

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**ELECTRONIC APPLICATION OF KENTUCKY)
POWER COMPANY FOR: (1) APPROVAL OF)
CONTINUATION OF ITS DEMAND-SIDE)
MANAGEMENT PROGRAMS; (2) AUTHORITY)
TO RECOVER COSTS AND NET LOST)
REVENUES, AND TO RECEIVE INCENTIVES)
ASSOCIATED WITH THE IMPLEMENTATION)
OF ITS DEMAND-SIDE MANAGEMENT)
PROGRAMS; (3) ACCEPTANCE OF ITS)
ANNUAL DSM STATUS REPORT; AND (4) ALL)
OTHER REQUIRED APPROVAL AND RELIEF)**

CASE NO. 2025-00365

TESTIMONY OF STACY L. SHERWOOD

ON BEHALF OF

**JOINT INTERVENORS APPALACHIAN CITIZENS' LAW CENTER AND
MOUNTAIN ASSOCIATION**

March 18, 2026

TABLE OF CONTENTS

I. INTRODUCTION & QUALIFICATIONS	1
II. TESTIMONY OVERVIEW	3
III. 2025 DSM PERFORMANCE AND 2026 PROJECTIONS	6
<i>Targeted Energy Efficiency Program</i>	7
<i>Home Energy Improvement Program</i>	13
<i>Commercial Energy Solutions Program</i>	17
<i>Overall Program Budgets</i>	20
IV. D.S.M.C. SURCHARGE	21
V. ANNUAL DSM STATUS REPORT	25
VI. CONCLUSION	26

TABLE OF EXHIBITS

1. Exhibit SLS-1 – Stacy Sherwood Resume
2. Exhibit SLS-2 – Recalculation of D.S.M.C. Surcharge

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

I. INTRODUCTION & QUALIFICATIONS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

Q. Please state for the record your name and business address.

A. My name is Stacy L. Sherwood. My business address is 10298 Route 116, Hinesburg, Vermont 05461.

Q. By whom are you employed and in what position?

A. I am a Principal at Energy Futures Group (“EFG”), a consulting firm that provides specialized expertise on energy efficiency and renewable energy markets, program design, power system planning, and energy policy. I provide technical assistance to energy efficiency organizations, environmental advocates, utilities, and nonprofit organizations to design, develop and implement policies and programs that maximize the benefits of demand-side management (“DSM”).

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of Appalachian Citizens’ Law Center (“ACLC”) and Mountain Association (“MA”), (collectively, “Joint Intervenors”).

Q. Please describe your educational background.

A. I received a Bachelor of Arts degree in Accounting, Business Administration, and Economics from McDaniel College in 2009.

Q. Please describe your professional background.

A. I have more than 15 years of experience in the energy sector, related specifically to the review and development of energy efficiency and demand response programs and policies. In October 2021, I joined Energy Futures Group as a Managing Consultant and

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 became a principal of the firm in 2024. Since 2022, I have served as the Lead Technical
2 Consultant to the Connecticut Energy Efficiency Board to support the state’s energy
3 efficiency programs. Prior to joining EFG, I was employed for six years by Exeter
4 Associates, Inc., as a Senior Analyst where I provided technical support and analysis to
5 state and federal clients on energy efficiency, distributed resources, demand response,
6 and renewable energy.

7 From 2009 through 2015, I worked at the Maryland Public Service Commission as a staff
8 member with a focus on the regulatory review of Maryland’s energy efficiency programs,
9 known as EmPOWER Maryland. A copy of my curriculum vitae is attached as Exhibit
10 SLS-1.

11 **Q: Have you previously filed expert witness testimony in other proceedings before the**
12 **Commission or before other regulatory commissions?**

13 A: Yes. I have filed expert testimony regarding Kentucky Power’s DSM current portfolio of
14 programs and in Economic Development Rider Special Contracts with cryptocurrency
15 mining facilities in three proceedings, and have filed comments regarding energy
16 efficiency planning and programs before the Commission.¹ Additionally, I have filed
17 testimony before Commissions in Kansas, Kentucky, Louisiana, Maine, Maryland,

¹ Case No. 2024-00115, *In re Electronic Application of Kentucky Power Company For: (1) Approval to Expand its Targeted Energy Efficiency Program; (2) Approval of a Home Energy Improvement Program and a Commercial Energy Solutions Program; (3) Authority To Recover Costs and Net Lost Revenues, And to Receive Incentives Associated With The Implementation of its Demand-Side Management/Energy Efficiency Programs; (4) Approval of its Revised Tariff D.S.M.C; (5) Acceptance of Its Annual DSM Status Report; And (6) All Other Required Approvals and Relief*; Case No. 2022-00371, *In re Electronic Tariff Filing of Kentucky Utilities Company for Approval of an Economic Development Rider Special Contract with Bitiki-KY, LLC*; Case No. 2022-00387, *Electronic Tariff Filing of Kentucky Power Company for Approval of a Special Contract with Ebon International, LLC*; Case No. 2022-00424, *Electronic Tariff Filing of Kentucky Power Company for Approval of a Special Contract Under Its Economic Development Rider and Demand Response Service Tariffs with Cyber Innovation Group, LLC*; Case No. 2023-00092, *In re Electronic 2022 Integrated Resource Planning Report of Kentucky Power Company*.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 Missouri, Pennsylvania, Rhode Island, and Wisconsin regarding automated metering
2 infrastructure, energy efficiency programs, revenue requirement and adequacy of service.

