Exhibit No:

issues:

Weatherization and Low

Income Programs

Witness: Type of Exhibit:

Sponsoring Party:

Matthew E. Daunis Rebuttal Testimony

Aquila Networks - MPS Aquila Networks -- L&P

GR-2004-0072

Case No: Date Testimony

Prepared:

February 13, 2004

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. GR-2004-0072

JUN 2 1 2004

REBUTTAL TESTIMONY

OF

MATTHEW E. DAUNIS

Missouri Public Service Commission

ON BEHALF OF

AQUILA, INC. d/b/a **AQUILA NETWORKS -- MPS** and **AQUILA NETWORKS - L&P**

> Kansas City, Missouri February, 2004

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Date <u>3</u> 3	Non	Case No. GR 2004 COST2
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State of Missouri)
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County of Jackson)

AFFIDAVIT OF MATTHEW E. DAUNIS

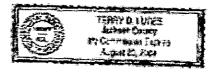
Matthew E. Daunis, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony and schedules entitled "Rebuttal Testimony of Matthew E. Daunis"; that said testimony was prepared by him und/or under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge, information, and belief.

Marthew E. Dannis

Subscribed and sworn to before me this 12th day of February, 2004.

Novery Patrik Tenry D. Luces

My Commission expires: 1-20-2004



1 2		REBUTTAL TESTIMONY OF MATTHEW E. DAUNIS
3 4	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
5	Α.	My name is Matthew E. Daunis. My business address is 10700 East 350
6		Highway, Kansas City, MO 64138.
7	Q.	BY WHOM ARE YOU PRESENTLY EMPLOYED AND IN WHAT
8	CAPACITY?	
9	A.	I am employed as Manager of Energy Efficiency Programs for Aquila, Inc. I
10		am testifying on behalf of Aquila, Inc. d/b/a Aquila Networks - MPS and Aquila
11		Networks – L&P ("Aquila").
12	Q.	WHAT IS YOUR EDUCATIONAL BACKGROUND?
13	A.	I received a Bachelor's degree in Mechanical Engineering from the University
14		of Maine in 1976. I received a Masters degree in Business Administration
15		from the University of Nebraska in 1985.
16	Q.	PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.
17	A.	I have been in my current position since 1996. I have been employed in the
18		utility industry in positions requiring knowledge of Demand Side Management,
19		customer service, and marketing for about 17 years. Prior to that, I was
20		employed by a major HVAC manufacturer for ten years in various marketing
21		and sales positions.
22	Q.	WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?
23	A.	The purpose of my rebuttal testimony is to respond to the direct testimony of
24		Anne E. Ross of the Missouri Public Service Commission staff regarding her
25		proposed weatherization and low income rate programs, and Anita C.
26		Randolph of the Missouri Department of Natural Resources ("MDNR")

1		regarding her recommendations on Weatherization Assistance and other
2		energy efficiency programs.
3	Q.	WHAT ARE THE RECOMMENDATIONS OF MS. ROSS?
4	A.	Ms. Ross recommends that Aquila implement an experimental low-income
5		weatherization program in the Sedalia area.
6	Q.	WHAT ARE THE RECOMMENDATIONS OF MS. RANDOLPH?
7	Α.	Ms. Randolph recommends instituting a number of programs and/or
8		expenditures that she believes will benefit low-income, residential and
9		commercial customers.
10	Q.	WHAT IS AQUILA'S POSITION REGARDING THESE
11		RECOMMENDATIONS?
12	Α.	Aquila is willing to discuss each of these recommendations and programs
13		with the MDNR and other interested parties outside of this rate case
14		proceeding. Some of these programs may establish new social programs that
15		may or may not be in alignment with the view of this Commission. Each of
16		these programs bears a cost, some of which are substantial, and a clear
17		determination of cost recovery and cost assignment should be made.
18		Because of these uncertainties, we do not believe that these
19		recommendations should be a part of this natural gas rate case, but should
20		await a dedicated review by this Commission.
21	Q.	IS AQUILA COMMITTED TO PROVIDING LOW COST OR NO COST
22		WEATHERIZATION ASSISTANCE TO LOW INCOME RESIDENTIAL
23		CUSTOMERS AND SUPPORTING COST EFFECTIVE ENERGY
24		EFFICIENCY PROGRAMS?

l	A.	Aquila is currently providing low cost or no cost weatherization assistance to
2		low-income residential electric customers and supports several programs that
3		promote energy efficiency in Missouri. Aquila plans to continue support of
4		those programs in the future.
5	Q.	WHAT SPECIFIC TYPES OF PROGRAMS RELATED TO ENERGY
6		EFFICIENCY DOES AQUILA CURRENTLY SUPPORT?
7	A.	Aquila's Customer Finance Program offers MPS and L+P residential
8		customers the opportunity to purchase and receive the advantages of an

Α.

customers the opportunity to purchase and receive the advantages of an energy-efficient heat pump or condensing unit-the majority of which average 11.8 to 13.2 Seasonal Energy Efficiency Ratio ("SEER") well above the national average of 10 SEER. Aquila also provides energy audits to residential, commercial and industrial electric customers thereby aiding them in identifying ways to improve their energy efficiency. The Residential Lighting Program allows customers to buy compact fluorescent lamps at a competitive price. Aquila is a founding member of the Heartland Utilities for Energy Efficiency ("HUEE") which is a utility coalition formed to promote energy efficiency in the Greater Kansas City marketplace through energy education, resources and actions to help assure a secure energy future for area residents.

Q. WHAT TYPES OF LOW-COST OR NO-COST WEATHERIZATION

PROGRAMS DOES AQUILA CURRENTLY PROVIDE TO LOW-INCOME
CUSTOMERS?

Aquila provides funding for specific energy efficient electric measures such as compact fluorescent lights, home insulation, devices to reduce domestic

1		hot water consumption and other cost effective end use equipment. Funds
2		are provided when electric energy efficient measures have been installed.
3		
4	Q.	WHY ARE ONLY LOW-INCOME ELECTRIC CUSTOMERS ELIGIBLE
5		UNDER AQUILA'S CURRENT LOW INCOME WEATHERIZATION
6		PROGRAM?
7	Α.	Aquila's Low Income Program was developed and implemented as a result
8		of a Joint Agreement in 1998 between Aquila, Staff and Public Counsel with
9		regards to Aquila's Electric Resource Plan. The requirements of this Joint
10		Agreement addressed only electric customers of Aquila in Missouri. Aquila
11		has complied with the stipulations as outlined in the Joint Agreement.
12	Q.	IS AQUILA IMPLEMENTING ALL COST EFFECTIVE MEASURES IN ITS
13		CURRENT LOW-INCOME WEATHERIZATION PROGRAM?
14	A.	Yes.
15 16	Q.	WHAT OTHER ENERGY EFFICIENCY PROGRAMS HAS AQUILA
17		DEVELOPED TO DEMONSTRATE ITS CONCERN FOR LOW-INCOME
18		CUSTOMERS?
19	A.	Aquila's Habitat for Humanity Program offers financial incentives to
20		Missouri Habitat for Humanity affiliates for installing energy efficient
21		measures. Rebate incentives are available for compact fluorescent lamps,
22		tank and pipe wrap, low flow showerheads, kitchen aerators and attic
23		insulation.
24	Q.	DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?
25	Α.	Yes, it does.