Exhibit No. 28

Empire District Electric Company – Exhibit 28
Testimony of Nathaniel W. Hackney
Surrebuttal
File No. ER-2024-0261

Exhibit No.: _____
Issue(s): Low-Income Programs
Witness: Nathaniel W. Hackney
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: The Empire District Electric Company d/b/a Liberty
Case No.: ER-2024-0261
Date Testimony Prepared: September 2025

Before the Public Service Commission
of the State of Missouri

Surrebuttal Testimony

of

Nathaniel W. Hackney

on behalf of

The Empire District Electric Company d/b/a Liberty

September 17, 2025

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THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
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SURREBUTTAL TESTIMONY OF NATHANIEL W. HACKNEY
THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Nathaniel W. Hackney. My business address is 602 S. Joplin Avenue, Joplin, Missouri, 64801.

Q. Are you the same Nathaniel W. Hackney who provided direct and rebuttal testimony in this matter on behalf of The Empire District Electric Company d/b/a Liberty ("Liberty" or the "Company")?

A. Yes.

Q. What is the purpose of your surrebuttal testimony in this proceeding before the Missouri Public Service Commission ("Commission")?

A. I address the rebuttal testimonies of Missouri Public Service Commission Staff ("Staff") witness Amy Eichholz, Office of the Public Counsel ("OPC") witness Dr. Geoff Marke, and Renew Missouri witness Jessica Polk Sentell regarding the Fresh Start Plan I proposed in my direct testimony.

II. STAFF WITNESS AMY EICHHOLZ

Q. Please summarize Ms. Eichholz's position in her rebuttal testimony.

A. Ms. Eichholz says that Staff supports neither the Fresh Start Program as proposed in my direct testimony, nor the expanded Low-Income Pilot Program ("LIPP") as proposed in Dr. Marke's testimony. She recommends expanding the LIPP at a scope that Staff believes is a reasonable expansion, borrowing some of the elements proposed in both my testimony and Dr. Marke's testimony.

Q. Describe the modifications that Staff recommends for the LIPP.

A. Staff recommends Liberty keep LIPP and modify it in the following ways:

- budget be expanded from $500,000 to $1,000,000,
- unspent funds roll over from year to year,[1]
- eligibility is set at 60 percent of Area Median Income,[2]
- a tiered credit be issued to customers based on income as verified by a Community Action Agency ("CAA"), and
- Customers are not required to be on Liberty's Budget Billing Plan ("BBP").[3]

Q. What is Staff's rationale for the proposed budget modification?

A. Staff agrees with Dr. Marke's assertion that in uncertain economic times, particularly with the threat of Low-Income Heating Energy Assistance Program ("LIHEAP") funding being cut or eliminated, an expansion of the budget is prudent. However, Staff also asserts that drastic budget expansions must be reasonably managed.

Q. Does Liberty agree with this logic?

A. Liberty is certainly willing to discuss expanding the budget for this program from its initial proposal of $300,000. It should be noted, however, that Staff,[4] OPC,[5] Renew Missouri,[6] Consumers Council of Missouri ("CCM"),[7] and Liberty[8] have proposed dramatically different numbers in rebuttal testimony, and have each produced different recommendations for the scope and scale of the program.

Q. What is Staff's rationale for changing the income threshold for eligibility?

[1] Unspent funds currently are reallocated to Low-Income Weatherization Assistance ("LIWAP") at the end of each program year.
[2] Current eligibility is 135 percent of Federal Poverty Level. I proposed in my direct testimony that eligibility be changed to 60 percent of State Median Income.
[3] Rebuttal testimony of Amy L. Eichholz, pp. 4-5.
[4] $1,000,000
[5] $4,000,000
[6] $500,000
[7] $900,000
[8] $300,000

A. Similarly to my logic for changing the threshold to 60 percent of State Median Income ("SMI"), 60 percent of Area Median Income ("AMI") does two things: makes the income threshold more realistic for the demographic of Liberty's service territory and allows more customers to potentially be eligible for the program.