II. TESTIMONY OVERVIEW

4 **Q. What is the purpose of your testimony?**

5 A. My testimony addresses Kentucky Power Company’s (“Kentucky Power,” “KPC,” or
6 “the Company”) application for approval to continue the DSM plan, consisting of the
7 Targeted Energy Efficiency (“TEE”) program, the Home Energy Improvement Program
8 (“HEIP”) and a Commercial Energy Solutions Program (“CESP”), through December
9 2026 along with the adjustment of its DSM surcharge. As part of this approval, I address
10 the DSM surcharge calculation (referred to as the D.S.M.C. tariff) to recover costs
11 associated with implementing the proposed DSM plan, net lost revenues, and incentives
12 related to implementation of the portfolio. My testimony will address: (1) performance of
13 the 2025 DSM programs, (2) the Company’s proposed adjustments to the 2026 DSM
14 program budgets, (3) proposed change to the level of funds collected in through the
15 D.S.M.C. tariff for residential and commercial customers in 2026, (4) proposed
16 adjustments to the calculations of lost revenues, and (5) narrative examples for future
17 DSM reports.

18 **Q. Please explain why it is important for utilities to invest in demand-side management**
19 **programs.**

20 A. Energy efficiency is one of the least expensive energy resources to invest in and provides
21 quantifiable benefits well beyond the costs to deliver the programs. When cost-effectively
22 implemented, energy efficiency programs provide a variety of benefits to ratepayers, the

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 utility, local economies, and the environment. First and foremost, energy efficiency can
2 reduce demand and overall energy usage for the participant, which can translate into
3 savings for all ratepayers through deferred investment in new electricity generation and
4 infrastructure, at both the distribution and transmission level. Reducing overall load and
5 energy demand can provide increased reliability, even more so if dispatchable demand
6 response is included in the portfolio, which is realized by both participants and non-
7 participants. Improved energy efficiency provides economic benefits, such as lower
8 utility bills for both participants, through direct participation, and for non-participants
9 through the stabilization of electricity prices. Furthermore, energy efficiency programs
10 can promote job creation in the area and influence trades, such as heating, ventilation,
11 and air conditioning, to train the workforce. Environmentally, the programs decrease
12 greenhouse gas emissions and other pollutants, as well as decrease the use of other
13 resources, such as water.

14 While there are direct benefits for those who participate in the programs, energy
15 efficiency programs can provide indirect benefits for all ratepayers. Both participants and
16 non-participants experience long term benefits of energy efficiency as it can reduce
17 overall electric demand and thus reduce or delay investment in new generation and
18 infrastructure, reduce variable operating expenses, and reduce exposure to fuel cost
19 volatility. Due to these benefits, the DSM programs should be continued through
20 December 2026 and implemented with a focus on achieving reasonable and sustainable
21 growth.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 **Q. Please summarize your recommendations.**

2 A. The Joint Intervenors recognize the importance of DSM programs being offered in
3 Kentucky Power’s service territory and support the successful implementation of these
4 programs. To encourage success in 2026 and beyond, the Joint Intervenors put forth the
5 following recommendations:

- 6 1. The DSM programs should be continued in 2026 and 2027, consistent with the
7 Commission three-year approval in Case No. 2024-00115.
- 8 2. The unspent funds from 2025 for the HEIP and CESP should not be rolled over
9 into the 2026 program year, thus increasing the 2026 program budgets. The
10 primary goal of the programs should not be to fully expend the funds within the
11 three- year period to meet its goals.² Rather, the Company should be focused on
12 the successful implementation of the programs for reasonable growth throughout
13 the ramp up period.
- 14 3. The 2026 D.S.M.C. surcharge should reflect the decrease in 2026 program
15 budgets to the level approved in Case No. 2024-000115. As a result, the
16 Commission should approve a residential surcharge of \$0.000425/kWh and a
17 commercial surcharge of \$0.000464/kWh.
- 18 4. The calculation of lost revenues as part of the D.S.M.C. should reflect savings
19 from actual measures installed and, if there is co-funding, those savings should be
20 adjusted to only reflect the portion of savings funded by the Company’s DSM
21 programs. At a minimum, this adjustment should be made to future calculations if
22 not adopted for the calculation of the 2026 D.S.M.C.
- 23 5. Unspent funds collected through the D.S.M.C. should be held in an interest
24 bearing account, with that interest used to offset the collection amounts.
25 Beginning in 2026, the surcharge collections should be held in an interest bearing
26 account, with the interest offsetting program collections for the 2027 surcharge.
- 27 6. The annual DSM status reports should include a narrative to provide insight into
28 performance of the programs, challenges and successes faced throughout the year.
29 This can be used to reflect many of the responses received through
30 interrogatories. A working group should be formed to develop the narrative
31 requirements for the annual status report.

² Response of KPC to Joint Intervenors First Set of Data Requests, Case No. 2025-00365 (Feb. 4, 2026) (“KPC Response to JI”) at 1_7.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

III. 2025 DSM PERFORMANCE AND 2026 PROJECTIONS

Q. Please provide an overview of the portfolio performance in 2025.

A. In 2025, Kentucky Power continued its TEE program from prior years and expanded its portfolio as it launched two new programs, HEIP and CESP. Table 1 highlights the level of spending and participation in 2025.

