

Exhibit No.:
Issues: Demand-Side
Management Programs
Witness: Brad J. Fortson
Sponsoring Party: MO PSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: EM-2016-0213
Date Testimony Prepared: August 5, 2016

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

ENERGY RESOURCE DEPARTMENT

SURREBUTTAL TESTIMONY

OF

BRAD J. FORTSON

**THE EMPIRE DISTRICT ELECTRIC COMPANY,
LIBERTY UTILITES (CENTRAL) CO., AND LIBERTY SUB CORP.**

CASE NO. EM-2016-0213

*Jefferson City, Missouri
August 2016*

1 and agreement² that DE entered into with the Applicants that addresses Empire’s future
2 DSM portfolio. The stipulation and agreement provides that Empire will, “evaluate additional
3 energy efficiency programs”³ and that it, “will apply for a DSM portfolio under the MEEIA
4 no later than one year after the Commission’s finding of substantial compliance of the EDE
5 Integrated Resource Plan that follows Commission approval of a Statewide Technical
6 Reference Manual.”⁴

7 Q. Does the Missouri Public Service Commission Staff (“Staff”) agree with
8 Mr. Hyman’s recommendation?

9 A. Staff is supportive of further strengthening Empire’s future DSM portfolio.
10 However, Staff recommends that any additional programs and measures included in Empire’s
11 DSM portfolio, excluding low-income or general education programs, be cost-effective and
12 provide benefits to all customers in the customer class in which the programs are proposed.
13 Staff is also supportive of Empire applying for a DSM portfolio under the MEEIA, but Staff
14 recommends that any such portfolio be a part of Empire’s adopted preferred resource plan in
15 its Integrated Resource Plan, or have been analyzed through the integration process required
16 by 4 CSR 240-22.060, and the portfolio and any demand side investment mechanism
17 (“DSIM”) submitted in the application be fully compliant with the MEEIA statute and
18 applicable regulations.

19 Q. Does OPC make any specific recommendations regarding energy efficiency for
20 Empire?

² Stipulation and Agreement as to the Division of Energy and Renew Missouri, filed July 19, 2016 in Case No. EM-2016-0213.

³ Rebuttal Testimony of Martin R. Hyman, pg. 14, filed July 20, 2016 in Case No. EM-2016-0213.

⁴ *Ibid*, pg. 15.

Surrebuttal Testimony of
Brad J. Fortson

1 A. Yes. OPC witness Ms. Azad recommends as one of the conditions of the
2 merger that, “Empire shall introduce an on-bill financing tariff for energy efficient upgrades
3 for residential ratepayers in its next subsequent rate case.”⁵

4 Q. Does Staff agree with Ms. Azad’s recommendation?

5 A. Staff does not recommend that Empire be obligated to introduce an on-bill
6 financing tariff for all residential customers in its next subsequent rate case. In Empire’s most
7 recent general rate case, ER-2016-0023, a stipulation and agreement (“Stipulation”)⁶ was
8 filed, which provided for the development of four (4) new DSM programs, one of which
9 could potentially be an on-bill financing program targeted at low-income families.⁷ The
10 Commission has not yet ruled on the Stipulation and the signatories to the Stipulation are
11 currently investigating the feasibility of an on-bill financing program targeted at low-income
12 families. Staff is supportive of an on-bill financing program if it is found to be a practical and
13 viable option. It currently seems premature to obligate Empire to introduce an on-bill
14 financing tariff for all residential customers in its next subsequent rate case.

15 Q. Does that conclude your testimony?

16 A. Yes.

⁵ Rebuttal Testimony of Ara Azad, pg. 21, filed July 20, 2016 in Case No. EM-2016-0213.

⁶ On June 20, 2016, a *Stipulation and Agreement* was filed in Case No. ER-2016-0023 in which all parties, with the exception of the Midwest Energy Users’ Association (“MEUA”), agreed to settlement of all contested issues in the case. On June 21, 2016, a *Joinder in Settlement* was filed by MEUA to include them as a signatory to the *Stipulation and Agreement*.

⁷ Stipulation’s paragraph 13 states: Planned DSM / Energy Efficiency: The Signatories agree that between the effective date of this Stipulation and January 1, 2017, or as soon as possible after January 1, 2017, they will work together through the existing DSMAG to develop four (4) new DSM programs, namely, a Residential HVAC, a C&I custom rebate, a low-income multi-family, and either a non-low-income multi-family, single family low-income or an on-bill financing program targeted at low-income families.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of The Empire District Electric)
Company, Liberty Utilities (Central) Co.) Case No. EM-2016-0213
And Liberty Sub Corp. Concerning an)
Agreement and Plan of Merger and Certain)
Related Transactions)

AFFIDAVIT OF BRAD J. FORTSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

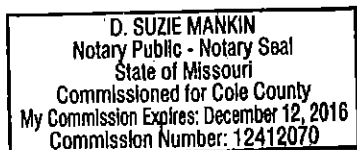
COMES NOW Brad J. Fortson on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Surrebuttal Testimony; and that the same is true and correct according to his best knowledge and belief.

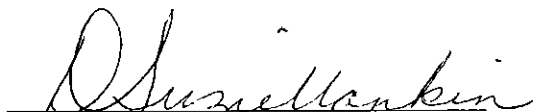
Further the Affiant sayeth not.


BRAD J. FORTSON

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 4th day of August, 2016.




Notary Public