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Issues: KCP&L MEEIA Application
KCP&L Weatherization Program
Design and Operation
Witness: Adam Bickford
Sponsoring Party: Missouri Department of Natural
Resources – Division of Energy
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DIRECT TESTIMONY
OF
ADAM BICKFORD
MISSOURI DEPARTMENT OF NATURAL RESOURCES
DIVISION OF ENERGY

August 2 2012

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

KANSAS CITY POWER AND LIGHT

FILE NO. ER-2012-0174

PUBLIC VERSION

****DENOTES HIGHLY CONFIDENTIAL INFORMATION****

**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)

File No. ER-2012-0174

AFFIDAVIT OF ADAM BICKFORD

STATE OF MISSOURI)
)
COUNTY OF COLE)

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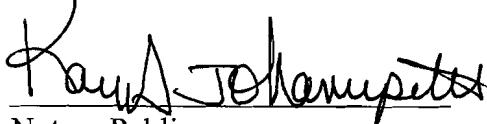
Adam Bickford, of lawful age, being duly sworn on his oath, deposes and states:

1. My name is Adam Bickford. I work in the City of Jefferson, Missouri, and I am employed by the Missouri Department of Natural Resources' Division of Energy as a Planner III.
2. Attached hereto and made a part hereof for all purposes are the Highly Confidential and Public versions of my Direct Testimony on behalf of the Missouri Department of Natural Resources' Division of Energy, consisting of 18 pages of testimony and 7 schedules in the Highly Confidential version and 18 pages of testimony and 7 schedules in the Public version, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge.

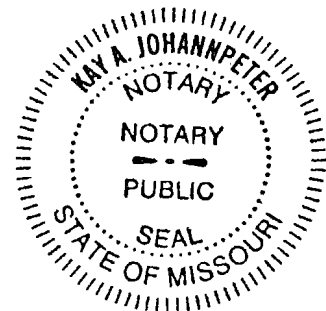
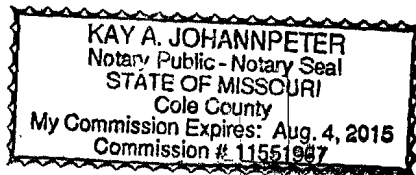


Adam Bickford

Subscribed and sworn to before me this 2nd day of August, 2012.


Notary Public

My commission expires:



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I. Introduction

Q. Please state your name and business address.

A. My name is Adam Bickford. My business address is Missouri Department of Natural Resources, Division of Energy, 1101 Riverside Drive, P.O. Box 176, Jefferson City, Missouri 65102-0176.

Q. Please describe your educational background and employment experience.

A. I began work with the Missouri Department of Natural Resources Division of Energy in August, 2009. In my current position I am a Planner III. Prior to working with Missouri Department of Natural Resources I was employed as a program evaluator by Optimal Solutions Group, LLC in Hyattsville, Maryland; the University of Missouri Extension Office of Social and Economic Data Analysis in Columbia, Missouri; and the Smithsonian Institution in Washington D.C. In these positions my responsibilities included the design and execution of evaluation projects in the K-12 education and arts domains.

I received my B.A. degree in Sociology from the University of California, Berkeley. I hold a Masters of Arts degree and a Doctor of Philosophy degree in Sociology from the University of Chicago.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of the Missouri Department of Natural Resources ("MDNR"), an intervenor in these proceedings.

1 **Q. Have you previously submitted testimony before the Commission on behalf of**
2 **the Missouri Department of Natural Resources?**

3 A. Yes, I have. I testified on behalf of MDNR in the following cases before the
4 Commission:

- 5 • Union Electric Company, d/b/a AmerenUE rate case, ER-2010-0036,
- 6 • Kansas City Power and Light rate case, ER-2010-0355,
- 7 • KCP&L-Greater Missouri Operations rate case, ER-2010-0356,
- 8 • Empire District Electric rate case, ER-2011-0004,
- 9 • KCP&L Greater Missouri Operations MEEIA case, EO-2012-0009, and
- 10 • Ameren Missouri MEEIA case, EO-2012-0142.

11 Additionally, I have participated in the following Integrated Resource Planning (IRP)
12 cases:

- 13 • KCP&L-Greater Missouri Operations 2009 IRP, EE-2009-0237,
- 14 • Empire District Electric 2010 IRP, EO-2011-0066, and
- 15 • Union Electric Company, d/b/a Ameren Missouri 2011, IRP, EO-2011-0271.

16
17 **Q. What is the purpose of your testimony in these proceedings?**

18 A. My testimony addresses two issues. First, MDNR wishes to comment on KCP&L's
19 decision to withdraw its application for a DSM plan and Demand Side Investment
20 Mechanism (DSIM) under the Missouri Energy Efficiency Investment Act (MEEIA).
21 Secondly, MDNR wishes to bring some design and operation of KCP&L's low-
22 income weatherization program to the Commission's attention.

23

II. KCP&L's MEEIA Application

1
2
3 **Q. What is MDNR's comment on KCP&L's MEEIA application and the withdrawal**
4 **of the application?**

5 A. KCP&L was a driving force behind the drafting and passage of the MEEIA
6 legislation in 2009. PSC Staff, OPC, MDNR, KCP&L and other parties worked
7 diligently to implement this law through an extended series of workshops and
8 rulemaking sessions in 2010 and 2011. On December 22, 2011, KCP&L and
9 KCP&L Greater Missouri Operations (GMO) were the first utilities to submit MEEIA
10 applications. On February 17, 2012 KCP&L withdrew its application.