Table 1 2025 Actual DSM Performance³

	Spending		Participation	
	Forecasted	Actual	Forecasted	Actual
TEE	\$ 358,185	\$ 280,123	90	69
HEIP	\$ 664,681	\$ 237,445	661	53
CESP	\$ 710,011	\$ 202,106	130	1

As noted in Table 1, there was significant spending in 2025 with limited participation compared to forecast. This spending reflects the cost to ramp up programs throughout the year, as the HEIP and CESP did not launch to customers until July 2025. Those two programs' costs were the result of ramp up activities associated with the launch of a new program (i.e., program guidelines, determination of incentive levels, development of rebate forms, identifying supporting vendors and development of work force, and marketing development). In addition to start up activities, there is also a lag between program launch and customer engagement while customers are made aware of the program opportunities.

³ Actual spending for HEIP and CESP is from KPC Application, Case No. 25-00365, Exhibit SNC -1, (Nov. 17, 2025) ("Exhibit SNC-1"), and is based on nine months actual and three months forecasted. Actual TEE budget and participants is from the KPC Response to KPSC, Case No. 25-00365 (Feb. 4, 2026) ("KPC Response to KPSC") at 1_1.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 Targeted Energy Efficiency Program

2 **Q. Please describe the performance of the TEE program in 2025.**

3 A. Since 2022, the TEE program has provided incentives for an average of 80 homes each
4 year.⁴ In 2025, only 69 homes received TEE funds to implement measures. According to
5 the Company, the TEE program experienced a decrease in program activity from prior
6 years due to the community action agencies (“CAAs”) experiencing delays in receiving
7 Department of Energy (“DOE”) funds.⁵ As the TEE funds assist in co-funding measures,
8 the delay in DOE funds slowed the increased production anticipated in 2025.

9 Furthermore, according to Kentucky Power, DOE changed its guidance for health and
10 safety-related eligibility, which increased the amount of DOE funds to be spent on
11 qualifying households, reducing the needs for the TEE funds.⁶ Finally, the Company
12 indicated that none of the \$15,000 in Weatherization Readiness Fund allocated for 2025
13 was utilized, as the CAAs were focused on utilizing funds from the Kentucky Power
14 Foundation Grant.⁷

15 **Q. Do you have any concerns with the implementation of the TEE program going**
16 **forward?**

17 A. Although the Company has discussed the importance of spending the TEE funds with the
18 CAAs, there do seem to be competing priorities in utilizing the funds and perhaps not a
19 large enough workforce to support the availability of funds despite the need. The TEE
20 budget is increasing from \$358,185 in 2025 to \$370,606 in 2026, with \$20,000 allocated

⁴ Average number of homes addressed per year is from Exhibit SNC-1.

⁵ KPC Response to KPSC 1_3.

⁶ KPC Response to KPSC 1_2.

⁷ KPC Response to JI 1_1.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 for the Weatherization Readiness Fund, based on approval from the Case No. 2024-
2 000115. This is \$90,000 higher than was expended in 2025.⁸

3 Although the 2025 TEE program budget was not fully utilized, it remains clear that there
4 is a need in the region to continue and expand access to income-qualified whole home
5 weatherization services. The Company reports that CAAs have a waitlist of 74 TEE
6 eligible customers with active applications,⁹ with an average wait time of 66 days
7 between request for an audit and the installation of measures in 2025.¹⁰

8 **Q. Beyond health and safety, do you believe that homes seeking energy**
9 **efficiency through the WAP will encounter other barriers?**

10 A. Yes. The level of funding available through the state's WAP is insufficient to
11 address the need throughout the state of Kentucky, much less the Company's service
12 territory. The number of homes served by the TEE Program is limited based upon the
13 proposed level of funding, and there is a wait list, which means that qualified participants
14 may have to wait a year or more to receive weatherization services.¹¹

15 The number of Kentucky residences weatherized per year by WAP falls far below the
16 need in the state. As shown in Figure 1 below, there are significantly more homes, not
17 only statewide, but also within the Kentucky Power service territory which are
18 experiencing high or severe energy burdens within the income-eligible guidelines for

⁸ Difference between proposed 2026 TEE program budget (\$370,606) and actual 2025 TEE program expenses (\$280,123).

⁹ KPC Response to JI 2_6.

¹⁰ KPC Response to JI 1_4.

¹¹ KPC Response to JI 2_6.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

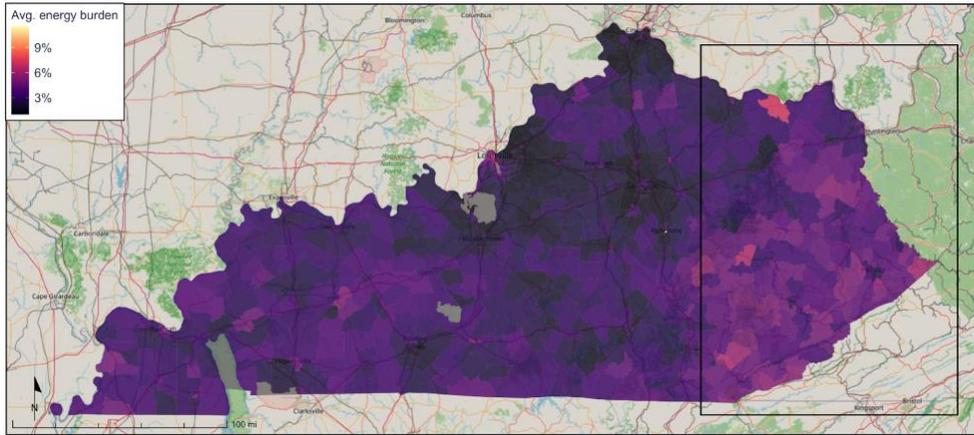
1 WAP, but due to the limited budget for the federal program, many are not able to access
2 the program.¹²

¹² Figure 1 uses data from the Department of Energy’s Low-Income Energy Affordability Data (“LEAD”) Tool. *DOE LEAD Tool*, U.S. Dep’t of Energy, Office of State and Community Energy Programs, <https://www.energy.gov/scep/slsc/lead-tool> (last visited Mar. 18, 2025).

