

Exhibit No.:
Issues: Low-Income Weatherization, ERP²,
Supplemental Weatherization and
Minor Home Repair
Witness: Allen D. Dennis
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Kansas City Power & Light Company
Case No.: ER-2009-0089
Date Testimony Prepared: April 7, 2009

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO.: ER-2009-0089

SURREBUTTAL TESTIMONY

OF

ALLEN D. DENNIS

ON BEHALF OF

KANSAS CITY POWER & LIGHT COMPANY

**Kansas City, Missouri
April 2009**

SURREBUTTAL TESTIMONY

OF

ALLEN D. DENNIS

CASE NO. ER-2009-0089

1 **Q. Are you the same Allen D. Dennis who submitted Direct and Rebuttal Testimony in**
2 **this proceeding?**

3 A. Yes, I am.

4 **Q. What is the purpose of your Surrebuttal Testimony?**

5 A. The purpose of my Surrebuttal Testimony is to respond to the Rebuttal Testimony filed
6 by Mr. Robert T. Jackson's, City of Kansas City, Missouri, ("KCMO" or "City")
7 regarding the low-income weatherization program. Also, I will comment on the
8 testimony of Ms. Anne Ross, of the Staff of the Missouri Public Service Commission,
9 concerning Kansas City Power & Light Company's ("KCP&L") proposed Economic
10 Relief Pilot Program ("ERP²") and the testimony of Mr. Ryan Kind, Office of Public
11 Counsel ("OPC") on the proposed Supplemental Weatherization and Minor Home Repair
12 Program (Weatherization/Repair Program).

13 **Q. Do you have any remarks on the City's Rebuttal Testimony?**

14 A. Yes. KCP&L is always willing to discuss ways to improve service to customers and we
15 are appreciative of the City's input on ways to improve the Low-Income Weatherization
16 program.

1 **Q. Do you take exception with the City’s suggestion that KCP&L’s call center should**
2 **determine a customer’s Low-Income Weatherization eligibility?**

3 A. Yes. KCP&L’s call center does not have the capability to verify income eligibility
4 required under the tariff (at or below 185% of the current year Federal Poverty Level or
5 60% of the state median income). The call center can inform customers of the Low-
6 Income Weatherization program. KCP&L cannot verify income eligibility, determine
7 minimum energy consumption, or establish length-of-service requirements in an effort to
8 only refer pre-approved customers to the City or appropriate social agencies.

9 **Q. Are there any additional issues with the City’s Rebuttal Testimony?**

10 A. Yes. KCP&L and the City have been working together to address process concerns.
11 Stemming from that effort, the call center has improved the weatherization referral
12 process. One such improvement is customers that seek bill payment assistance or inquire
13 about the KCMO-KCP&L weatherization program are referred to the City or appropriate
14 social service agency served by the county where the customer resides.

15 **Q. In general, are you supportive of the recommendations as stated in Staff witness**
16 **Anne Ross’s Rebuttal Testimony?**

17 A. Yes, I am generally supportive of her recommendations as more adequately detailed
18 below. Additionally, my surrebuttal testimony contains revised proposed tariffs for
19 ERP². The complete tariff is attached as Schedule ADD-2.

20 **Q. What is your response to Staff’s recommendation to more clearly define the**
21 **parameters around “Discontinuance and Reinstatement” to the program?**

22 A. We have modified the ERP² tariff to allow the reinstatement for customers who
23 voluntarily leave the program. See Schedule ADD-2.

1 **Q. What is your response to Staff’s recommendation regarding the “vagueness” of the**
2 **word “May” with respect to “Discontinuance and Reinstatement”?**

3 A. We have modified the ERP² tariff to change the words “May” to “Will”. See Schedule
4 ADD-2.

5 **Q. What are your revisions to the proposed ERP² tariff in accordance with Staff**
6 **recommendations?**

7 A. From the DISCONTINUANCE AND REINSTATEMENT: “If a participant voluntarily
8 leaves the ERP², that customer shall be ineligible for participation in the ERP² for the
9 remainder of the term of this experimental program.” has been deleted. From the
10 DISCONTINUANCE AND REINSTATEMENT: “KCP&L may discontinue a
11 participant’s ERP² credit for any of the following reasons:” the word “may” have been
12 replaced with the word “will”. It now states: “KCP&L will discontinue a participant’s
13 ERP² credit for any of the following reasons:”

14 **Q. What are your revisions to the proposed ERP² tariff in order to make**
15 **implementation of the program more feasible?**

16 A. (The following have been updated):
17 i. DEFINITIONS: “Qualified Customer – A KCP&L customer receiving residential
18 service under Schedule R who is classified as low-income by the Missouri Department of
19 Social Service criteria and whose annual household income is no greater than 185% of
20 the federal poverty level, as established by the poverty guidelines updated periodically in
21 the Federal Register by the U.S. Department of Health and Services under the authority
22 of 42 U.S.C. 9902 (2).”

