

FILED⁴

JUL 13 2004

**Missouri Public
Service Commission**

Exhibit No.:

Issue:

Witness:

Sponsoring Party:

Case No.:

Weatherization Program

Robert T. Jackson

City of Kansas City, Missouri

Case No. GR-2004-0209

CITY OF KANSAS CITY, MISSOURI

Case No. GR-2004-0209

FILED

APR 15 2004

DIRECT TESTIMONY

**Missouri Public
Service Commission**

OF

ROBERT T. JACKSON

Kansas City, Missouri

April, 2004

Exhibit No. 300
Case No(s). GR-2004-0209
Date 7/2/04 **Rptr** SKM

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

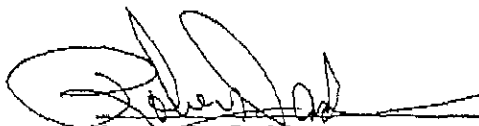
In the Matter of Missouri Gas Energy=s Tariffs)
to Implement a General Rate Increase for) Case No. GR-2004-0209
Natural Gas Service.)

AFFIDAVIT OF ROBERT T. JACKSON

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

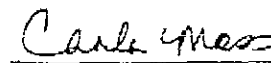
I, Robert T. Jackson, of lawful age, and being duly sworn, do hereby depose and state:

1. My name is Robert T. Jackson. I am presently Weatherization Program Administrator with the City of Kansas City, Missouri, intervener in the referenced matter.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my personal knowledge, information and belief.


Robert T. Jackson

Subscribed and sworn to before me, a Notary Public, this __ day of April, 2004.

My Commission expires:


Notary Public

CARLA MOSS
Notary Public - Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires May 13, 2007



TESTIMONY OF ROBERT T. JACKSON

1 Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS?

2 A. My name is Robert T. Jackson. I am the Weatherization Program Administrator with
3 the City of Kansas City, Missouri Department of Housing and Community Development
4 Home Weatherization Program. My business address is 11th Floor, City Hall, 414 East
5 12th Street, Kansas City, MO 64106.
6
7

8 Q. ON WHOSE BEHALF DO YOU APPEAR IN THIS PROCEEDING?

9 A. The City of Kansas City, Missouri.
10

11 Q. PLEASE BRIEFLY EXPLAIN YOUR CONNECTION WITH THE
12 WEATHERIZATION PROGRAM AND YOUR DUTIES?

13 A. I have been employed by the City of Kansas City in the Weatherization Program for 23
14 years, and have been the Weatherization Program Administrator for 19 of those years. I
15 made the initial request for the City/Utility (the utility was Western Resources at that
16 time) participation in the experimental energy conservation program (now
17 Weatherization Program) to benefit residential customers. I have been involved with the
18 MGE Weatherization Program since its inception. Regarding my duties, I am generally
19 responsible for the overall management of the City's Home Weatherization program.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I will discuss the increasing importance of the MGE Weatherization Program to MGE's rate payers and the growing need for additional funding for the program.

Q. HAS THE MGE WEATHERIZATION PROGRAM BEEN SUCCESSFUL?

A. Yes, most definitely. From its beginning operation in 1994, over 800 homes have been weatherized. Homes throughout Clay, Jackson and Platte counties have been assisted. The Program's success has been realized without overburdening MGE. Even though it is funded by MGE, the Weatherization Program requires minimum administrative support from MGE. The City of Kansas City has assumed the bulk of the duties necessary to administer the program.

Q. IS THE PROGRAM ADMINISTERED PURSUANT TO GOVERNMENTAL GUIDELINES?

A. Yes, the City operates the program pursuant to technical assessment criteria established by the U. S. Department of Energy as administered by the Missouri Department of Natural Resources (DNR). DNR also acts as the distributor of the available weatherization program grants.

Q. AT WHAT LEVEL IS THE MGE WEATHERIZATION PROGRAM FUNDED NOW?

A. The program receives \$250,000 in funding annually. The funding level for the program has been the same for over 10 years.

Q. HAS THERE BEEN ANY CHANGE IN THE DEMAND FOR WEATHERIZATION ASSISTANCE?

A. Yes. Demand for the program has increased dramatically. Some of that increased demand is attributable to MGE's announcements that gas prices would likely rise over time. In the winter and spring of 2002/2003, MGE publicized that it anticipated substantial increases in the projected price of natural gas. The Public Service Commission held town hall meetings around the state to inform the public on this issue. While public awareness of the projected costs of natural gas was important, it also generated an unprecedented number of applications for weatherization assistance; so many in fact that for the first time in its history, my office refused new applications for assistance in March of 2004. There are more than 500 applications waiting for assistance at this time. As I mentioned, this is the first time demand had reached this level, and the first time we closed the application process. I expect that the demand for weatherization services will not diminish in the near future.

Q. HAS THE MGE WEATHERIZATION PROGRAM BEEN INDEPENDENTLY EVALUATED?

A. Yes. The results of an independent evaluation of the program were part of the testimony of Dr. Henry Warren in Case No. GR-2001-292. In that case Dr. Warren attached to his testimony the final report of TecMRKT Works on the *Process and Impact Evaluation of Missouri Gas Energy's Pilot Weatherization Program*. I have quoted page vii of the Executive Summary of the TecMRKT report several times in other testimony before this Commission:

In summary, we found the program provides positive benefit cost ratios, strong energy savings and is well organized and structured to provide valuable services to the participants. We found that the program is functioning well and is able to deliver valuable services to participants in a way that should be viewed as a credit to the

Company, the City and many of the installation contractors. In addition, the program operations, records, and tracking systems we examined are exceptionally well designed and maintained and effectively support the program operations and implementation.

Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION?

A. I strongly recommend that the Commission consider increasing the funding for the MGE Weatherization Program. An increase in funding is certainly justified by the 1) success of the program to date; 2) its positive impact on MGE bad debt expense and expenses involved in collection of bad debts; 3) energy efficiency and energy use reduction and 4) finally, but not any less importantly, the ever growing demand for weatherization assistance in the MGE service area. Demand for weatherization assistance has more than doubled over the life of the program. Accordingly, I recommend that the Commission approve at least an annual increase of \$250,000 in MGE's funding for this program, which would bring total annual funding for the program to \$500,000.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.