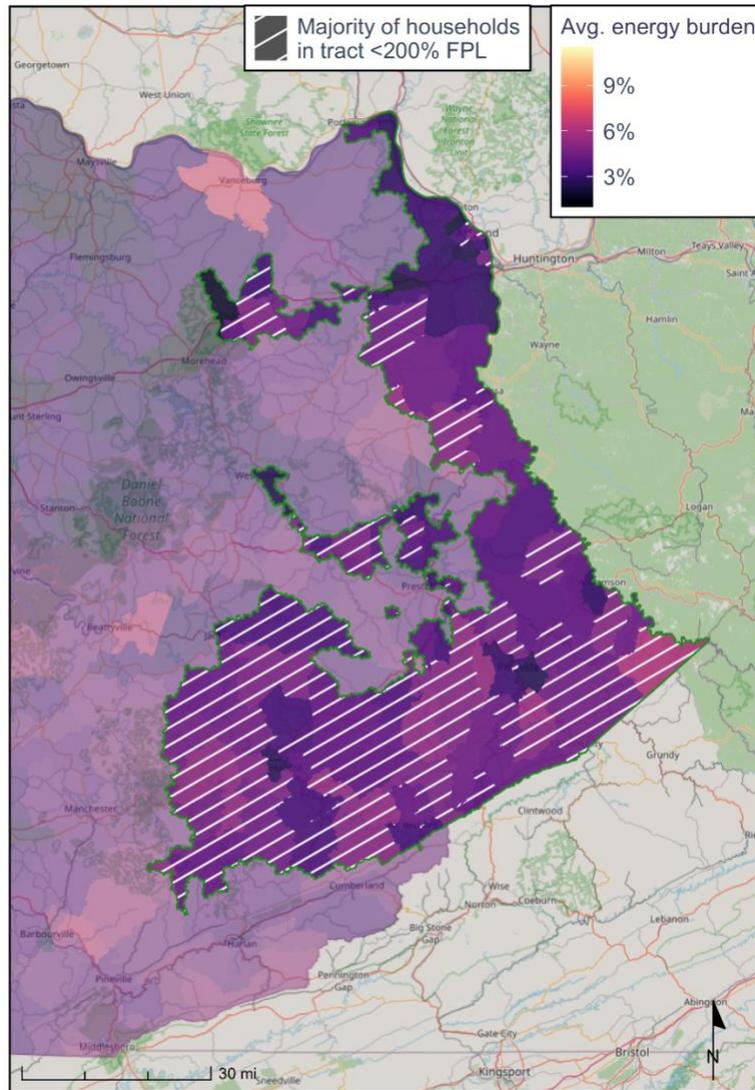
CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1
2

Figure 1. Energy Burden Statewide and in
Kentucky Power Service Territory



3



4

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 Per the DOE Low-Income Energy Affordability Data (“LEAD”) tool, Kentuckians with
2 incomes at or below 200% of the federal poverty level experience an energy burden
3 ranging from 10-15%.¹³ In reviewing seven counties in which the majority resides in the
4 Kentucky Power service territory, the DOE LEAD tool indicates that there are 23,741
5 households within those counties that have energy burdens of six percent or greater and
6 incomes at 200% or below the federal poverty level (“FPL”).¹⁴ As mapped in Figure 1
7 above, the majority of households in a significant proportion of census tracts within
8 Kentucky Power’s service territory report incomes below 200% FPL, with energy
9 burdens from 6% to as much as 18%.

10 **Q. Do Kentucky Power Residential Customers also use more than the average**
11 **amount of energy?**

12 A. Yes. Over the years Kentucky Power Company’s residential customers have
13 consistently been at, or among the top average users among Commission-regulated
14 utilities in Kentucky, as shown in Figure 2 Kentucky Power’s average residential use is
15 shown in red.¹⁵