11 While discussing KCP&L's decision to withdraw its application, KCP&L
12 witness Darren R. Ives cited the following reasons in his direct testimony in this
13 case:

14 As we pulled together this rate request filing and furthered our work on our
15 IRP filings due to be filed in April 2012, we determined it was prudent to
16 reassess our MEIAA filing for KCP&L. Factors we considered were
17 historically low natural gas prices which have created softness in demand in
18 the wholesale market. We also considered the lagging economic
19 environment and the fact that we have experienced declines in weather
20 normalized retail demand since our last case. Considering these factors and
21 with the addition of latan 2 to our base load generation fleet, KCP&L does
22 not need additional capacity at this time. As such, to raise customer rates in
23 the short term for benefits customers will realize over a 10 to 20 year time
24 horizon just does not make sense considering the current state of the
25 economy. The move to withdraw at this time allows us to leverage one of the
26 most important benefits of energy efficiency, its scalability.¹
27

28 The programs in KCP&L's application represented a serious effort to provide
29 energy savings opportunities across all customer classes. KCP&L's filed plan met
30 the cumulative savings goals established in the MEEIA rules.

¹ Direct Testimony of Darren R. Ives, ER-2012-0174, p. 10.

1 **Q. Do you have further comment on KCP&L's decision to withdraw its MEEIA**
2 **application?**

3 A. MDNR recognizes that KCP&L is within its rights to withdraw its application at any
4 time in the MEEIA approval process, but the decision to do so has significant
5 negative implications. Electric rate payers in KCP&L's service territory will not
6 receive the benefits of the energy efficiency programs that were proposed. KCP&L
7 will not receive the benefits to its electric system that reduced use can bring, nor
8 will it receive compensation for its DSM programs, through the recovery of lost
9 revenues and the award of a performance incentive, as the MEEIA rules provide
10 for.

11 Additionally, we note that KCP&L's decision appears to be counter to the
12 policy statement central to the MEEIA legislation. Paragraphs 3 and 4 of Section
13 393.1124, RSMo, states:

14 It shall be the policy of the state to value demand-side investments equal to
15 traditional investments in supply and delivery infrastructure and *allow*
16 *recovery of all reasonable and prudent costs of delivering cost-effective*
17 *demand-side programs...* The commission shall permit electric corporations
18 to implement commission-approved demand-side programs proposed
19 pursuant to this section with *a goal of achieving all cost-effective demand-*
20 *side savings.* (Emphasis added)
21

22 The pursuit of all cost-effective demand side savings is state policy, and should
23 occur without exception. There are no qualifications to this statement, and no
24 expectation that low short-term demand or excess capacity are sufficient reasons to
25 forgo implementing cost-effective DSM programs. Successful implementation of
26 demand-side programs will also lower energy use, generate excess system
27 capacity by lowering peak demand and produce sales losses for the utility. The

1 MEEIA rules contain lost revenue recovery provisions to protect the utility against
2 those losses. Additionally the MEEIA rules allow for contemporaneous recovery of
3 program costs and the opportunity to earn a performance incentive. Because
4 KCP&L has not pursued its MEEIA plan, these opportunities for the Company are
5 lost. Additionally, opportunities for KCP&L rate payers to reduce their energy
6 consumption by participating in DSM programs are lost.

7 MDNR recommends that KCP&L submit a MEEIA application at the earliest
8 possible date. The Stipulation and Agreement filed in Ameren Missouri's MEEIA
9 case (Case No. EO-2012-0142) shows that parties can work together to come to
10 terms on a DSIM plan that is acceptable to all. The Commission's approval of
11 Ameren Missouri's MEEIA application on August 1, 2012 demonstrates the
12 Commission's commitment to implementation of MEEIA. We encourage KCP&L to
13 consider this progress and Ameren's experiences to propose a DSIM that allows
14 the Company to implement DSM programs designed to achieve all cost effective
15 demand side savings under MEEIA.

16 **III. KCP&L's Weatherization Program**

17
18 **Q. What issues concerning KCP&L's low-income weatherization program does**

19 **MDNR wish to bring to the Commission's attention?**

20 A. MDNR is concerned about the design and operation of KCP&L's low-income
21 weatherization program. MDNR recognizes that an advisory structure for
22 discussing DSM program design and operation exists, and MDNR is a member of
23 the KCP&L and GMO Customer Program Advisory Group (CPAG), which meets
24 quarterly to discuss the Company's DSM programs. We are raising our concerns

1 about KCP&L's weatherization program in this case because resolution of these
2 issues may require modification of KCP&L's Low-Income Weatherization tariff.²

3 MDNR is concerned that KCP&L is not distributing all of the weatherization
4 funds collected from ratepayers. We are also concerned that, after expenditure of
5 American Recovery and Reinvestment Act (ARRA) funds, the community action
6 agencies (CAAs) receiving support from KCP&L will lose the additional capacity
7 developed over the past two years, even though the need for weatherization is still
8 great. Consequently, we are asking the Commission to order KCP&L to change its
9 allocation method for weatherization funds and to allow KCP&L to increase the
10 amount of money collected from ratepayers to fund its weatherization program to
11 weatherize more homes.

12 **Q. Please describe the sources of information used in your analysis of KCP&L's**
13 **weatherization program.**

14 A. MDNR's analysis of KCP&L's weatherization program relies on a data request
15 submitted by MDNR in this case, internal funding and unit completion data
16 maintained by MDNR, and an April, 2012 status report submitted to the
17 Commission by the Company.

18 **Q. What was the scope of the data request?**

19 A. Data request MDNR DR 1-1 to 1-5 asked KCP&L to
20 1. list the CAAs it provides weatherization funds to,
21 2. list the program year, budget amounts, program expenditures, home production
22 and the average cost per home weatherized for each CAA in the current
23 program year,

² Tariff JE-2012-0183, Schedule LIW, Sheet 43H, filed October 11, 2009.

- 1 3. describe the method used to allocate program funds ,
- 2 4. describe the disposition of unspent funds, and
- 3 5. describe the program guidelines for the weatherization program.

4 KCP&L provided this information on July 17, 2012. Its responses identified three
5 CAAs funded by KCP&L's weatherization program, the City of Kansas City, the
6 Missouri Valley Community Action Agency (MVCAA), and the Central Missouri
7 Community Action Agency (CMCAA).

