

Exhibit No.:  
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  
Type of Exhibit: Surrebuttal Testimony  
File No.: ER-2012-0174

**SURREBUTTAL TESTIMONY**  
**OF**  
**ADAM BICKFORD**  
**MISSOURI DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF ENERGY**

**October 5, 2012**

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

**KANSAS CITY POWER AND LIGHT**

**FILE NO. ER-2012-0174**

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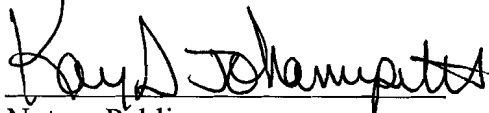
Adam Bickford, of lawful age, being duly sworn on his oath, deposes and states:

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 is my Surrebuttal Testimony on behalf of the Missouri Department of Natural Resources' Division of Energy, consisting of 4 pages of testimony, 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.



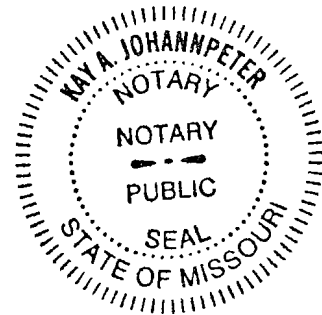
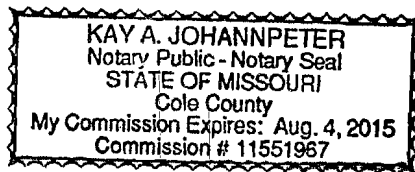
Adam Bickford

Subscribed and sworn to before me this 5th day of October, 2012.



Notary Public

My commission expires:



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## I. Introduction

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

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

6 **Q. Are you the same Adam Bickford that submitted direct testimony in this case**  
7 **on August 9, 2012?**

8 A. Yes, I am.

9 **Q. What is the purpose of your surrebuttal testimony?**

10 A. I wish to respond to the rebuttal testimony of Mr. Tim Rush on the operation of  
11 Kansas City Power and Light's (KCPL) Low Income weatherization program  
12 (weatherization) as it relates to weatherization funding, the Commission's order in  
13 ER-2010-0355, and to the capacity of the Community Action Agencies (CAAs)  
14 serving KCPL's ratepayers after the remaining American Recovery and  
15 Reinvestment Act (ARRA) funds are expended.

## II. Response to Tim Rush

16  
17 **Q. What point did Mr. Rush make about KCPL's funding of the weatherization**  
18 **program in his rebuttal testimony?**

19 A. Mr. Rush noted that: "[a]s part of KCP&L's rate case, the amounts booked during  
20 the test year are included. There is no collection prior to actual dollars spent."<sup>1</sup>

21 **Q. What is your response to Mr. Rush's comments?**

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<sup>1</sup> Rebuttal Testimony of Tim M. Rush, File ER-2012-0174, p. 18.

1 A. My understanding, based on the Commission's order in ER-2010-0355, is that  
2 weatherization funds were to be expensed.<sup>2</sup> The Commission ordered that "KCP&L  
3 and GMO shall: continue their respective low-income weatherization programs at  
4 their current levels of funding; continue working with local community action  
5 agencies..."<sup>3</sup> Given the Commission order that KCPL spend a specified amount  
6 each year and given the Commission's statement about expensing weatherization  
7 funds, it appears that KCPL should be collecting weatherization funds from  
8 ratepayers and dispersing the collected funds to the CAAs in its service territory. It  
9 appears that the Commission's order is not being followed.

10 My direct and rebuttal testimony addressing the current funding of the  
11 weatherization program was based on my reading of the Commission's order in  
12 ER-2010-0355 and on the testimony of Commission Staff's witness Dr. Henry  
13 Warren, who was also under the impression that KCPL has been collecting  
14 weatherization funds from ratepayers. Dr. Warren's comments about the use of  
15 carryover in the *Staff Report, Revenue Requirement Cost of Service* report illustrate  
16 his belief that weatherization funds were being collected in rates.<sup>4</sup> In Dr. Warren's  
17 rebuttal testimony, he corrects his position, noting that "[t]he auditors assigned to  
18 this case have verified that KCPL has not included the amount of \$573,888 in  
19 revenues used to calculate rates subsequent to the previous rate case (Case No.  
20 ER-2010-0355). The unfunded amounts in Schedules HEW 1 and HEW 3 do not  
21 represent funds accruing to KCPL, and there is no monetary carryover."<sup>5</sup>

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<sup>2</sup> Report and Order, File No. ER-2010-0355. p. 178, paragraph 53.

<sup>3</sup> Ibid, p. 182

<sup>4</sup> *Staff Report, Revenue Requirement Cost of Service*, ER-2012-0174, p. 175.

<sup>5</sup> Rebuttal Testimony of Dr. Henry E. Warren, ER-2012-0174, p. 4.

1 **Q. Do you have a recommendation for the Commission in this matter?**

2 A. Yes. As noted by both myself and Dr. Warren, KCPL has not filed a revised tariff  
3 sheet governing its weatherization program. My recommendation is that the  
4 Commission order KCPL to file revised tariff sheets that specify the amount to be  
5 collected from ratepayers each year, specify the amount to be disbursed, and  
6 specify a funding allocation mechanism similar to that used by MGE and Empire.

7 **Q. In his rebuttal testimony, Mr. Rush stated that “It has been the Company’s**  
8 **experience that with the exception of a select few, the CAAs have not been**  
9 **able to utilize the annual funding allocations.”<sup>6</sup> Do you wish to comment on**  
10 **his observation?**

11 A. Yes. Mr. Rush is commenting on CAA spending prior to, and during, ARRA. ARRA  
12 increased the amount of money available for weatherization and the CAAs  
13 responded by hiring and training more people and by purchasing more equipment  
14 to weatherize homes. The ARRA weatherization grant expires on March 31, 2013,  
15 and CAA subgrants were amended to permit work on weatherization projects up to  
16 December 31, 2012, when all work funded by ARRA must cease. After December  
17 31, 2012 CAAs will still have increased capacity to perform weatherization but will  
18 need funding assistance to continue their work. As discussed in my direct  
19 testimony, the current fiscal appropriations for the weatherization program are such  
20 that federal funds for the weatherization program may not be available after the  
21 current fiscal year and future funding is uncertain. This situation, of increased  
22 capacity to perform weatherization projects and uncertain funding, makes it more

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<sup>6</sup> Rebuttal Testimony of Mr. Tim M. Rush, ER-2012-0174, p 19

1 likely that the CAAs will need and use KCPL's weatherization funding in the coming  
2 months and into the future.

3 Mr. Rush mentions using KCPL's DSM advisory group to discuss  
4 weatherization funding issues.<sup>7</sup> MDNR supports the discussion of weatherization  
5 funding issues in the DSM advisory group, including how the program may be  
6 improved to maximize the benefits of the funds that KCPL is expected to expend  
7 annually. In particular, MDNR would like to discuss ways to insure that the CAAs  
8 have a clear understanding of the utility funds available and have the opportunity to  
9 effectively plan for full expenditure of the annual weatherization budget.

10 **Q. Do you have a recommendation for the Commission about this issue?**

11 A. Yes. As part of the Commission order to file a revised weatherization tariff, KCPL  
12 should work with the DSM advisory group to discuss the funding details of the  
13 KCPL weatherization program. This should include consideration of ways to  
14 provide funding to the agencies in a manner that will support their cash flow and  
15 use all of the funds KCPL has available for this program.

16 **Q. Does this complete your testimony?**

17 A. Yes. Thank you.

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<sup>7</sup> Ibid, p 20