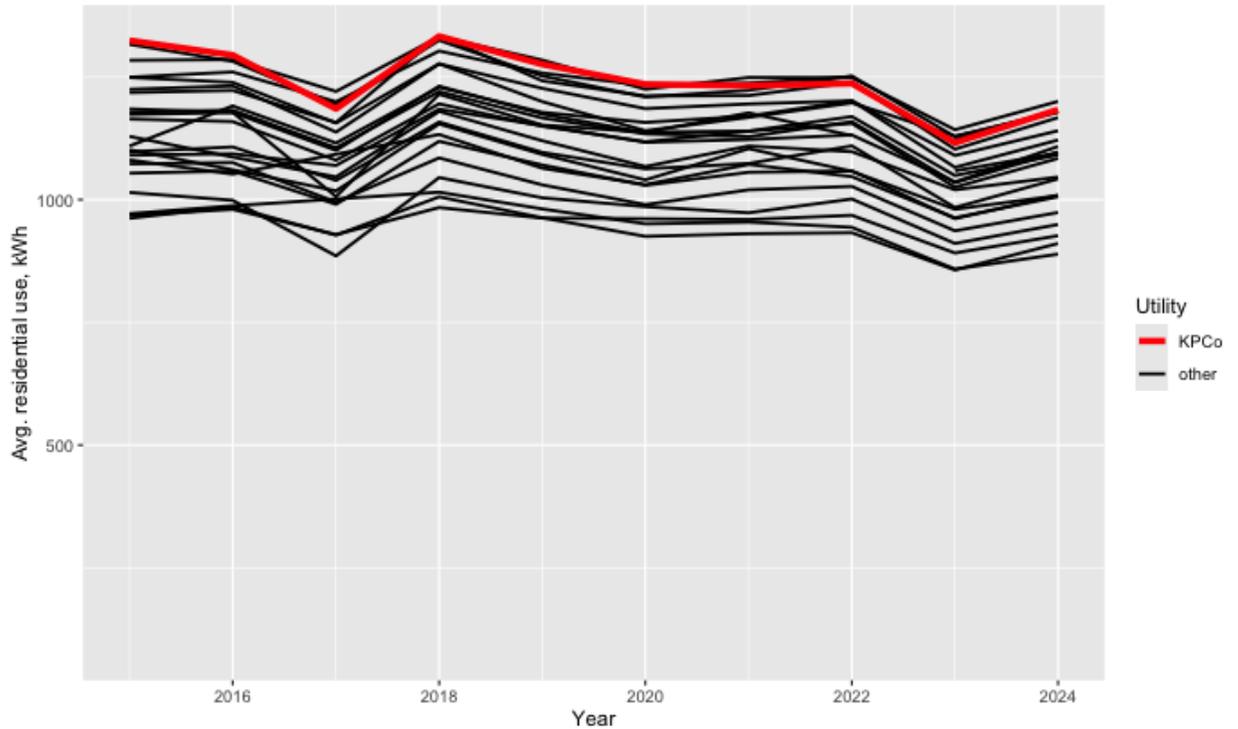
¹³ *Id.*

¹⁴ *Id.* The counties referenced include: Marting, Pike, Floyd, Knott, Letcher, Lawrence, and Boyd.

¹⁵ Data from from EIA form 861, available at *Annual Electric Power Industry Report, Form EIA-861 Detailed Data Files*, U.S. Energy Information Administration (Oct. 7, 2025), <https://www.eia.gov/electricity/data/eia861/>. Average usage reflects total MWh sales for residential customers by year, divided by the residential customer count. The result is multiplied by 1000 to get kWh, and divided by 12 to show average monthly usage.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 *Figure 2. Average Residential Usage for Commission-Regulated Electric Utilities*



2

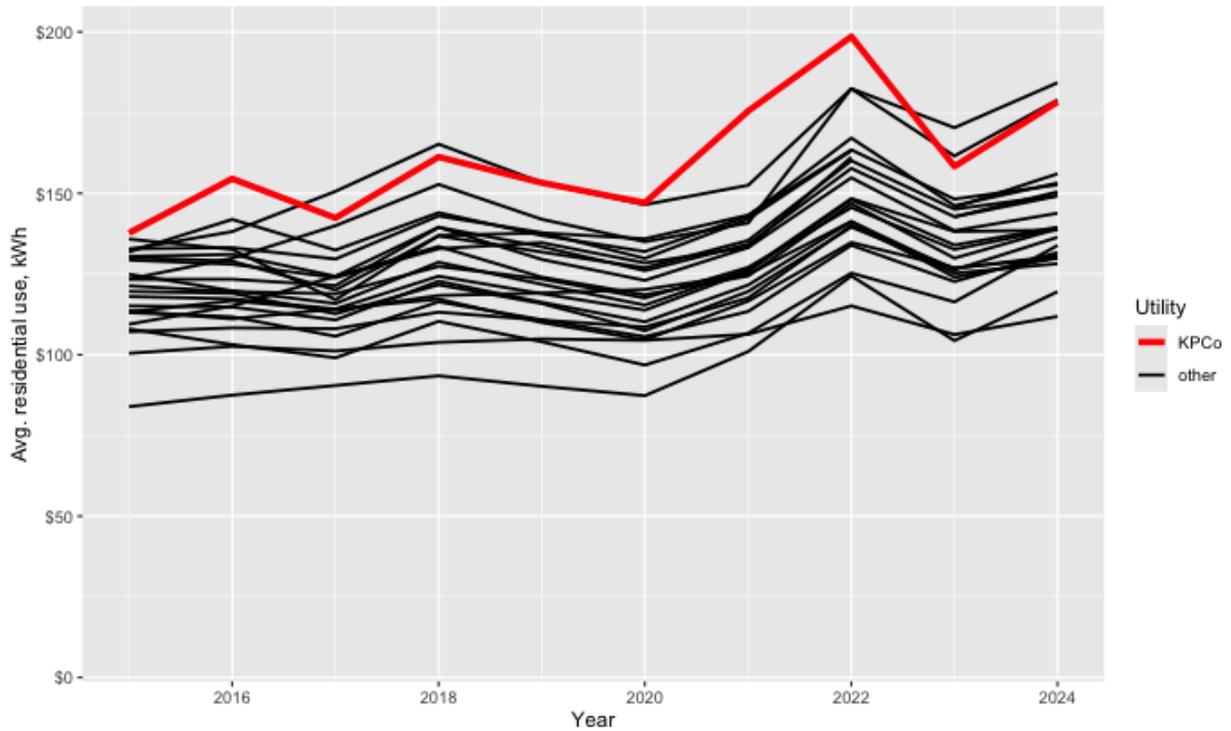
3 **Q. Does this result in above average bills for residential customers?**