1 **Q. What does the response to MDNR's data request indicate?**

2 A. KCP&L's response indicates that it has not distributed all ratepayer weatherization
3 funds to the CAAs. The Commission ordered KCP&L to collect \$573,888 from its
4 ratepayers for the weatherization program in ER-2010-0355.³ According to MDNR
5 DR 1-2, KCP&L budgeted **[REDACTED]** for the 2012 program year, which
6 corresponds to the 2012 calendar year. KCP&L has consistently distributed less
7 money to the CAAs than it has collected. According to the April 12, 2012 status
8 report to the Commission, in 2010 KCP&L spent \$194,645.00 and in 2011 it spent
9 \$150,475.00.⁴ Beginning in 2011, KCP&L unilaterally decided to stop carrying over
10 unspent weatherization funds, meaning that the annual balance in the
11 weatherization program was not used to provide additional funds to weatherize the
12 residents of its low-income customers.

13 During the 2010 and 2011 KCP&L reported the CAAs completed
14 weatherization of 55 homes. In response to MDNR DR 1-2, KCP&L reported
15 weatherizing 17 homes in the first half of 2012.⁵

16 The period of KCP&L's report of spending and house completion
17 corresponds to the presence of ARRA funding and the CAAs giving priority to
18 spending ARRA weatherization funds. However, some of the reason for the low
19 funding of weatherization over the past three years lies with the method KCP&L
20 uses to allocate its weatherization funds.

³ Missouri Public Service Commission *Report and Order File No. ER-2010-0355*, p. 179.

⁴ See Schedule AB-1 (HC)

⁵ Ibid.

1

2 **Q. Please describe this allocation method.**

3 A. In response to MDNR DR 1-3, KCP&L described its budgeting and allocation
4 process as follows:

5 The budgeting and allocation process is done in three steps. The steps are:

6

7 1) Determine the prior year's actual spend by agency

8 2) Determine how many homes an agency can complete in the upcoming year
9 (collaborate with agency to establish counts)

10 3) Set a budget figure based upon the number of homes

11

12 There is no indication that CAAs are made aware of total amount of money KCP&L
13 has available to distribute.

14 According to its weatherization tariff, KCP&L does not specify the allocation
15 method for distributing funds to the agencies.⁶ KCP&L's response to MDNR DR 1-3
16 suggests that agencies are not informed of the amount of money available for
17 weatherization. This practice puts the agencies at a disadvantage. Without this
18 key piece of information, without knowing the funds available to them, it is very
19 difficult for the agencies to accurately estimate the number of houses they can
20 weatherize in a program year.

21 **Q. Are there other weatherization tariffs that specify the total amount to be
22 distributed to agencies each year?**

23 A, Yes. Missouri Gas Energy (MGE) and the Empire District Electric company
24 (Empire) have weatherization tariffs that specify expenditure levels. The Empire
25 tariff also provides a specific allocation formula. Both of these models provide a

⁶ Tariff JE-2012-0183, Schedule LIW, Sheet 43H, filed October 11, 2009.

1 level of certainty of that the agencies can use program funding and agency
2 budgeting.

3 The MGE weatherization tariff specifies that “[t]he Company will provide
4 \$750,000 annually (the program funds) for a residential weatherization program...”⁷
5 The tariff language specifies both the total amount to be spent each year, and the
6 dollar amounts to be distributed among participating agencies.

7 The Empire weatherization tariff specifies both annual spending levels and
8 an allocation formula that can adjust spending levels by the distribution of low-
9 income houses in each agency service territory.⁸

10 **Q. Is there any indication that participating agencies are concerned about**
11 **KCP&L’s present method of program administration?**

12 A. In its report in ER-2010-0355, the Commission ordered KCP&L to “evaluate
13 transition of the low income weatherization funds to the EI ERA and administration
14 of the programs to DNR.”⁹ In response, KCP&L and GMO fielded a short survey
15 asking individual agencies about the administration of the KCP&L and GMO
16 weatherization programs. Results of this survey were presented to the CPAG on
17 January 18, 2012.¹⁰ The results are based on a single response from each agency.
18 Generally, the results express satisfaction with KCP&L and GMO’s administration
19 of the program. Some of the comments express a wish for more funds and for a
20 streamlined customer approval process. The survey did not ask about the
21 agencies’ awareness of the total funds that KCP&L collects from ratepayers for the

⁷ Tariff JG-2008-0311, Schedule PP, Sheet 96, filed December 8, 2007.
⁸ Tariff YE-2011-0615, Schedule PRO, 8c, filed June 15, 2011.
⁹ Missouri Public Service Commission *Report and Order File No. ER-2010-0355*, p. 182.
¹⁰ See Schedule AB-2

1 weatherization program or whether the agencies would like to change the annual
2 allocation and budgeting process.

3 **Q. Do you have any final comments about the design of the KCP&L**
4 **weatherization program?**

5 A. From MDNR's perspective, the current design of KCP&L's weatherization program
6 tends to collect more money than is spent. The current design does not
7 communicate key information, the total funds collected and the funds allocated to
8 each agency, that agencies could use to effectively manage their program
9 operations. MDNR recommends that the Commission order KCP&L to modify its
10 weatherization tariff to incorporate key features of the MGE and Empire
11 weatherization tariffs, which specify the total funds to be expended annually and
12 either specify the dollar amount allocated to each agency or provide an objective
13 allocation method that agencies can use in their planning and program operations.

14 **IV. Impact of ARRA on the Community Action Agencies**

15 **Q. How has ARRA impacted the capacity of the CAAs?**

16 A. ARRA funds were allocated to weatherization agencies between 2009 and 2012.¹¹
17 During that period, the number of houses weatherized in Missouri increased by a
18 factor of nine. Statewide, ARRA funds created an estimated 585 jobs. The three
19 CAAs mentioned by KCP&L weatherized a total of 3,172 homes using ARRA funds,
20 compared to 329 homes using non-ARRA Department of Energy (DOE) funds and
21 72 homes using KCP&L funds.¹² In the three program years of the ARRA grant,

¹¹ MDNR, 2012. "Missouri Low Income Weatherization Assistance Program (LIWAP)" fact sheet. PUB1217.
<http://dnr.mo.gov/pubs/PUB1217.pdf>