1 ii. AVAILABILITY: “1. Participant must be a KCP&L customer receiving residential
2 service under Schedule R.”

3 iii. to AVAILABILITY: “3. Participants who have outstanding arrearages will enter
4 special pay agreements as mutually agreed to by both the Participant and the Company

5 iv. to AVAILABILITY: The list of eligibility requirements has been repaginated.

6 v. to ENERGY ASSISTANCE: “Applicants agree to apply for any other available energy
7 assistance programs identified by the Company.”

8 (The following have been deleted):

9 i. AVAILABILITY: “For purposes of determining the level of the ERP² credit to be
10 received, the participants will be categorized as follows: participants whose annual
11 income has been verified as being from 0 to 185 percent (0%-185%) of federal poverty
12 level.”

13 ii. to AVAILABILITY: “Participants shall be required to enroll in KCP&L’s average
14 Payment Plan with adjustments to said plan limited to once per year”.

15 (The following have been added):

16 i. to CREDIT AMOUNT: “Up to 1,000 participants shall receive the ERP² credit in the
17 amount of each participant's average bill for the most recent 12 months bills. The credit
18 amount will be determined by the Company at the time of enrollment. The maximum
19 amount of the credit will be \$50 per month”.

20 **Q. Do you have any additional tariff changes?**

21 A. Yes, several typographical and grammatical errors have been corrected.

22 **Q. Do you agree with Staff’s recommendation concerning the implementation and
23 evaluation of the ERP² program?**

1 A. Yes, we agree with Staff's witness that the implementation of the ERP² program should
2 be approved in the current case. Additionally, we believe approval for implementation in
3 this case should be accompanied by approval that the evaluation of program and its costs
4 in a future proceeding should carry with it that the costs be considered a Regulatory Asset
5 for purposes of deferring accumulated costs until the conduct of the proceeding to
6 evaluate the program and its costs.

7 **Q. Would you like to comment on Mr. Kind's testimony?**

8 A. Yes.

9 **Q. Do you have any clarification on your testimony as a result of reading Mr. Kind's**
10 **testimony?**

11 A. Yes. Mr. Kind makes reference to not recalling details of the Weatherization/Repair
12 Program not being discussed at the KCP&L Customer Program Advisory Group (CPAG)
13 meetings. After reviewing our notes, I believe Mr. Kind is correct.

14 **Q. Do you have any additional comments on Mr. Kind's testimony?**

15 A. Yes. KCP&L is not requesting approval or cost recovery of the proposed tariff in this
16 case. KCP&L will work with its stakeholders, including OPC, to develop the tariff and
17 supporting information in preparation of a future Weatherization/Repair Program tariff
18 filing.

19 **Q. Does that conclude your testimony?**

20 A. Yes, it does.

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

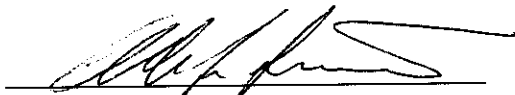
In the Matter of the Application of Kansas City)
Power & Light Company to Modify Its Tariff to) Case No. ER-2009-0089
Continue the Implementation of Its Regulatory Plan)

AFFIDAVIT OF ALLEN D. DENNIS

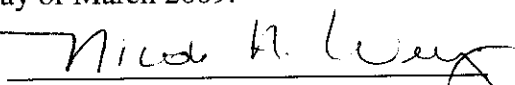
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

Allen D. Dennis, being first duly sworn on his oath, states:

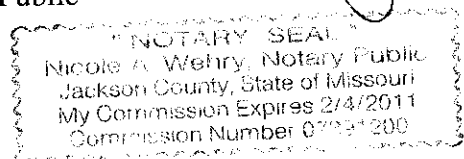
1. My name is Allen D. Dennis. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Director, Products and Services.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Kansas City Power & Light Company consisting of five (5) pages and Schedule(s) ADD - 2 through , having been prepared in written form for introduction into evidence in the above-captioned docket.
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.


