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| Exhibit No. | : | |
| Witness | : | Robert T. Jackson |
| Type of Exhibit | : | Rebuttal Testimony |
| Party | : | CITY OF KANSAS CITY |
| Case No. | : | GR-2001-292 |
| Issue: | | Weatherization Program |



# CITY OF KANSAS CITY, MISSOURI

Case No. GR-2001-292

## REBUTTAL TESTIMONY

OF

ROBERT T. JACKSON

Kansas City, Missouri
May, 2001

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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| In the Matter of Tariff Revisions of Missouri Gas Energy, a division of Southern Union Company, Designed to increase rates for natural gas service to customers in the Missouri service areas of the Company. Gas Service in the Company's Missouri Service Area. | ) ) ) ) ) ) | Case No. GR-2001-292 |

AFFIDAVIT OF ROBERT T. JACKSON

STATE OF MISSOURI )
) ss.
COUNTY OF JACKSON )

I, Robert T. Jackson, of lawful age, being duly sworn, do hereby depose and state:

1. My name is Robert T. Jackson. I am the Weatherization Program Administrator with the City of Kansas City, Missouri Department of Housing and Community Development Home Weatherization Program.

2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.

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 personal knowledge, information and belief.

Robert T. Jackson

Subscribed and sworn to before me, a Notary Public, this ___th day of May, 2001.

Vikki A. Robinson
Notary Public

My Commission expires:
6/28/03

VIKKI A ROBINSON
NOTARY PUBLIC STATE OF MISSOURI
JACKSON COUNTY
MY COMMISSION EXP. JUNE 28,2003

# TESTIMONY OF ROBERT T. JACKSON

Q. WHAT IS YOUR NAME, TITLE AND BUSINESS ADDRESS?

A. My name is Robert T. Jackson. I am the Weatherization Program Administrator with the City of Kansas City, Missouri Department of Housing and Community Development Home Weatherization Program. My business address is 11th Floor, City Hall, 414 East 12th Street, Kansas City, MO 64106.

Q. ON WHOSE BEHALF DO YOU APPEAR IN THIS PROCEEDING?

A. The City of Kansas City, Missouri.

Q. PLEASE BRIEFLY EXPLAIN YOUR CONNECTION WITH THE WEATHERIZATION PROGRAM AND YOUR DUTIES.

A. I have been employed by the City of Kansas City in the Weatherization Program for 20 years, and have been the Weatherization Program Administrator for 16 of those years. I made the initial request for the City/Utility (the utility was Western Resources at that time) participation in the experimental energy conservation program (now Weatherization Program) to benefit residential customers. I have been involved with the MGE Weatherization Program since its inception. Regarding my duties, I am generally responsible for the overall management of the City's Home Weatherization program.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. My testimony is offered for the purpose of responding to Dr. Henry Warren's direct testimony regarding the Weatherization Program, and in general to advise the Commission of the status of the program.

Q. DR. WARREN HAS PROPOSED A PROPORTIONAL EXPANSION OF THE WEATHERIZATION PROGRAM. DO YOU AGREE WITH HIS PROPOSAL?

A. Yes, I do.

Q. EXPLAIN TO THE COMMISSION WHY YOU AGREE.

A. MGE's Experimental Weatherization Program (the Program) is a success. From its beginning operation in 1994, 687 homes have been weatherized. Homes all over Clay, Jackson and Platte counties have been assisted. There are over 50 homes being processed in the Program at this time. The Program's success has been realized without overburdening MGE. Even though it is funded by MGE, the Program requires minimum administrative support from MGE. The City of Kansas City has assumed the bulk of the duties necessary to administer the Program.

The effectiveness of the Program is the key to its success. In my opinion, the Program is highly effective and independent evaluators agree. Dr. Warren attached to his testimony the final report of TecMRKT Works on the *Process and Impact Evaluation of Missouri Gas*

*Energy's Pilot Weatherization Program*, and on page vii of the Executive Summary TecMRKT reports:

> In summary, we found the program provides positive benefit cost ratios, strong energy savings and is well organized and structured to provide valuable services to the participants. We found that the program is functioning well and is able to deliver valuable services to participants in a way that should be viewed as a credit to the Company, the City and many of the installation contractors. In addition, the program operations, records, and tracking systems we examined are exceptionally well designed and maintained and effectively support the program operations and implementation.

Q. WHAT WOULD BE THE BENEFITS OF EXPANDING THE PROGRAM?

A. An expanded weatherization program will permit a continuation of leveraged federal dollars on home weatherization projects funded by MGE. The leveraged dollars assure cost effectiveness of MGE funds.

Furthermore, continued increases in the cost of natural gas for space heating is increasing the "energy burden" on low-income customers. The cost for space heating during the winter of 2000 resulted in a massive public outcry and many intense public discussions on the justification for the higher costs of natural gas. Program expansion would provide for some relief to the gas customer.

Finally, the expansion of the MGE Weatherization Program with increased funding will continue energy efficiency benefits to MGE. The benefits include maintaining the customer

"on-line;" reduced collection costs and improved customer satisfaction. Also, in a limited way, increasing funding also protects the affordability of natural gas from future energy cost increases.

Q. HOW MUCH MORE FUNDING IS NEEDED FOR THE EXPANSION OF THE WEATHERIZATION PROGRAM?

A. I recommend an annual increase of $250,000. With this increase the Program would be funded at the level originally proposed in 1993. This amount would adequately address the proportional expansion suggested by Dr. Warren and also address the increased demand for weatherization assistance which has developed at least in the City of Kansas City, if not throughout the company's entire service area. Last heating season, it was necessary to suspend processing MGE applications for weatherization assistance because MGE program funds were exhausted. The suspension occurred in November of 2000, which was several months before the end of the heating season. I anticipate that the demand for weatherization assistance in 2001 will be the same or greater than what we experienced in 2000. The increased funding I have recommended will hopefully eliminate the need to suspend the program prematurely, which in turn will allow many more eligible homes to participate in the program.

Q. DO YOU HAVE ANY OTHER RECOMMENDATIONS REGARDING THE PROGRAM?

A. Yes. The original Program tariff provides that in order to be eligible for the Program the total household income of the applicant must be below 60% of the state median income. The tariff has not been amended since its inception to reflect the changes in the state's median income. I recommend that the tariff provisions on eligibility be amended to reflect the present median income.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.