

Exhibit No. 43

Exhibit No.: _____
Issue: Low-Income Weatherization
Witness: Nathaniel W. Hackney
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

Nathaniel W. Hackney

on behalf of

The Empire District Electric Company

December 2021



REBUTTAL TESTIMONY OF NATHANIEL W. HACKNEY
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 Nathaniel W. Hackney, and my business address is 602 S. Joplin Avenue,
3 Joplin, Missouri, 64801.

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

7 A. Yes.

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

10 A. In this Rebuttal Testimony, I will address the Direct Testimony of Office of Public
11 Counsel (“OPC”) witness Dr. Geoff Marke regarding the Low-Income Weatherization
12 Program (“LIWAP” or “Weatherization Program”).

13 **Q. Please summarize how the Company’s current Weatherization Program is**
14 **administered.**

15 A. Empire currently supplies the Missouri Division of Energy (“DE”) with an annual
16 payment of \$250,000, which it distributes to the three Community Action Agencies
17 (“CAAs”)¹, based on customer count. Empire shareholders also supply DE with a
18 payment of \$12,500 annually (5 percent of the overall budget) for administration of the
19 program. The CAAs use the funds to weatherize homes in accordance with guidelines

¹ Ozarks Area Community Action Corporation, Economic Security of SWMO, and West Central Missouri Community Action Agency

1 from the United States Department of Energy (“USDOE”), improving the quality of
2 homes and quality of life of customers who meet the income guidelines.

3 **Q. Please summarize your understanding of OPC’s position on Low-Income**
4 **Weatherization.**

5 A. Dr. Marke recommends on pages 59-60 of his Direct Testimony that if Empire is to be
6 allowed to continue collecting in rates the \$250,000 annual budget for this program,
7 that Empire’s shareholders should also contribute \$500,000 to the program.

8 **Q. Why does Dr. Marke argue that such a contribution is necessary?**

9 A. On page 59 of his Direct Testimony, Dr. Marke states this contribution is necessary “to
10 recognize the Company’s failure to fund LIWAP programs in the past and to be
11 consistent with every other utility in the state. Such a long overdue commitment would
12 at least be a step in the right direction in terms of fulfilling corporate social
13 responsibility.”

14 **Q. Do Empire’s shareholders currently support and make contributions in the**
15 **communities served by Empire?**

16 A. Yes. In accordance with the Stipulation and Agreement in Case No. EM-2016-0213,
17 Empire shareholders agreed to fund \$1,500,000 to each of its three CAAs to address
18 the issues specifically outlined by Dr. Marke. Empire shareholders also agreed to a
19 minimum annual level of charitable contributions and traditional local community
20 support.

21 **Q. What concerns do you have regarding Dr. Marke’s recommendation to increase**
22 **the shareholder contribution?**

23 A. While the CAAs have expressed gratitude for the annual \$50,000 (\$150,000 in total)
24 contribution ordered in Case No. EM-2016-0213, the Company has serious

1 reservations that a sudden increase in additional annual funding would be or could be
2 fully or appropriately utilized by the CAAs, whether the additional funding comes from
3 Empire’s customers or shareholders. Additionally, as explained above and in the
4 testimonies of Empire witnesses Timothy N. Wilson and Jon Harrison, the Company
5 currently supports and provides contributions to the communities it serves.

6 **Q. Does Dr. Marke recommend any changes on how the Low-Income Weatherization**
7 **Program funding should be administered?**

8 A. Dr. Marke suggests the CAAs should “be given further discretion in how utility funds
9 are utilized. That is, the CAAs should be allowed to use the annual utility funding to
10 incentivize and retain employees through bonuses, be able to direct funding towards
11 marketing and be able to utilize funds on reasonable ‘pass-over’ measures related to
12 health and safety to ensure projects are completed.”

13 **Q. Is the Company opposed to Dr. Marke’s recommendations regarding the changes**
14 **related to the utilization of the funds?**

15 A. The Company is not opposed to giving further discretion to the CAAs and would be
16 willing to discuss with the appropriate parties any necessary changes needed to
17 alleviate any barriers which may be occurring that are preventing some of our most in
18 need customers from receiving the desired benefits of the Weatherization program.

19 **Q. Does this conclude your Rebuttal Testimony?**

20 A. Yes.

VERIFICATION

I, Nathaniel W. Hackney, 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/ Nathaniel W. Hackney