

Exhibit No.:

Issues: Low Income
Assistance

Witness: Matthew E. Daunis

Sponsoring Party: Aquila Networks-MPS
& L&P

Case No.: ER-2004-0034 &
HR-2004-0024
(Consolidated)

Before the Public Service Commission
of the State of Missouri

FILED³

APR 28 2004

Rebuttal Testimony

of

Matthew E. Daunis

Missouri Public
Service Commission

Exhibit No. 76
Case No(s) ER 2004-0034
Date 2/23/04 Rptr KF

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI
REBUTTAL TESTIMONY OF MATTHEW E. DAUNIS
ON BEHALF OF AQUILA, INC.
D/B/A AQUILA NETWORKS-MPS AND AQUILA NETWORKS-L&P
CASE NOS. ER-2004-0034 AND HR-2004-0024 (CONSOLIDATED)**

1 Q. Please state your name and business address.

2 A. My name is Matthew E. Daunis. My business address is 10700 East 350 Highway,
3 Kansas City, MO 64138.

4 Q. By whom are you presently employed and in what capacity?

5 A. I am employed as Manager of Energy Efficiency Programs for Aquila, Inc. I am
6 testifying on behalf of Aquila, Inc. d/b/a Aquila Networks ("Aquila").

7 Q. What is your educational background?

8 A. I received a Bachelor's degree in Mechanical Engineering from the University of
9 Maine in 1976. I received a Masters degree in Business Administration from the
10 University of Nebraska in 1985.

11 Q. Please describe your professional experience.

12 A. I have been employed in the utility industry in positions requiring knowledge of
13 Demand Side Management, customer service, and marketing for about 17 years.
14 Prior to that, I was employed by a major HVAC manufacturer for ten years in
15 various marketing and sales positions.

16 Q. What is the purpose of your rebuttal testimony?

17 A. The purpose of my rebuttal testimony is to respond to the direct testimony of Anita
18 C. Randolph of the Missouri Department of Natural Resources ("MDNR") and
19 Robert T. Jackson of the Kansas City Department of Housing and Community

1 Development with regards to their recommendations on Weatherization Assistance
2 and other energy efficiency programs.

3 Q. What are the recommendations of Mr. Jackson and Ms. Randolph?

4 A. Mr. Jackson recommends that Aquila implement a low-income weatherization
5 program and take advantage of the services of his department. Ms. Randolph
6 recommends instituting a number of programs and/or expenditures that she believes
7 will benefit low-income, residential and commercial customers.

8 Q. What is Aquila's position regarding these recommendations?

9 A. Aquila is willing to discuss each of these recommendations and programs with the
10 MDNR and the Kansas City Department of Housing and Community Development
11 and other interested parties. Some of these programs may be found to be duplicative
12 of existing programs or to establish new social programs that may or may not be in
13 alignment with the view of this Commission. Each of these programs bears a cost,
14 some of which are substantial, and a clear determination of cost recovery and cost
15 assignment should be made. Because of these uncertainties, we do not believe that
16 these recommendations should be a part of this electric rate case, but should await a
17 dedicated review by this Commission.

18 Q. Is Aquila committed to providing low cost or no cost weatherization assistance to
19 low income residential customers and supporting cost effective energy efficiency
20 programs?

21 A. Aquila is currently providing low cost or no cost weatherization assistance to low-
22 income residential customers and supports several programs that promote energy

1 efficiency in Missouri. Aquila plans to continue support of those programs in the
2 future.

3 Q. What specific types of programs related to energy efficiency does Aquila currently
4 support?

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

16 Q. What types of low-cost or no-cost weatherization programs does Aquila currently
17 provide to low-income customers?

18 A. Aquila provides funding for specific energy efficient electric measures such as
19 compact fluorescent lights, home insulation, devices to reduce domestic hot water
20 consumption and other cost effective end use equipment. Funds are provided when
21 electric energy efficient measures have been installed.

22 Q. Why are only low-income electric customers eligible under Aquila's current Low
23 Income Weatherization Program?

1 A. Aquila's Low Income Program was developed and implemented as a result of a
2 Joint Agreement in 1998 between Aquila, Staff and Public Counsel with regards to
3 Aquila's Electric Resource Plan. The requirements of this Joint Agreement
4 addressed only electric customers of Aquila in Missouri. Aquila has complied with
5 the stipulations as outlined in the Joint Agreement. Any change to that Joint
6 Agreement should be done outside of the rate case proceeding. Aquila would be
7 willing to discuss any possible changes, outside this rate case proceeding, along
8 with funding though rates and other issues such as rate recovery. Aquila would be
9 willing to discuss partnering with Missouri Gas Energy and any other gas utilities,
10 in an effort to increase participation in the Low Income Program.

11 Q. Is Aquila implementing all cost effective measures in its current low-income
12 weatherization program?

13 A. Yes.

14 Q. What other energy efficiency programs has Aquila developed to demonstrate its
15 concern for low-income customers?

16 A. Aquila's Habitat for Humanity Program offers financial incentives to Missouri
17 Habitat for Humanity affiliates for installing energy efficient measures. Rebate
18 incentives are available for compact fluorescent lamps, tank and pipe wrap, low
19 flow showerheads, kitchen aerators and attic insulation.

20 Q. Does this conclude your testimony?

21 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Aquila, Inc. d/b/a Aquila)
Networks-MPS and Aquila Networks-L&P,)
for authority to file tariffs increasing electric)
rates for the service provided to customers in)
the Aquila Networks-MPS and Aquila)
Networks-L&P area)

Case No. ER-2004-0034

In the matter of Aquila, Inc. d/b/a Aquila)
Networks-L&P, for authority to file tariffs)
Increasing steam rates for the service provided)
To customers in the Aquila Networks-L&P area)

Case No. HR-2004-0024

County of Jackson)
State of Missouri)

ss

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 entitled "Rebuttal Testimony of Matthew E. Daunis;" that said testimony was prepared by him and 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.

Matthew E. Daunis
Matthew E. Daunis

Subscribed and sworn to before me this 26th day of January, 2004.

Terry D. Lutes
Notary Public
Terry D. Lutes

My Commission expires:

8-20-2004