4 A. Yes. As shown below in Figure 3, average monthly revenue from Kentucky
5 Power Company's residential customers is also well above average for Kentucky, and
6 consistently climbing. Kentucky Power Company is again shown in red.¹⁶

¹⁶ Average monthly residential revenue per customer is derived by dividing total residential revenues from EIA form 861 by customer count, and then dividing by 12 to get monthly average. This is equivalent to the average monthly bill for a residential customer.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 *Figure 3. Average Monthly Residential Revenue per Customer for Commission-Regulated*
2 *Electric Utilities*



3
4
5 **Q. Do you have a proposed solution?**

6
7 In light of critical need across the territory, if the Company recognizes that the CAAs
8 continue to struggle to invest the TEE funds in 2026, then the Company should develop
9 plans to implement the TEE program itself.

10
11 Home Energy Improvement Program

12 **Q. Please describe the performance of the HEIP in 2025.**

13 A. The Company launched HEIP last year, with it being made publicly available to
14 customers in July 2025.¹⁷ Throughout 2025 and into 2026, the program was still ramping
15 up activities, such as onboarding supporting workforce. While the primary contractor,

¹⁷ KPC Response to JI 1_12.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 Earth Right Mid Atlantic, serves as the home energy assessor and installs direct
2 measures, it appears that the program needs additional contractors to support
3 implementation of insulation, HVAC, and hot water heaters.¹⁸ As of January 21, nine
4 contractors had participated in customer rebate projects, but the total number of
5 contractors desired to achieve forecasted participation is 20.¹⁹ With the program not
6 launching until July and the need to onboard contractors to support the work still
7 occurring, it is understandable that there was limited participation in 2025 compared to
8 forecast.

9 **Q. How much funding is Kentucky Power requesting to roll over from 2025 into 2026?**

10 A. The Company is requesting to roll over \$326,813 from 2025 into 2026. If approved, this
11 increases the 2026 HEIP budget to \$991,494, to be invested in a revised forecast of 1,519
12 participants.

13 **Q. Do you have concerns if this level of funding was to be rolled over from 2025 into**
14 **2026?**

15 A. Yes, I have concerns about whether the proposed program budget can be successfully
16 implemented. While the Company's planned 2026 marketing efforts of customer emails,
17 outbound calls, social media, and community gatherings will increase participation from
18 2025 levels, it is unclear that the Company and its third-party implementer would be able
19 to achieve the revised 2026 level of participation.²⁰ As noted by the Company, the
20 subcontractor's current staffing level can complete 45-50 assessments per month.²¹ That

¹⁸ KPC Response to JI 1_13.

¹⁹ *Id.*

²⁰ KPC Response to JI 1_18.

²¹ *Id.*

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

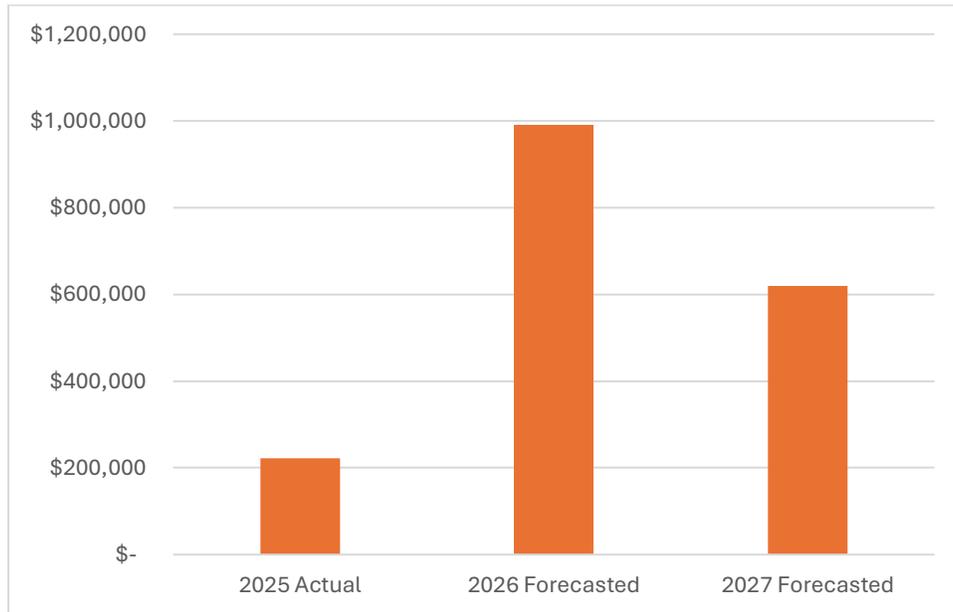
1 translates to only 600 participants annually, which is less than 40% of the revised
2 participation level under the proposed 2026 HEIP budget. While there are direct install
3 measures as part of the audit process, the savings is related to the implementation of
4 rebated measures in the audited homes. Therefore, to achieve the forecasted level of
5 energy savings for 2026, additional homes will need to be assessed and those homes will
6 also need to complete rebated projects with the installation of insulation and HVAC
7 equipment. This will require a contractor network to support the installation of those
8 measures.

