

Exhibit No.:  
Issue: Low-Income Weatherization, DSM  
Reporting  
Witness: Nathaniel W. Hackney  
Type of Exhibit: Surrebuttal Testimony  
Sponsoring Party: Empire District Electric  
Case No. ER-2016-0023  
Date Testimony Prepared: May 2016

**Before the Public Service Commission**

**of the State of Missouri**

**Surrebuttal Testimony**

**of**

**Nathaniel W. Hackney**

**May 2016**



Empire Exhibit No. 6  
Date 6-2-16 Reporter KBF  
File No. ER-2016-0023



SURREBUTTAL TESTIMONY OF  
NATHANIEL W. HACKNEY  
ON BEHALF OF  
THE EMPIRE DISTRICT ELECTRIC COMPANY  
BEFORE THE  
MISSOURI PUBLIC SERVICE COMMISSION  
CASE NO. ER-2016-0023

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

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

4 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

5 A. I am employed by The Empire District Electric Company (“Empire”, “EDE” or  
6 “Company”). My title is Energy Efficiency Coordinator.

7 Q. ARE YOU THE SAME NATHANIEL W. HACKNEY THAT FILED DIRECT AND  
8 REBUTTAL TESTIMONY IN THIS RATE CASE BEFORE THE MISSOURI  
9 PUBLIC SERVICE COMMISSION (“COMMISSION”) ON BEHALF OF EMPIRE?

10 A. Yes.

11 Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

12 A. In my surrebuttal testimony, I will respond to the rebuttal testimony of Commission Staff  
13 (“Staff”) witness Kory Bousted on the issue of Empire’s dispersal of funds to Community  
14 Action Agencies (“CAP agencies” or “CAPs”) for Empire’s Low-income Weatherization  
15 Program. I will also respond to rebuttal testimony of Missouri Department of Economic  
16 Development – Division of Energy (“DE”) witness Sharlett E. Kroll, which alleges the  
17 presence of “frequent data errors” in quarterly presentations to Empire’s Demand-Side  
18 Management Stakeholder Advisory Group (“DSMAG”).

1 **Q. HAS EMPIRE PROPOSED ANY CHANGES TO THE BUDGET FOR ITS LOW**  
2 **INCOME WEATHERIZATION PROGRAM?**

3 A. Yes. In the direct testimony of Empire witness W. Scott Keith, Empire proposes increasing  
4 the budget of the low-income weatherization program from the current level of \$225,000  
5 per year to \$250,000 per year<sup>1</sup>.

6 **Q. WAS THIS REQUEST SUPPORTED BY STAFF?**

7 A. No.

8 **Q. WHY DOES STAFF OPPOSE EMPIRE’S PROPOSAL TO INCREASE THE**  
9 **BUDGET FOR THE LOW-INCOME WEATHERIZATION PROGRAM?**

10 A. In her rebuttal testimony, Staff witness Boustead stated, “the Company is not currently  
11 spending the annual ratepayer-funded amount of \$225,000<sup>2</sup>”

12 **Q. DO YOU BELIEVE THIS IS A FAIR AND ACCURATE STATEMENT?**

13 A. No. This is a timing issue, not a funding issue. Empire does not control the pace at which  
14 the CAPs weatherize Empire customers’ homes in their areas. This directly impacts the  
15 pace at which Empire weatherization funds are used and disbursed. Empire distributes  
16 funds to CAP agencies for weatherization of homes—which the agencies often combine  
17 with other funding sources—to complete weatherization jobs in accordance with the  
18 standards set by the U.S. Department of Energy. Generally, Empire distributes its  
19 weatherization funds in 25-percent installments, which are disbursed to the CAPs when  
20 half of the previous Empire installment has been reported as spent. The pace at which the  
21 CAP agency uses Empire disbursements to weatherize Empire’s customers’ homes directly  
22 impacts the timing of Empire’s disbursements to the CAP.

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<sup>1</sup> See ER-2016-0023 Direct Testimony of W. Scott Keith, p. 11, 19-24.

<sup>2</sup> See ER-2016-0023 Rebuttal Testimony of Kory Boustead, p. 2, 6-7

1 **Q. DO YOU BELIEVE THAT EMPIRE’S CURRENT PROCESS FOR DISPERSAL**  
2 **OF FUNDING HAS NEGATIVELY AFFECTED THE ABILITY OF THE CAP**  
3 **AGENCIES TO SPEND THEIR ALLOCATIONS OF THE BUDGET?**

4 A. No. For example, over the last three years, one of Empire’s three CAP agencies has  
5 consistently spent its entire allocation of the program budget, one has consistently spent  
6 about half of its allocation, and one has consistently spent none of its allocation. The timing  
7 of program expenditures is directly affected by the pace of weatherization work at the CAP  
8 agency, not the timing of the distribution of Empire’s funds.

9 **Q. PLEASE STATE WHICH PORTIONS OF THE REBUTTAL TESTIMONY OF DE**  
10 **WITNESS SHARLET E. KROLL YOU WISH TO ADDRESS.**

11 A. In her rebuttal testimony, Ms. Kroll indicates that DE has “concerns about the frequent data  
12 errors appearing in DSMAG reports.”<sup>3</sup>

13 **Q. DOES MS. KROLL DESCRIBE THESE ALLEGED ERRORS IN HER REBUTTAL**  
14 **TESTIMONY?**

15 A. No. There is no further mention or description of these alleged errors in her rebuttal  
16 testimony.

17 **Q. DOES MS. KROLL SUGGEST HOW EMPIRE CAN IMPROVE THE**  
18 **REPORTING PROCESS?**

19 A. No.

20 **Q. DO YOU BELIEVE THAT THE DSMAG MEETINGS THEMSELVES AND THE**  
21 **STAKEHOLDER PROCESS ARE VALUABLE?**

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<sup>3</sup> See ER-2016-0023 Rebuttal Testimony of Sharlet E. Kroll, p. 5, 20.

NATHANIEL W. HACKNEY  
SURREBUTTAL TESTIMONY

1 A. Yes, they are a valuable channel by which stakeholders provide feedback and make  
2 suggestions for ways Empire can potentially improve the processes, implementation, and  
3 reporting related to its energy efficiency programs.

4 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

5 A. Yes.