Allen D. Dennis

Subscribed and sworn before me this 7th day of April ~~March~~ 2009.


Notary Public

My commission expires: Feb. 4, 2011



KANSAS CITY POWER & LIGHT COMPANY

P.S.C. MO. No. 7 First _____ Original Sheet No. 6
 Revised
Cancelling P.S.C. MO. No. 7 Original _____ Original Sheet No. 6
 Revised
For Missouri Retail Service Area

ECONOMIC RELIEF PILOT PROGRAM Schedule ERP²

PURPOSE:

The Economic Relief Pilot Program offered by Kansas City Power & Light Company provides an opportunity to relieve the financial hardship experienced by some of our customers. Through this three (3) year pilot* we shall endeavor to insure this program is a valuable and viable program for customers.

APPLICATION:

This Economic Relief Pilot Program is applicable for residential service billed under Schedule R, to qualified customers. The ERP² will, on a pilot basis, provide up to 1,000 participants with a fixed credit on their monthly bill (ERP² credit). Customers participating in the ERP² program shall receive the credit for a period up to 12 months from the billing cycle designated by the Company (KCP&L) as the participants first month until the billing cycle designated as the participants last for ERP². At the end of the 12 month period, a customer may reapply to participate further in the program through the term of the pilot program.

DEFINITIONS:

Qualified Customer – A KCP&L customer receiving residential service under Schedule R who is classified as low-income by the Missouri Department of Social Service criteria and whose annual household income is no greater than 185% of the federal poverty level, as established by the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Services under the authority of 42 U.S.C. 9902 (2).

Deleted: n

Applicant – A qualified customer who submits an ERP² application form for the ERP² credit.

Participant - An applicant who agrees to the terms of the ERP² and is accepted by KCP&L.

Program Funds – Annual ratepayer funding for the ERP² is \$315,000.00. Ratepayer funding shall be matched dollar for dollar by KCP&L. The \$630,000.00 annual sum of ratepayer funding and the KCP&L matching funds shall be the "program funds".

Agencies- The social service agencies serving KCP&L's service territory that qualify and assist ERP² customers pursuant to written contract between KCP&L and the Agencies.

* The three year pilot begins on the original effective date of this program.

DATE OF ISSUE:

ISSUED BY: Chris B. Giles
Vice-President

DATE EFFECTIVE:

1201 Walnut, Kansas City, Mo. 64106

KANSAS CITY POWER & LIGHT COMPANY

P.S.C. MO. No. 7 Original Original Sheet No. 6A

Revised

Cancelling P.S.C. MO. No. _____ Original Sheet No. _____

Revised

For Missouri Retail Service Area

ECONOMIC RELIEF PILOT PROGRAM
Schedule ERP²

(Continued)

AVAILABILITY:

Service under this rate schedule shall be available to up to one thousand participants in the KCP&L service area who satisfy the following eligibility requirements:

1. Participant must be a ~~KCP&L~~ customer receiving residential service under Schedule R.
2. Participant's annual household income must be verified initially, and annually thereafter, as being no greater than 185 percent (185%) of the federal poverty level.
3. Participants who have outstanding arrearages ~~will enter special pay agreements as mutually agreed to by both the Participant and the Company.~~
4. Participants must provide, via an interview or questionnaire, information related to their energy use and program participation. Any information provided in these interviews or questionnaires that is later made public will not be associated with the participant's name.
5. Any provision of the Company's rules and regulations applicable to the Company's Schedule R customers will also apply to ERP² participants.

Deleted: n

Deleted: 3. For purposes of determining the level of the ERP² credit to be received, the participants will be categorized as follows: participants whose annual income has been verified as being from 0 to 185 percent (0% - 185%) of the federal poverty level.¶

Deleted: 4. Participants shall be required to enroll in KCP&L's Average Payment Plan with adjustments to said plan limited to once per year.¶
¶
5

Deleted: shall

Deleted: through which the arrearages shall be paid over a period of 12 to 24 months

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ENERGY ASSISTANCE:

1. Participants who have not previously completed an application for a LIHEAP ("Low-Income Home Energy Assistance Program") grant agree to apply for a LIHEAP grant when such grants become available. KCP&L, through the Agencies, shall assist ERP² participants with completion of LIHEAP application forms when such assistance is requested.
2. Applicants agree to apply for any other available energy assistance programs identified by the Company.

