

Exhibit No. 44

Exhibit No.: _____
Issue: Low-Income Weatherization
Witness: Nathaniel W. Hackney
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: The Empire District
Electric Company
Case No.: ER-2021-0312
Date Testimony Prepared: January 2022

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

Surrebuttal Testimony

of

Nathaniel W. Hackney

on behalf of

The Empire District Electric Company

January 2022



SURREBUTTAL 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 and Rebuttal**
5 **Testimony in this matter on behalf of The Empire District Electric Company**
6 **(“Empire” or the “Company”)?**

7 A. Yes.

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

10 A. In this testimony, I will respond to the Rebuttal Testimony of Missouri Public Service
11 Commission Staff (“Staff”) witness Kory J. Boustead, particularly her assessment of
12 the Company’s Low-Income Weatherization Assistance Program (“LIWAP”).

13 **Q. What is your understanding of Staff witness Boustead’s position on the LIWAP.**

14 A. Ms. Boustead echoes the assertions made by Office of the Public Counsel (“OPC”)
15 witness Geoff Marke¹. Particularly, in her Rebuttal Testimony, Ms. Boustead states
16 that Staff finds OPC’s recommendation reasonable as it relates to Empire shareholders
17 contributing \$500,000 annually for weatherization assistance to fulfill the corporate
18 social responsibility obligation it agreed to in Case. No. EM-2016-0213.

¹ *Rebuttal Testimony of Kory J. Boustead*. Filed December 20, 2021 in MPSC Case No. ER-2021-0312, page 3.

1 **Q. Do you agree with witness Boustead’s interpretation of Empire’s commitment to**
2 **corporate social responsibility as it relates to the Community Action Agencies**
3 **(“CAAs”)?**

4 A. No. Empire’s commitment, as detailed in Case No. EM-2016-0213, was to pay a total
5 of \$1.5M to the three CAAs that serve Empire customers. This means each CAA will
6 receive \$500,000, to be distributed as ten annual installments of \$50,000.

7 **Q. Do you agree with Ms. Boustead’s implication that an additional \$500,000 of**
8 **shareholder contributions, added to the current approved customer-funded**
9 **budget of \$250,000 annually, would be beneficial?**

10 A. I do not believe tripling the budget of this program would be the best use of shareholder
11 funds to benefit Empire’s low-income customers, when the CAAs have neither utilized
12 nor overspent their budgets in previous years.

13 **Q. Please elaborate on CAA spending.**

14 A. From the reporting year November 2018 to October 2019², the CAAs collectively
15 utilized 98 percent of their available funding. From November 2019 to October 2020³,
16 the CAAs collectively utilized 79 percent of their available funding, including
17 carryover. From November 2020 to September 2021⁴, the CAAs collectively utilized
18 84 percent of their funding, including carryover. Thus, the CAAs have not spent all
19 dollars available to them.

20 **Q. Does the Company believe those circumstances indicate a need for a dramatic**
21 **increase in funding?**

² DE’s 2018-19 Production and Expenditures Report is attached as **Surrebuttal Schedule NWH-1**.

³ DE’s 2019-20 Production and Expenditures Report is attached as **Surrebuttal Schedule NWH-2**.

⁴ DE’s 2020-21 Production and Expenditures Report is attached as **Surrebuttal Schedule NWH-3**. Note: DE Reports for October 2021 will be delivered with its year-end reporting in February 2022.

1 A. Even conceding the effects of the curtailment of the program in early 2020 in
2 observation of pandemic-related shutdowns, and the pandemic's lingering effects on
3 efficiency, administration, and staffing, there is not a basis to conclude tripling the
4 budgets makes sense when currently available funds are not being spent.

5 **Q. Do you believe that the Corporate Social Responsibility funds stipulated in Case**
6 **No. EM-2016-0213 are helpful to the CAAs with Weatherization as they are**
7 **presently being distributed, as described above?**

8 A. Yes, I do.

9 **Q. Does the Company believe there may be low-income programs other than LIWAP**
10 **that could better utilize a budget increase?**

11 A. Yes, the Company does believe other programs could benefit from an increase in
12 funding. These are described in the Surrebuttal Testimony of Empire witness Jon
13 Harrison.

14 **Q. Does this conclude your Surrebuttal Testimony?**

15 A. Yes, at this time.

VERIFICATION

I, Nathaniel W. Hackney, under penalty of perjury, on this 20th day of January, 2022,
declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Nathaniel W. Hackney