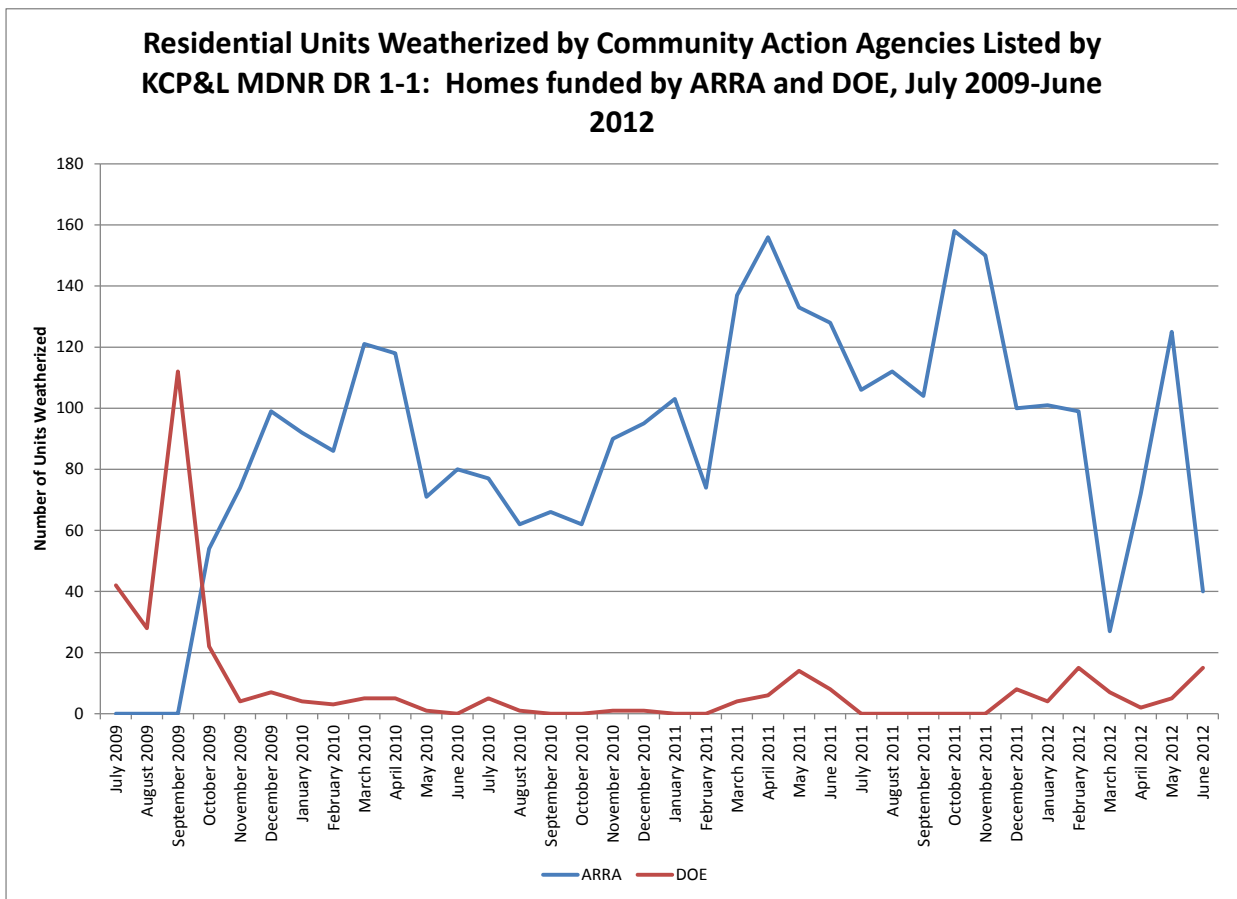
¹² see Schedule AB-2

1 \$21,198,701 was provided to the three agencies. On average, these agencies
2 weatherized 88 homes per month using ARRA funds

3 The presence of ARRA funds rapidly increased the ability of the agencies to
4 weatherize homes. Additionally, the presence of ARRA funds, and the requirement
5 that funds be expended before the end of June, 2012, reduced the number of
6 homes weatherized using other funding sources.

7

8 **Figure 1 Units weatherized by ARRA and DOE funds, 2009-2012**



9

10 Source: Schedule AB-3

11 This is seen in Figure 1, which shows the monthly house production from ARRA
12 funds to monthly house production from DOE funds from October, 2009 through

1 June, 2012 for the three agencies listed in KCP&L's response to MDNR DR 1-1.
2 ARRA-funded house production has dominated the work of the agencies over the
3 past three years. With these additional funds, agencies purchased new equipment
4 and hired and trained new staff to fulfill the production demands of the program.
5 However, this funding source has been exhausted, and the capacity gains of the
6 past few years are at risk. MDNR recognizes that, despite the success of the
7 ARRA-funded weatherization program, the supply of low-income homes that could
8 benefit from weatherization services is not exhausted. As of August 2, 2012 these
9 three agencies have a waiting list of 771 homes to be weatherized.¹³

10 MDNR also recognizes that a highly skilled and experienced workforce of
11 weatherization technicians is at risk as the agencies contract to pre-ARRA levels.
12 The presence of additional homes that could be weatherized and a skilled
13 workforce to perform these jobs indicates that the local capacity is available for
14 KCP&L to increase its level of weatherization funding.

15 **V. Potential Sources of Weatherization Funds in PY 2012 and** 16 **PY 2013**

17 **Q. What is the amount of federal Weatherization program funding for Missouri for** 18 **the 2012 program year (PY) (July 1, 2012 – June 30, 2013)?**

19 A. On February 8, 2012 the DOE issued *Weatherization Program Notice 12-2* (see
20 Schedule AB-5) indicating that:

21 DOE has determined that an appropriation level of \$68 million cannot sustain
22 an effective national weatherization program using the regulatory formula to
23 allocate funds. The Secretary is exercising the provided authority and funds
24 are being allocated in an effort to provide States WAP funding in PY 2012 at a
25 level comparable to funding levels prior to the Recovery Act, with

¹³ See Schedule AB-4

1 consideration of carry-over funding available to States and the funding level
2 provided through FY2012 appropriations. *There will be Grantees that will*
3 *receive no new DOE funding for FY 2012.* (Emphasis added).
4

5 As confirmed by the allocation letter accompanying this notice (see Schedule AB-
6 6), the federal allocation for Missouri's Weatherization program is \$0.00 for program
7 year (PY) 2012.