Deleted: , including any available weatherization programs.

DATE OF ISSUE:

ISSUED BY: Chris B. Giles
Vice-President

DATE EFFECTIVE:

1201 Walnut, Kansas City, Mo. 64106

KANSAS CITY POWER & LIGHT COMPANY

P.S.C. MO. No. 7 Original Original Sheet No. 6B

Revised

Cancelling P.S.C. MO. No. _____ Original Sheet No. _____

Revised

For Missouri Retail Service Area

ECONOMIC RELIEF PILOT PROGRAM
Schedule ERP²

(Continued)

CREDIT AMOUNT:

Participants shall receive the ERP² credit for so long as the participant continues to meet the ERP² eligibility ~~requirements.~~

Deleted: requirements .

~~Up to 1,000 participants shall receive the ERP credit in the amount of each participant's average bill for the most recent 12 months bills. The credit amount will be determined by the Company at the time of enrollment. The maximum amount of the credit will be \$50 per month.~~

Deleted: Up to 1,000 participants shall receive the ERP² credit in the

DISCONTINUANCE AND REINSTATEMENT:

KCP&L ~~will~~ discontinue a participant's ERP² credit for any of the following reasons:

Deleted: following amounts (not to exceed the participant's monthly Average Payment Plan amount payment): Up to

1. If KCP&L, through the Agencies, determines the participant no longer meets the eligibility requirements set forth in this tariff.
2. If the participant submits a written request to KCP&L asking that the ERP² credit be discontinued.
3. If the participant does not conform to KCP&L's rules and regulations as approved by the Missouri Public Service Commission, and as a result the participant has Schedule R service discontinued by KCP&L.

Deleted: amount of their average monthly bill, up to a maximum of \$50 per month. ¶

Deleted: may

Reinstatement of the ERP² credit following discontinuance in the above circumstances and after the participant again meets the eligibility requirements will be at the discretion of KCP&L.

MISAPPLICATION OF THE ERP2 CREDIT:

Providing incorrect or misleading information to obtain the ERP² credit shall constitute a misapplication of the ERP² credit. If this occurs KCP&L may discontinue the ERP² credit and rebill the account for the amount of all ERP² credits received by the participant. Failure to reimburse KCP&L for the misapplication of the ERP² credits may result in termination of customer's electric service pursuant to KCP&L's rules and regulations. However, nothing in this experimental tariff shall be interpreted as limiting KCP&L's rights under any provisions of any applicable law or tariff.

Deleted: If participant voluntarily leaves the ERP², that customer shall be ineligible for participation in the ERP² for the remainder of the term of this experimental program. ¶

DATE OF ISSUE:

ISSUED BY: Chris B. Giles
Vice-President

DATE EFFECTIVE:

1201 Walnut, Kansas City, Mo. 64106

KANSAS CITY POWER & LIGHT COMPANY

P.S.C. MO. No. 7 Original Original Sheet No. 6C
 Revised
Cancelling P.S.C. MO. No. _____ Original Sheet No. _____
 Revised
For Missouri Retail Service Area

ECONOMIC RELIEF PILOT PROGRAM
Schedule ERP² (Continued)

OTHER CONDITIONS:

The ERP² program has been designed so that KCP&L neither profits from nor incurs losses as a result of offering this experimental program.

Costs of administering the program, including those costs charged by the Agencies, shall be paid from the program funds.

KCP&L will gather and maintain participant data on usage, arrears, payments and other relevant factors to be used in the evaluation of the program.

KCP&L shall make non-confidential data, as well as any and all program evaluations that are conducted, available to the parties.

The pilot program may be evaluated in any KCP&L rate or complaint case. The evaluation shall be conducted by an independent third party evaluator under contract with KCP&L, that is acceptable to KCP&L, Commission Staff and the Public Counsel. The costs of the evaluator shall be paid from the program funds.

If any program funds in excess of actual program expenses remain at the end of the ERP² program, KCP&L shall redirect the excess funds to tariffed demand-side management programs.

DATE OF ISSUE: ISSUED BY: Chris B. Giles Vice-President
DATE EFFECTIVE: 1201 Walnut, Kansas City, Mo. 64106