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Witness:

Contessa Poole-King MO PSC Staff

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Surrebuttal Testimony

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MISSOURI PUBLIC SERVICE COMMISSION STAFF COUNSEL DEPARTMENT

SURREBUTTAL TESTIMONY OF **CONTESSA POOLE-KING**

KANSAS CITY POWER & LIGHT COMPANY CASE NO. ER-2012-0174

> Jefferson City, Missouri October 5, 2012

Staff Exhibit No. 253

Date of 1/2 le Reporter Dun

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1 SURREBUTTAL TESTIMONY OF 2 **CONTESSA POOLE-KING** 3 KANSAS CITY POWER & LIGHT COMPANY 4 CASE NO. ER-2012-0174 5 Q. Please state your name and business address. 6 A. Contessa Poole-King, 200 Madison Street, Suite 800, Jefferson City, 7 MO 65101. 8 Q. By whom are you employed and in what capacity? 9 I am a Consumer Services Coordinator with the Missouri Public Service A. 10 Commission ("Commission"), Staff Counsel Department. 11 Q. Are you the same Contessa Poole-King that contributed to Staff's August 2, 12 2012 Cost of Service Report and filed rebuttal testimony in this case? 13 Yes, I am. A. 14 **EXECUTIVE SUMMARY** 15 Q. What is the purpose of your surrebuttal testimony? 16 The purpose of my testimony is to respond to the rebuttal testimony of Kansas A. 17 City Power and Light Company ("KCPL" or "Company") witness Scott H. Heidtbrink 18 concerning KCPL's low-income payment program, the Economic Relief Pilot Program 19 ("ERPP" or "program"). In particular, Mr. Heidtbrink's recommendation to expand and fully 20 implement the program, based on the results of an evaluation conducted by a third party 21 evaluator. As stated in my rebuttal testimony, the customer survey results contained in the 22 evaluation report are insufficient. The methodology used to assess customer feedback of the

program is isolated to 10% of currently enrolled participants and omits feedback from former

23

participants. While Staff believes additional assessment of the program is needed before proceeding to permanent status with full recovery of all program cost from ratepayers, Staff does support continuing the ERPP, as a pilot program, maintaining currently authorized participation levels, current program terms and that funding remain 50% ratepayer and 50% shareholder.

RESPONSE TO REBUTTAL TESTIMONY OF SCOTT H. HEIDTBRINK, KCPL

Q. Company witness Scott H. Heidtbrink states on page 5, lines 11 through 13 of his rebuttal testimony state that, "I believe the evaluation report confirms the success of the pilot phase and the Program is ready to be expanded and fully implemented." Do you agree with Mr. Heidtbrink's assessment that the evaluation confirms the ERPP is successful and ready for expansion and full implementation?

A. I cannot conclude the evaluation report confirms the ERPP is a successful program deserving expansion and full implementation, given that the results included in the evaluation lack objectivity. The evaluation report does confirm that nine out of 10 current participants surveyed are satisfied with ERPP. However, the satisfied respondents are active ERPP participants and currently receiving a monthly fixed credit from KCPL. An 11-point questionnaire was mailed to 200 of these randomly selected current enrollees; overall 144 responded. The evaluation excludes feedback from customers that were removed from the program sometime between September 2009 when the pilot program started and March 2012, when the questionnaires were mailed. Excluded from providing feedback were customers that were terminated from the program by KCPL and customers that completed the program in 12 months and no longer participating.

According to the direct testimony of former KCPL employee Jimmy D. Alberts the purpose of the customer survey was to allow participants an opportunity to address program weaknesses, strengths, and provide suggestions for improvement. Mr. Heidtbrink, who adopted Mr. Alberts' direct testimony, provides a similar explanation of the purpose of the evaluation on page 4, lines 10 through 13 of his rebuttal testimony. Staff believes the Company fails to garner the objective customer feedback they wished to obtain by limiting the sampling to only 10% of active participants and excluding prior participants all together.

- Q. In addition to the customer survey results, the evaluation report includes responses from four Salvation Army employees interviewed because of their experience in enrolling customers in the ERPP. Did the employees offer suggestions on how to improve the ERPP?
- A. Yes. Overall, the Salvation Army employees believe that the ERPP is administered well and beneficial to qualifying customers; however, they did identify opportunities for improvement. As previously stated in my rebuttal testimony, I encourage the Company to consider the Salvation Army's recommendations concerning the application process and qualification requirements. It is my belief the recommendations will not change the terms and conditions of the program, but instead simplify the language in the customer application form, increase opportunity for applicants to quality and enhance communications between the applicant, KCPL, and the Salvation Army.
- Q. If Staff views the evaluation report as an insufficient measure of determining the ERPP is a successful program, why is Staff recommending the program continue at all?
 - A. As I stated in my rebuttal testimony, Staff recognizes the monthly

"fixed-credit" helps relieve some financial hardship for customers that may not otherwise qualify for other assistance programs due to the income eligibility requirements of other assistance programs. Staff understands the importance of ensuring there are programs for customers on fixed incomes. However, as stated in my rebuttal testimony, after a thorough analysis of the data provided by the Company, Staff was unable to identify a need to expand the program from 1,000 to 2,500 participants with 100% rate recovery from ratepayers of all program cost. Again, the data did indicate current enrollee numbers are appropriate at this time. Staff believes continuation and not expansion is most appropriate.

- Q. What is your recommendation to the Commission?
- A. I have three recommendations. First, the Economic Relief Pilot

 Program (ERPP) should remain a pilot program, maintaining current program terms including participation levels, and program funding should remain 50/50. Staff recommends an additional pilot period to ensure this is a viable program before making it a permanent 100% ratepayer funded program.

Second, the ERPP reports should not be submitted to the DSM Advisory Group because, as stated in my rebuttal testimony, the ERPP is not a demand side management program (DSM) per the Commission approved Non-Unanimous Stipulation and Agreement in Case No. ER-2009-0089. Staff recommends the development of a separate advisory group who is familiar with low-income customers, issues and rate programs, for all future collaborative discussion regarding the ERPP.

Third, Staff is recommending KCPL provide the Economic Relief Pilot Program report to the advisory group on a monthly basis.

Q. Does this conclude your surrebuttal testimony?

Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service Case No. El	R-2012-0174
AFFIDAVIT OF CONTESSA POOLE	E-KING
STATE OF MISSOURI)) ss. COUNTY OF COLE)	
COUNTY OF COLE)	
Contessa Poole-King, of lawful age, on her oath states: preparation of the foregoing Surrebuttal Testimony in question pages to be presented in the above case; that the answ Testimony were given by her; that she has knowledge of the mand that such matters are true and correct to the best of her know	and answer form, consisting of vers in the foregoing Surrebuttal natters set forth in such answers; eledge and belief.
CONTESSA POOL	E-KING
Subscribed and sworn to before me this day of C	tober , 2012.
DIANNA L. VAUGHT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: June 28, 2015 Commission Number: 11207377	L. Vaurt