8 **Q. What is the outlook for PY 2013 federal Weatherization funding (July 1, 2013 –**
9 **June 30, 2014)?**

10 **A.** Currently Missouri's allocation of Weatherization funds from DOE is not known and
11 will be based primarily upon the level of Congressional appropriation. Due to
12 elections in November 2012, completion of a federal budget is not expected until
13 sometime in 2013. If Congress uses Continuing Resolutions in lieu of passage of
14 new budget bills, as it has in the past, prior year budget levels may be carried
15 forward. This would not bode well for Weatherization, which was funded at a very
16 low level for PY 2012, prompting DOE to allocate zero dollars to some states,
17 including Missouri. In PY 2013, Missouri will not have federal Weatherization funds
18 to carry over to bridge the gap. For this reason it is important to continue utility
19 funding of low income weatherization and provide a reliable stream of funds for
20 administration of the utility weatherization programs.

21 **Q. What are the current sources of funding available to MDNR to weatherize**
22 **homes of low-income residents of Missouri?**

23 **A.** Weatherization program funding comes primarily from three sources, the federal
24 government, funds from several Missouri utilities, and occasional supplementary
25 funds from the federal Low Income Home Energy Assistance Program (LIHEAP).

1 Funding from federal sources is part of MDNR Division of Energy's allocation from
2 the U.S. DOE, under a formula allocation based on population, local climatic
3 conditions, and the cost of heating and cooling for low-income residences.¹⁴

4 Between 2009 and 2012, the federal Weatherization funds were supplemented by
5 ARRA funds.

6 The second source of funding is from utilities. MDNR administers
7 weatherization funds approved by the Missouri Public Service Commission in
8 various cases for individual utilities (Ameren Electric, Ameren Gas, Laclede Gas
9 and Atmos Gas). Other utilities, such as Empire District Electric, Kansas City
10 Power and Light and KCP&L GMO, operate weatherization programs
11 independently. MDNR administers the utility weatherization funds consistent with
12 the guidelines of the federal DOE Weatherization program. Regardless of source,
13 funds are passed through MDNR to the various agencies to provide weatherization
14 services throughout the state. Utility funds are used to improve the efficiency of the
15 houses of eligible utility customers in each utility's respective service territories.

16 The third source of funds is occasional small transfers of LIHEAP funds to
17 supplement the weatherization program. These funds are generally not available to
18 support program administration.

19 Because the outlook for federal weatherization funds is uncertain, MDNR
20 requests that the Commission consider increasing the funds KCP&L collects for its
21 weatherization program.

¹⁴ See http://www1.eere.energy.gov/wip/wap_allocation.html

1

2 **Q. How much should KCP&L weatherization funds be increased?**

3 A. Estimating the amount that KCP&L's weatherization funds should be increased is
4 beyond the scope of this testimony. To fully estimate the number of homes that
5 could be weatherized requires detailed data from KCP&L about customer poverty
6 level and the geographic distribution of houses below the poverty level.

7 Nevertheless, it is possible to generate an general estimate assuming a
8 proportionate increase in the number of households in poverty being weatherized
9 each year. Schedule AB-6 presents such an estimate using data from the United
10 States Census American Community Survey and data from KCP&L's response to
11 MDNR DR 1-5. The American Community Survey produces general population
12 level estimates on a county-level.¹⁵ For Schedule AB-7 I have selected the
13 counties in KCP&L's Missouri jurisdiction. According to this estimate, there are
14 55,894 homes with families living below the federal poverty level. The annual
15 weatherization budget ordered by the Commission in ER-2010-0355 is \$573,888.
16 In MDNR DR 1-5, KCP&L reported that agencies keep an average of 13% of their
17 allocations for administrative costs, leaving \$499,283 for program operations.
18 MDNR DR 1-5 also lists the per house expenditures set by the Company at
19 **** [REDACTED] **** per home. If all of the program operations funds were spent, KCP&L's
20 agencies would be able to weatherize 143 houses per year¹⁶, or 0.26 percent of the
21 total estimated houses in poverty.

¹⁵ More information about this survey is available from <http://factfinder2.census.gov>

¹⁶ According to Schedule AB-1, KCP&L weatherized 72 houses between 2010 and 2012.

1 available for the weatherization program, and specified an allocation
2 methodology;

- 3 2. that the Commission consider ordering KCP&L to increase its
4 collections for its weatherization program and provide revenue
5 requirement treatment for these additional weatherization funds; and
6 3. that the Commission continue to monitor the collections, expenditures
7 and production of KCP&L's weatherization program.

8 Finally, KCP&L should submit a MEEIA application at the earliest possible
9 date.

10 **Q. Does this conclude your testimony?**

11 A. Yes. Thank you.

12

Schedule AB-1 Materials from "Low Income Weatherization Program Status Report" 4/13/2012 and MDNR DR 1-2 (HC)

