

Exhibit No. 16

Exhibit No.: _____
Issue: AMI Benefits
Witness: Chad C. Hook
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: The Empire District
Electric Company
Case No.: ER-2021-0312
Date Testimony Prepared: December 2021

**Before the Public Service Commission
of the State of Missouri**

Rebuttal Testimony

of

Chad C. Hook

on behalf of

The Empire District Electric Company

December 2021



REBUTTAL TESTIMONY OF CHAD C. HOOK
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2021-0312

1 **Q. Please state your name and business address.**

2 A. My name is Chad C. Hook, and my business address is 602 Joplin Avenue, Joplin,
3 Missouri, 64802.

4 **Q. Are you the same Chad C. Hook who provided Direct Testimony in this matter on**
5 **behalf of The Empire District Electric Company (“Empire” or the “Company”)?**

6 A. Yes.

7 **Q. What is the purpose of your Rebuttal Testimony in this proceeding before the**
8 **Missouri Public Service Commission (“Commission”)?**

9 A. The purpose of my Rebuttal Testimony is to respond to portions of the direct testimony of
10 Office of Public Counsel (“OPC”) witness Dr. Geoff Marke regarding Empire’s
11 implementation of advanced metering infrastructure (“AMI”).

12 **Q. In his direct testimony at page 55 beginning at line 16, OPC witness Dr. Marke states**
13 **that, “Empire is seeking recovery of its AMI investments before customers can realize**
14 **benefits.” Is this an accurate statement?**

15 A. No.

16 **Q. Please explain.**

17 A. Dr. Marke appears to minimize the current real benefits Empire customers are experiencing
18 today which I will note, are occurring even before the Company begins to recover its
19 investment in AMI through rates. AMI enables a wide range of benefits to customers, only
20 a few of which are highlighted by Dr. Marke. AMI delivers operational and customer
21 benefits to Empire’s customers today, including reduced truck rolls, reduced estimated

1 bills, increased transparency, and access to energy usage. As of December 6, 2021, more
2 than 160,000 of Empire’s customers have AMI installed and thus are receiving these
3 benefits now. Please refer to the Direct Testimony of Empire witness Jon Harrison for a
4 discussion of how the adoption of AMI has reduced estimated bills. In addition, refer to
5 the Direct Testimony of Empire witness Tisha Sanderson for a discussion of Empire’s
6 proposed pro forma adjustment related to the meter reading operational savings the
7 Company anticipates realizing due to its AMI investment. Furthermore, Empire witness
8 Greg Tillman’s Direct Testimony discusses the Time of Use (“TOU”) rates and
9 corresponding customer education plan proposed in this case.

10 **Q. In his direct testimony at page 56 beginning at line 13, OPC witness Marke states that,**
11 **“Proper AMI deployment is not just replacing the physical meters with more**
12 **expensive equipment. That is gold plating.” How do you respond?**

13 A. AMI deployment is significantly more than a simple meter change out process. Many of
14 the meters in Empire’s service territory had exceeded their useful life, were no longer being
15 manufactured, and were unsupported by the manufacturing company. As such, Empire
16 replaced this antiquated infrastructure with AMI, an industry-standard integrated system of
17 meters, communication networks, and data management system that directly benefits
18 customers today. This is hardly the “gold plating” that Dr. Marke suggests.

19 **Q. In his direct testimony at page 56 beginning at line 14, OPC witness Marke states that,**
20 **“To unlock the espoused benefits of AMI there also needs to be accompanying**
21 **software investment in the form of interoperable CIS interface and, perhaps most**
22 **importantly, a plan to educate and compel customers to change their usage habits**
23 **through Time-of-Use (“TOU”) rates.” How do you respond?**

1 A. Dr. Marke suggests that all three parts - AMI hardware, CIS interface, Education buy-in of
2 TOU pricing – must happen simultaneously, in order to deliver customers the benefits of
3 AMI. The Company disagrees. The Company is already delivering benefits to our
4 customers enabled by AMI. Second, the Company determined that it was prudent to have
5 a phased-in approach with its AMI implementation process as it would not be in our
6 customers best interest to introduce a multitude of variables simultaneously. Empire has
7 reasonably replaced its obsolete and unsupported metering technology with industry
8 standard tools and is in the process of timely integrating additional software upgrades.
9 Concurrently, as discussed by Mr. Tillman, Empire developed an opt-in TOU rate and a
10 customer engagement plan, for which it is seeking approval in this proceeding. Thus, we
11 see our position as consistent with Dr. Marke’s - that a CIS system is needed – we only
12 disagree as to the timing of the implementation of each measure.

13 **Q. Do you have any other concerns with Dr. Marke’s comments on AMI?**

14 A. Yes. Dr. Marke appears to regard AMI simply as a tool for TOU rates. In the Company’s
15 view, AMI is a foundational investment that delivers operational benefits and enables
16 greater customer convenience and transparency. AMI delivers convenience to customers
17 by transmitting usage information to the Company without the need for a technician to visit
18 the customer’s premise. Customers who wish to view their detailed consumption
19 information can access the My Account portal, which provides information to empower
20 customers to make informed choices about how they use their energy. Dr. Marke does not
21 appear to acknowledge these important customer benefits.

1 Q. Does this conclude your Rebuttal Testimony?

2 A. Yes.

VERIFICATION

I, Chad C. Hook, under penalty of perjury, on this 20th day of December, 2021, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Chad C. Hook