9 Beyond the fact that I do not believe that current staffing levels of vendors can support
10 the proposed 2026 participation and spending levels, I have long term concerns about
11 how customers and vendors experience the program. Although the Company proposes to
12 substantially increase the 2026 program budget, the Company does not request or commit
13 to sustaining that 2026 program budget level in 2027. Instead, as proposed, there would
14 be a budget cliff between 2026 and 2027, as the HEIP budget reverts to the level
15 approved in 2024-00115. If vendors are asked to expand their workforce to meet the 2026
16 projections, and can do so, by 2027, budget reductions are likely to result in workforce
17 decreases as the budget will decrease significantly to approximately \$620,000, as shown
18 in Figure 3 below.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1

Figure 4 HEIP Annual Funding Levels



2

3

4

5

6

7

8

9

10

11

12

13

If vendors are asked to increase and decrease workforce levels from year to year, there may be hesitancy to participate in the program going forward, as the level of work available will be variable. This could result in a lack of available workforce to support the programs on an ongoing basis. Additionally, customers' demand for the program will likely increase in 2026 with the added investment and marketing, but decreased investment in later years can create long wait times to receive audits and measures. That can have a negative effect on customer perception of utility services and value-add. It is particularly important as the program is first coming online for there to be consistency in the program offering, gradual changes in spending forecasts, and ample time to ramp up the program to achieve sustainable levels of participation and develop trust among the workforce and customers.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 **Q. What do you recommend relating to the increase in funds for the HEIP?**

2 A. Given that the program is still in a ramp up stage, I would recommend that no additional
3 funds from 2025 be rolled in 2026. This will allow the program to establish a workforce
4 that can sustainably support the programs beyond 2026, create program expectations for
5 both contractors and customers, and allow for any implementation issues, which are
6 common to occur as a program expands, to be addressed. If there are additional funds
7 from 2026 that are underspent, depending on the degree and progress of the program roll
8 out, those could be added to 2027.

9

10 *Commercial Energy Solutions Program*

11 **Q. Please describe the performance of the CESP in 2025.**

12 A. In 2025, the CESP focused on lighting measures only, and processed a limited number of
13 applications, with only one application being submitted by October. As of January 2026,
14 only one contractor participated in the program.²² Mountain Association's direct bill
15 evaluation assistance and efficiency support staff saw this slow uptake firsthand, and has
16 met with Kentucky Power to collaborate on ways to benefit the program and increase
17 program awareness, including increasing the number of contractors to support the
18 program and (for lighting measures only) allowing customers that self-install lighting
19 measures to still be eligible to apply and receive lighting measure rebates.

²² KPC Response to JI 1_6.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 **Q. How will the CESP be expanded in 2026 and what level of funding is the Company**
2 **requesting?**

3 A. In January 2026, the Company expanded the CESP measure offerings to include HVAC
4 (including smart thermostats) and heat pump water heaters, in addition to lighting. The
5 incentives were provided on the online application portal and on program collateral
6 resources. The Company is requesting to rollover more than \$500,000 in 2025 unspent
7 funds to 2026, which would result in an 2026 budget of \$1,267,246. With this level of
8 funding, the program anticipates serving 272 customers, which is a significant increase
9 from 2025 participation.

10 **Q. Do you have concerns about the Company being able to invest that level of funds**
11 **under the CESP?**

12 A. It is unclear if the CESP has the support to implement the HVAC portion of the program
13 as the portfolio implementor, TRC, is working to secure participation of 10 HVAC
14 contractors that serve residential, commercial, or both sectors.²³ If the Company was
15 ready to advertise the HVAC measures under the CESP, it should have recruited
16 contractors prior to the implementation of rebates to anticipate customer demand and
17 achieved forecasted levels of participation. Additionally, there still appears to be a limited
18 number of vendors to serve the lighting portion of the program.

19 While the Company does have 17 customers in its CESP pipeline, that is significantly
20 short of the 272 customers forecasted.²⁴ Without a vendor workforce ready to support
21 customers at the beginning of the year, it is likely that the ramp up of the CESP will

²³ KPC Response to JI 1_9.

²⁴ KPC Response to JI 1_18.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 continue throughout 2026. Therefore, it is unclear whether the Company will be able to
2 effectively deploy the requested level of funding for 2026. When the Company was asked
3 of its confidence level to achieve the 2026 participation levels, it indicated that it believes
4 that program participation “will be significantly increased,” but it did not answer about
5 the confidence in achieving its projections.²⁵ Rather it is recognized in multiple responses
6 that both the HEIP and CESP are a three-year pilot and at the end of that period it will
7 evaluate the effectiveness and whether any adjustments are required.²⁶

8 If the Company were able to invest the full \$1.2 million in 2026, there would be a
9 significant decrease in funding available in 2027, which is forecasted to have a spending
10 level of \$686,862. As shown in Figure 4, this would reduce funding by almost half come
11 2027, which will significantly impact the supporting workforce. This is particularly so as
12 new measures likely requiring new contractor support are offered in 2027. The primary
13 goal of the programs should not be to fully expend the funds within the three- year period
14 to meet its goals.²⁷ Rather, the Company should be focused on the successful
15 implementation of the programs for reasonable growth throughout the ramp up period.

²⁵ KPC Response to JI 1_11.