KCP&L							
Corrected 2010 Report		A	B	C	D		
Agency	Funds Available (ER-2010-0355)	Funds Provided '10	Funds rolled over from previous year	Administrative Funds	Number of Jobs Completed	Total Cost (Excluding Admin Funds)	Balance (Funds Available - Funds Provided)
Total Missouri Program	\$573,888.00	\$194,645.00	\$12,422.00	\$65,358.89	30	\$129,286.11	\$379,243.00
City of Kansas City		\$169,645.00	\$-	\$62,408.00	21	\$107,237.00	
West Central Missouri Community Action Agency (WCMCAA)		\$-	\$-			\$-	
Missouri Valley Community Action Agency (MVCAA)		\$20,000.00	\$7,955.00	\$2,300.89	6	\$17,699.11	
Central Missouri Community Action (CMCA)		\$5,000.00	\$4,467.00	\$650.00	3	\$4,350.00	
2011 Report		A	B	C	D		
Agency	Funds Available (ER-2010-0355)	Funds Provided '11	Funds rolled over from previous year	Administrative Funds	Number of Jobs Completed	Total Cost (Excluding Admin Funds)	Balance (Funds Available - Funds Provided)
Total Missouri Program	\$573,888.00	\$150,475.00	\$-	\$7,494.00	25	\$142,981.00	\$423,413.00
City of Kansas City		\$133,610.00	\$-	\$5,368.00	21	\$128,242.00	
West Central Missouri Community Action Agency (WCMCAA)		\$-	\$-			\$-	
Missouri Valley Community Action Agency (MVCAA)		\$11,865.00	\$-	\$1,820.00	3	\$10,045.00	
Central Missouri Community Action (CMCA)		\$5,000.00	\$-	\$306.00	1	\$4,694.00	
KCP&L Note: "*Beginning in 2011, unused funds are not rolled to next year. New contracts begin in January each year and end on December 31. "							

Materials from Data Request MDNR 1-2 ER-2012-0175 (HC)

2012 Annual and Year to Date							
Agency	Funds Available (ER-2010-0355)	Funds Provided '12		Administrative Funds (13% of total, per response to MDNR Data Request 1-2.g)	Number of Jobs Completed, YTD	Total Cost (Excluding Admin Funds)	Balance (Funds Available - Funds Provided)
Total Missouri Program	██████████	██████████		██████████	17	██████████	██████████
City of Kansas City		██████████		██████████	14	██████████	
West Central Missouri Community Action Agency (WCMCAA)		██████████		██████████	2	██████████	
Central Missouri Community Action Agency		██████████		██████████	1	██████████	

Schedule AB-2 KCP&L and GMO Weatherization Results, 1/18/2012

Survey Question	KCMO	MVCAA	WCMCAA	CSI	CMCA
1. How satisfied are you with KCP&L's Low Income Weatherization program?	4	4	5	5	5
a. Please provide additional comment		a. : More Weatherization dollars would be appreciated and would go a long way toward helping low income families deal with high energy costs as well as lower energy consumption.			
2. How satisfied with the ease of the customer approval process?	4	3	3	5	4
a. Please provide additional comment		a. Right now it seems rather cumbersome & sometimes we need to contact KCPL numerous times to get an approval—KCPL should consider an on-line approval process like some of the other utilities.	In the past it seemed to take a while to get approval for customers.	This is extremely easy	
3. How satisfied with the qualification requirements?	3	5	5		4
a. Are there any specific qualifications that keep customers from qualifying for this program?	Income levels too low. We could help more people if the income level were higher			It is sometimes hard for us to have a pool of clients to pull from because we have a very small service area to pull from	
b. Please provide additional comments:					
4. How satisfied are you with the KCP&L's reimbursement funding administration for the program?	4	4	5	5	4
	We've never had a problem from what I'm aware of.				

	KCMO	MVCAA	WCMCAA	CSI	CMCA
5. How satisfied are you with KCP&L's contract management and administration for the program?	3	4	5	4	4
a. Please provide additional comment	We sometimes seem to be at odds, but we've worked through it			It would help if the contract ID and PO# were given at the time of the award	
6. Are customers aware of this program prior to contacting your agency?	n/a	Yes	No	n/a	Not really
a. If yes, how did they become aware of it?	I don't know, I suppose they are	KCPL publications			
b. If not, how could KCP&L increase awareness of this program to customers?	Flyers, billboard advertisement	Put county contact info into every bill/communication so that people would know who to contact to sign up for weatherization	We have never had a KCP&L customer mentioned this program.	Unknown if clients are aware or not. We do not know how you inform them of this funding	Direct mail in bills
7. Do you ever get the opportunity to talk with these customers after they participate in KCP&L's Low Income Weatherization program?	No	Yes	No	No	1
a. If yes, what do customers say about the weatherization program?		Most are very appreciative & would like even more measures done to help save energy		We don't normally have the opportunity to speak with the clients afterwards unless they have a complaint.	
8. What other types of programs does your agency help customers get signed up for?	n/a	Yes	n/a	Yes	Yes
a. How does KCP&L's Low Income Weatherization program compare to those other offerings?	KCP&L is a good partner I our wx efforts. We sincerely appreciate all they do	a. KCPL has one of the largest amounts that we can use for weatherization measures.	a	We have several programs with our agency and all employees try to find out what program each client might be eligible for and encourage them to apply	Utility assistance

	KCMO	MVCAA	WCMCAA	CSI	CMCA
9. Do you also deal with the weatherization contractors?	Yes	Yes	Yes	Yes	Yes
a. If yes, how satisfied are you with the contractors? Please explain?	The contractors associated with our program using KCP&L funds	a. We use all of our own people for all of the weatherization work except for the HVAC work—then we use contractors. We are well satisfied with the work that is done, except that it gets done at a slower rate than we would like more money per home—more money over all-going to an on-line customer approval process would speed up the file procedures.		The contractors that we use are very aware of the circumstances that our clients are in and are very sensitive to their situations.	Satisfied
1. Please explain in detail any suggestions for improving KCP&L's process for administering the Low Income Weatherization Program.					
1. Would you suggest changing the funding administration mechanism to the EIERA organization utilized by other Missouri utilities?	No	No	No	I don't know what EIERA is	No
	I have no idea how well that would work for us. I would rather keep things the way they are.				Please keep the with KCPL. They are timely, responsive and very professional. Please do not more the program to EIERA

Schedule AB-3: DOE and ARRA Weatherization Expenses, July 2009-June 2012

	Total	Monthly Average	Annual Estimate
<u>Units Weatherized by Program</u>			
Funding Source			
ARRA	3,172	88	1,057
DOE	329	9	110
<u>Program Operations</u>			
Funding Source			
ARRA	\$21,198,701	\$588,853	\$7,066,233.67
DOE	\$1,594,742	\$ 44,298	\$531,580.67
Source: EE00151 ARRA Production Estimates and DOE Weatherization Reporting (HC) Internal MDNR Sources, see workpapers for monthly data.			