Q. Does Liberty agree with this logic?

A. Yes, in theory. Liberty would love to expand the eligibility requirements even further than it already has proposed if it increases its means to serve its challenged customers. If the CAAs were to still be used for screening purposes, they would also need to be involved in such a change. Liberty's core logic for changing to 60 percent of SMI was to align the screening with LIHEAP eligibility as a means to ease administrative burden on the CAAs. It is unclear what kind of an ask the change from 60 percent of AMI to 60 percent of SMI would create for the CAAs, or what the administrative and time costs would be if Liberty were to take on the task of screening for income. These questions would need to be addressed.

Q. What is Staff's rationale for removing the BBP requirement?

A. Ms. Eichholz agrees with Liberty's concerns about a customer's BBP status (difference of actual versus levelized charges) is likely to be greater in the peak season, when customers are most likely to apply for energy assistance. Theoretically, this could inhibit a customer from receiving the full benefits of energy assistance, or from fully comprehending their status with the Company, as lump-sum assistance dispersals can create a misleading credit balance on the account. For more details on this logic, please see my direct testimony in this case.

Q. Has Liberty's position on BBP as a requirement for participation in Fresh Start changed?

A. No. Liberty would still plan to train representatives to counsel customers with fixed or limited income on the potential virtues of BBP.

III. OPC WITNESS GEOFF MARKE

Q. Please summarize Dr. Marke's position in his rebuttal testimony.

A. Dr. Marke reiterates OPC's position that Liberty's current offerings for low-income are insufficient, stating that the Fresh Start Program, as I proposed it in my direct testimony in this docket is "painfully underwhelming."[9] Dr. Marke reiterates his proposed expansion of LIPP, as stated in his direct testimony. He proposes modification of the income-eligibility threshold to 60 percent of AMI from its current position of 135 percent of Federal Poverty Level ("FPL"),[10] and 60 percent of SMI,[11] as I proposed in my direct testimony. He proposes an expansion of the budget from its current $500,000 to $4,000,000.

Q. Is Liberty open to 60 percent of AMI as an income-eligibility threshold for participation in the final version of this program?

A. Yes, in theory. As mentioned above, Liberty would be willing to discuss expanding the eligibility requirements; however, Liberty needs to ensure reduced administrative burden on the CAAs. It is unclear at this stage what kind of an ask the change from 60 percent of AMI to 60 percent of SMI would create for the CAAs, or what the administrative and time costs would be if Liberty were to take on the task of screening for income.

Q. Is Liberty open to discussing modifying the budget?

[9] Rebuttal testimony of Geoff Marke, p. 19, line 14.
[10] $43,402.50 for a family of four.
[11] $63,495.

A. Yes. As mentioned above, Liberty is certainly willing to discuss expanding the budget for this program from its initial proposal of $300,000.

IV. RENEW MISSOURI WITNESS JESSICA POLK SENTELL

Q. Please summarize Ms. Sentell's position in her rebuttal testimony.

A. Ms. Sentell discusses that Renew supports parts of both Liberty's and OPC's recommended changes to the LIPP. Renew supports Liberty's proposal, as detailed in my direct testimony, to change the income eligibility threshold from 135 percent of FPL to 60 percent of SMI. Renew supports the Fresh Start Plan's proposal for tiered stipends, as proposed in my direct testimony. Ms. Sentell supports both Liberty's and OPC's recommendation that the program offer stipends year-round, rather than during peak season. Renew does not support an increase in the budget, as proposed in the testimonies of other witnesses in this case, rather keeping the budget at $500,000: the current budget for LIPP. Renew proposes that any unspent funds for this program roll forward into subsequent program years, rather than being repurposed for any other programs. Renew also supports removal of BPP as a barrier to entry.

Q. Does Liberty still believe 60 percent of SMI should be the income-eligibility threshold?

A. Liberty is open to discussing 60 percent of SMI or 60 percent of AMI as a threshold, subject to input from CAAs as discussed previously in this testimony.

Q. Is Liberty open to discussing either OPC's proposal to repurpose unspent funds for the Critical Medical Needs Program or Renew's proposal to have unspent funds roll over to future years of the Fresh Start Program?

A. Yes. Liberty sees benefits to either plan and is willing to compromise.

V. CONCLUSION

Q. Does this conclude your surrebuttal testimony at this time?

A. Yes.

VERIFICATION

I, Nathaniel W. Hackney, under penalty of perjury, on this 17th day of September, 2025, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Nathaniel W. Hackney