

Exhibit No.: 40
Issues: Capital Investments, Linemen
Retention Program
Witness: Jeffery Westfall
Type of Exhibit: True-Up Direct Testimony
Sponsoring Party: The Empire District
Electric Company
Case No.: ER-2019-0374
Date Testimony Prepared: March 2020

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

True-Up Direct Testimony

of

Jeffery Westfall

on behalf of

**The Empire District Electric Company
a Liberty Utilities Company**

March 2020



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OF
JEFFERY WESTFALL
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2019-0374

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Jeffery Westfall, and my business address is 602 S. Joplin Avenue,
4 Joplin, Missouri, 64801.

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

6 A. I am employed by Liberty Utilities Service Corp. as the Liberty Utilities Co.
7 (“Liberty Utilities”) Central Region Director of Electric Operations – T&D
8 (Transmission & Distribution). My primary responsibilities include line and
9 substation transmission and distribution operations, transmission planning, reliability,
10 vegetation, construction design, dispatch, meters and transformers. I am also
11 responsible for engineering and accountable for proper budgeting and accounting of
12 capital, operating and maintenance expenses for Liberty Utilities’ Central Region
13 electric transmission and distribution assets.

14 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

15 A. I am testifying on behalf of The Empire District Electric Company, a Liberty Utilities
16 company (“Liberty-Empire” or “Company”).

17 **Q. ARE YOU THE SAME JEFFERY WESTFALL WHO FILED REVENUE**
18 **REQUIREMENT DIRECT TESTIMONY ON BEHALF OF LIBERTY-**
19 **EMPIRE?**

1 A. Yes. In my direct testimony submitted in August of 2019, I discussed the Company's
2 capital investments related to the transmission and distribution systems since the last
3 rate case in Missouri and the Company's system reliability metrics and efforts made
4 by Liberty-Empire to improve service reliability and service quality for customers in
5 Missouri. In conjunction with the reliability section of my direct testimony, I
6 provided information regarding the Company's linemen retention program.

7 **Q. WHAT IS THE PURPOSE OF YOUR TRUE-UP DIRECT TESTIMONY?**

8 A. With my true-up direct testimony, I provide the trued up amount of capital
9 investments in the Company's transmission and distribution systems and provide
10 updated information regarding the linemen retention program.

11 **II. TRANSMISSION AND DISTRIBUTION CAPITAL INVESTMENTS**

12 **Q. WHAT CAPITAL INVESTMENTS IN THE TRANSMISSION AND**
13 **DISTRIBUTION SYSTEMS HAVE BEEN MADE SINCE LIBERTY-**
14 **EMPIRE'S LAST GENERAL RATE CASE?**

15 A. As demonstrated in the True-Up Direct Testimony of Company witness Sheri
16 Richard, approximately \$242.8 million in capital investments have been made in the
17 Company's transmission and distribution systems since the last rate case, Case No.
18 ER-2016-0023, and through the end of the true-up period in this case (January 31,
19 2020). While it is certainly difficult to address all capital investments on the
20 transmission and distribution systems in testimony, a list of capital investments in
21 excess of \$1 million, including a description and justification for each capital project,
22 is attached to my direct testimony as Schedule JW-1.

1 **III. LINEMEN RETENTION PROGRAM**

2 **Q. DOES THE COMPANY'S LABOR FORCE HAVE AN IMPACT ON THE**
3 **COMPANY'S ABILITY TO PROVIDE RELIABLE SERVICE?**

4 A. Yes. As explained in my direct testimony, it is very important that Liberty-Empire
5 have an adequate number of trained employees in order for the Company to provide
6 reliable service. Utilities have historically struggled to hire and retain the desired
7 number of journeyman lineman, and this problem grew considerably worse leading
8 up to the filing of this rate case. As such, the Company established a program to offer
9 monthly retention bonuses until the increased competitive job market for journeymen
10 subsides.

11 **Q. HAS THE LINEMEN RETENTION PROGRAM BEEN SUCCESSFUL?**

12 A. Yes. I believe the program has helped the Company attract and retain individuals with
13 the unique skillset of journeyman lineman and has assisted the Company in providing
14 safe and reliable service. Specifically, since we rolled this out, we have only lost two
15 journeymen linemen for the very reasons I described in my direct testimony. Prior to
16 the implementation of this retention program with the September 2019 pay period, we
17 lost 16 journeymen linemen between March and August of 2019. I believe that our
18 efforts to retain these critical employees have been very successful. It has allowed us
19 to continue to keep qualified personnel to continue to provide safe, reliable service to
20 our customers. This has also helped with our recruitment efforts to replace the
21 employees we had previously lost.

22 **Q. IN YOUR DIRECT TESTIMONY, YOU STATED THAT THE COST OF**
23 **PROVIDING SERVICE TO LIBERTY-EMPIRE'S CUSTOMERS WOULD**
24 **INCREASE AS A RESULT OF THIS PROGRAM. DOES AN ADJUSTMENT**

1 **NEED TO BE MADE TO THE COMPANY’S REVENUE REQUIREMENT IN**
2 **THIS REGARD?**

3 A. Yes. Company witness Sheri Richard addresses this increase in costs in her true-up
4 direct testimony. Although the program resulted in an increase in the Company’s cost
5 of service, as explained in my direct testimony and above in my true-up direct
6 testimony, the program is in the interest of customers.

7 **Q. DOES THIS CONCLUDE YOUR TRUE-UP DIRECT TESTIMONY?**

8 A. Yes.

VERIFICATION OF JEFFERY WESTFALL

Jeffery Westfall, under penalty of perjury, declares that the foregoing true-up direct testimony is true and correct to the best of her/his knowledge, information, and belief.

/s/ Jeffery Westfall

Jeffery Westfall

Central Region Director of Electric Operations – T&D