Schedule AB-4: DOE PY 2012 Guidance Document



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 12-2
EFFECTIVE DATE: February 8, 2012

SUBJECT: PROGRAM YEAR 2012 GRANTEE ALLOCATIONS

PURPOSE: To provide final Grantee allocations for the preparation and submission of applications for funding for the Weatherization Assistance Program (WAP) for Program Year (PY) 2012.

SCOPE: The provisions of this guidance apply to Grantees applying for financial assistance under the Department of Energy (DOE) WAP.

LEGAL AUTHORITY: Title IV, Energy Conservation and Production Act, as amended, authorizes the Department of Energy to administer the Weatherization Assistance Program. (42 U.S.C. § 6861, *et. seq.*) All grant awards made under this program shall comply with applicable law and regulations including the WAP regulations contained in 10 CFR 440.

PROCEDURES: Congress has passed and the President has signed the FY 2012 Energy and Water Appropriations Act, Pub. L. 112-74. The FY 2012 Appropriations Act funds Weatherization at \$68,000,000. This funding level is less than one-third of that recently provided annually through Appropriations for WAP. Congress also provided the DOE Secretary authority to waive the allocation formula established in the WAP regulations for Program Year 2012.

DOE has determined that an appropriation level of \$68 million cannot sustain an effective national weatherization program using the regulatory formula to allocate funds. The Secretary is exercising the provided authority and funds are being allocated in an effort to provide States WAP funding in PY 2012 at a level comparable to funding levels prior to the Recovery Act, with consideration of carry-over funding available to States and the funding level provided through FY2012 appropriations. There will be Grantees that will receive no new DOE funding for FY 2012.

Grantees should refer to the Funding Opportunity Announcement No.DE-FOA0000641 or any subsequent guidance documents for additional information on the funding and allocation process.

Note: Sustainable Energy Resource for Consumers Grants will not be funded in 2012.

The final Grantee allocations attached are to be used in conjunction with Weatherization Program Notice 12-1, Program Year 2012 Weatherization Grant Guidance, in developing the annual grant application for 2012. Grantees should develop their 2012 Grantee plans based on these allocations



Annamaria Garcia
Acting Program Manager
Office of Weatherization and Intergovernmental Program
Energy Efficiency and Renewable Energy

Attachment

Weatherization Assistance Program**Final FY2012 State Allocations @ Appropriation of:** \$68,000,000

State	FY 2012 Program Allocation	FY 2012 T&TA Allocation	FY 2012 Total Allocation
Alabama	\$0	\$0	\$0
Alaska	\$0	\$0	\$0
Arizona	\$0	\$0	\$0
Arkansas	\$0	\$0	\$0
California	\$1,484,182	\$164,909	\$1,649,091
Colorado	\$0	\$0	\$0
Connecticut	\$1,187,763	\$131,974	\$1,319,737
Delaware	\$0	\$0	\$0
District of Columbia	\$412,423	\$45,825	\$458,248
Florida	\$0	\$0	\$0
Georgia	\$916,861	\$101,873	\$1,018,734
Hawaii	\$48,936	\$5,437	\$54,373
Idaho	\$1,249,819	\$138,869	\$1,388,688
Illinois	\$4,367,396	\$485,266	\$4,852,662
Indiana	\$0	\$0	\$0
Iowa	\$0	\$0	\$0
Kansas	\$1,596,733	\$177,415	\$1,774,148
Kentucky	\$2,853,529	\$317,059	\$3,170,588
Louisiana	\$537,296	\$59,700	\$596,996
Maine	\$1,941,189	\$215,688	\$2,156,877
Maryland	\$0	\$0	\$0
Massachusetts	\$4,134,876	\$459,431	\$4,594,307
Michigan	\$3,597,753	\$399,750	\$3,997,503
Minnesota	\$0	\$0	\$0
Mississippi	\$517,130	\$57,459	\$574,589
Missouri	\$0	\$0	\$0
Montana	\$797,859	\$88,651	\$886,510
Nebraska	\$591,453	\$65,717	\$657,170
Nevada	\$528,321	\$58,702	\$587,023
New Hampshire	\$477,831	\$53,092	\$530,923
New Jersey	\$0	\$0	\$0
New Mexico	\$549,221	\$61,024	\$610,245

New York	\$12,717,745	\$1,413,083	\$14,130,828
North Carolina	\$0	\$0	\$0
North Dakota	\$0	\$0	\$0
Ohio	\$0	\$0	\$0
Oklahoma	\$611,168	\$67,908	\$679,076
Oregon	\$1,339,227	\$148,803	\$1,488,030
Pennsylvania	\$3,479,605	\$386,623	\$3,866,228
Rhode Island	\$732,456	\$81,384	\$813,840
South Carolina	\$835,070	\$92,785	\$927,855
South Dakota	\$455,090	\$50,566	\$505,656
Tennessee	\$0	\$0	\$0
Texas	\$0	\$0	\$0
Utah	\$657,406	\$73,045	\$730,451
Vermont	\$0	\$0	\$0
Virginia	\$0	\$0	\$0
Washington	\$2,872,125	\$319,125	\$3,191,250
West Virginia	\$1,014,983	\$112,776	\$1,127,759
Wisconsin	\$5,415,605	\$601,734	\$6,017,339
Wyoming	\$340,847	\$37,872	\$378,719
American Samoa	\$118,885	\$13,209	\$132,094
Guam	\$0	\$0	\$0
Puerto Rico	\$0	\$0	\$0
Northern Mariana Islands	\$0	\$0	\$0
Virgin Islands	\$0	\$0	\$0
Navajo Grant:	\$0	\$0	\$0
Northern Arapahoe Grant:	\$63,661	\$7,073	\$70,734
Inter-Tribal Council of Arizona Grant:	\$55,556	\$6,173	\$61,729
Headquarters T&TA			\$3,000,000
Leveraging Project			\$0
Total	\$58,500,000	\$6,500,000	\$68,000,000

Schedule AB-6 DOE Missouri Allocation Letter



Department of Energy

Washington, DC 20585

February 8, 2012

Ms. Sara Parker Pauley, Director
Missouri, Department of Natural Resources
P.O. Box 176
1101 Riverside Drive (Grants-Accounting Program)
Jefferson City, MO 65102-0176

Dear Ms. Parker Pauley:

As you know, the Weatherization Assistance Program (WAP) enables low-income families to permanently reduce their energy bills and improve the health and safety of their homes. These WAP investments stimulate businesses, support local economies, and create jobs in communities across the nation. The U.S. Department of Energy (DOE) is proud to partner with your office to accomplish the goals of the WAP. This letter is to inform you of the WAP funding that will be available from the DOE for Program Year (PY) 2012.

