow the Salvation Army access
8 to AgencyLink; and (4) continue to conduct Connections-style campaigns as feasible. I
9 am confident that each recommendation has been addressed.

10 As stated in my Direct testimony, the Salvation Army is responsive to
11 communication issues. Also, KCP&L's Customer Relations and Collections personnel
12 have regular contact with Salvation Army's ERPP manager to offer support and respond
13 to questions. In addition, the Salvation Army already subscribes to AgencyLink.

14 **Q: How is education and public awareness being addressed?**

15 A: Although the Salvation Army acts as a gatekeeper, marketing of the ERPP is inclusive of
16 other Community Action Agencies and organizations that, in turn, refer potentially
17 eligible customers to the Salvation Army. The Salvation Army has an arsenal of
18 assistance programs—beyond the ERPP—that draw individuals with an unrelated need
19 that may be eligible for the ERPP, in which case they proactively pursue ERPP on behalf
20 of the customer. Also, with the program fully subscribed, when there is a vacancy, it is
21 quickly filled suggesting good awareness of the ERPP option by the Salvation Army and
22 other agencies.

1 **Q: What are the Company's plans for additional Connections-style campaigns?**

2 A: The Company feels the Connections campaign is effective at informing customers of
3 available services and has scheduled Energy Resource Fairs in November and December
4 alone and is currently identifying dates and locations throughout the service territory for
5 additional fairs.

6 KCP&L, working with Staff, Office of Public Counsel, and the Customer
7 Program Advisory Group (CPAG)—a representative group of Missouri stakeholders that
8 hold regular meetings to discuss customer related issues—continues to look at ways to
9 effectively inform its customers of available services. I would underscore the Company's
10 commitment to help align internal and external resources with those in need.

11 **Q: Does that conclude your testimony?**

12 A: Yes, it does.