In the 2012 Consolidated Appropriations Act, Congress provided \$65 million for allocation to WAP grantees - a funding level that is less than one-third of the amount recently provided through appropriations for the Program. Congress also provided the Secretary of Energy with the authority in PY 2012 to use a methodology other than the formula established in regulation to distribute the available funding. The Secretary is exercising this authority. The PY 2012 allocation is intended to create WAP funding in PY 2012 comparable to funding levels prior to the American Recovery and Reinvestment Act of 2009 (ARRA). The allocation uses a results oriented strategy that considers remaining fund balances grantees may have from the ARRA and prior year DOE Appropriations to distribute the Fiscal Year (FY) 2012 WAP Appropriations.

DOE allocated PY 2012 funds to ensure two major outcomes: 1) grantees that spent their ARRA funds on time have adequate DOE funding to maintain their operations at pre ARRA levels; and 2) all grantees have adequate funds to operate throughout PY 2012, given the fund balances that are already allocated but remain unspent. Based on projected fund balance at the beginning of your PY 2012, your operation will receive \$0 funds from the PY 2012 Appropriation. Your allocation was based on the following criteria:

- Use of an appropriation amount of \$210 million as the base "PY12 Target Allocation" for establishing funding for each grantee. This is the amount that would have been awarded to grantees through the funding formula as established in the regulations based on a \$210 million Appropriation by Congress (as provided in PY 2010 without the \$30 million set-aside for innovative competitive awards).



- Whether a significant portion of the “PY12 Target Allocation” is available in ARRA balances for at least half of your PY 2012 (based on recent approvals of extensions to ARRA grants). PY 2012 “Target Allocations” were adjusted downward by 25 percent for grantees with such significant balances.
- Whether more than the “PY12 Target Allocation” (adjusted for ARRA balance as described above) is expected to be available at the start of your PY 2012. Grantees with a prior year balance totaling more than the “PY12 Target Allocation” will not receive additional FY 2012 funding.
- Whether more than 60 percent of the “PY12 Target Allocation” (adjusted for ARRA balance as described above) is expected to be available at the start of your PY 2012. “Target Allocations” were adjusted downward by 50 percent for these grantees.
- Allocation of PY 2012 funds was provided to those grantees requiring additional DOE funds to reach their adjusted “PY12 Target Allocation”. This allocation was equal to 76.38 percent of the adjusted “Target Allocation” - the proportional share of the \$65 million Appropriation relative to the sum of the adjusted target allocations.

The specific information used in determining your allocation is provided in the Attachment. The WAP Funding Opportunity Announcement (FOA) containing the PY 2012 funding amounts for grantees and the requirements for State Plan submissions and approvals will be distributed in early February. In the meantime, it may be beneficial for your WAP office to review all grant agreements between your office and your subgrantees to ensure that extensions for existing funds are in place before the beginning of your PY 2012.

Thank you for continuing to provide these important and effective services on behalf of DOE and the families you serve each day.

Sincerely,



Kathleen B. Hogan
Deputy Assistant Secretary for
Energy Efficiency
Office of Technology Development
Energy Efficiency and Renewable Energy

CC: The Honorable Jeremiah W. (Jay) Nixon, Governor
Joe Gassner, WAP Program Manager
Shawn Green, DOE Project Officer

Attachment
Information Used to Determine Program Year (PY) 2012
WAP Allocation for Missouri

1. According to your recent WAP grant activity, your PY 2012 Start Date is ***July 1, 2012***.
2. Our records indicate that you will have approximately ***\$6,902,432*** in projected WAP ARRA funds available during your PY 2012 Performance Period.
3. Our records indicate that you will have approximately ***\$10,136,899*** in projected DOE Appropriated funds available during your PY 2012 Performance Period.
4. If DOE had \$210 million available to distribute through its normal allocation tables, you would receive approximately ***\$5,506,528*** in PY 2012. This is the *PY 2012 Target Allocation*.
5. You have a balance of ARRA funds available to your Weatherization Program for part or all of your PY 2012 as referenced in (2) above. Your *PY 2012 Target Allocation* was adjusted to ***\$4,129,896*** to account for these existing funds.
6. You have a balance of DOE- Appropriated funds available to your Weatherization Program, as referenced in (3) above. These funds represent ***245.5%*** of the funds needed to establish your adjusted *PY 2012 Target Allocation*. If these funds were greater than 100 percent of your adjusted *PY 2012 Target Allocation*, the target was adjusted to ***\$0***.
7. After all adjustment to funding levels, your PY 2012 Allocation is ***\$0***.

Schedule AB-7 Simple calculation of Weatherization Collection Increase (HC)

Estimated Number of Families living below the poverty line in KCP&L Service Territory from American Community Survey	55,894
Annual Weatherization funding required in ER-2010-0355	\$573,888
Program Operation Budget: Less [REDACTED] Administrative Cost, from MDNR DR 1-5	[REDACTED]
Per House expenditures per MDNR DR 1-5	[REDACTED]
Number of Houses Per Year	143
Proportion of Houses Served	0.26%
Proportionate Increase	1.25
Estimated Proportion of Houses Served	0.32%
Estimated Annual Production	178
Estimated Program Operations Budget	\$624,103
Estimated Total Cost	\$717,360
Additional Funds Required	
Program Operations Budget	\$ 124,821
Total Cost	\$143,472