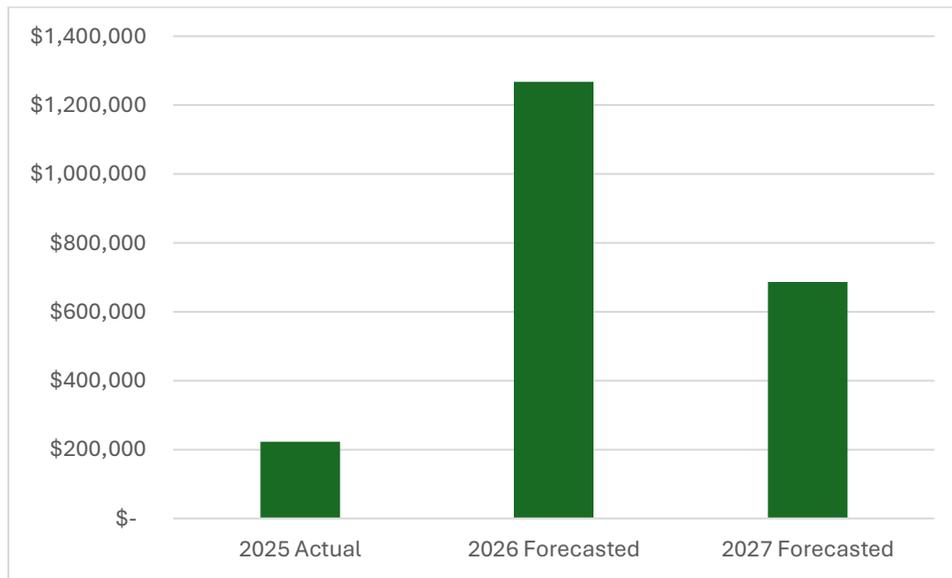
²⁶ KPC Responses to JI 1_5, 1_7 and 1_15.

²⁷ KPC Response to JI 1_7.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1

Figure 5 CESP Annual Funding Levels



2

3 **Q. What do you recommend relating to the increase in funds for the CESP?**

4 A. For the same reasons identified with the HEIP and for the continued success of the CESP
5 after the 2026 program year, I would recommend against rolling over the 2025 unspent
6 funds into 2026. By maintaining the original Commission approved budgets for CESP, as
7 well as HEIP, the funding will be relatively level and sustainable from year to year, like
8 the established TEE program.

9

10 Overall Program Budgets

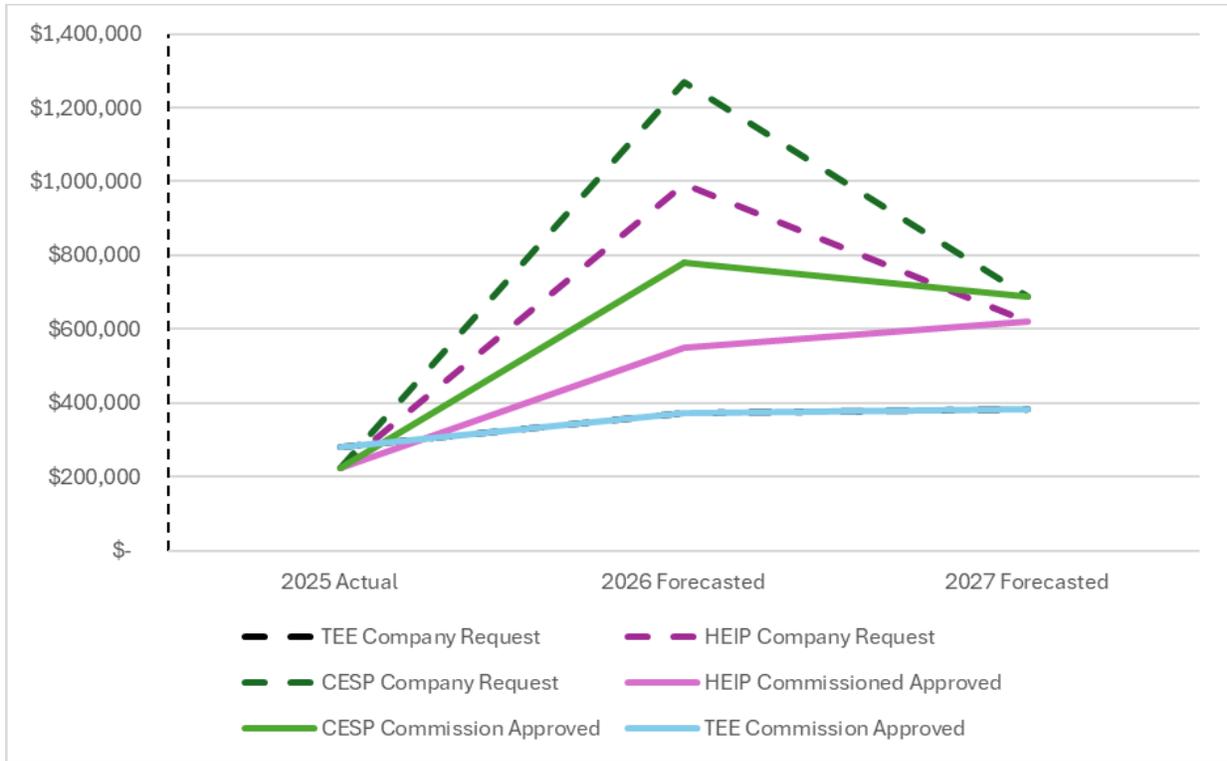
11 **Q. Please summarize your recommendation with regard to budgets for each Program.**

12 A. I recommend keeping the proposed TEE program budget applied for here, as approved in
13 Case No. 2024-00115. As explained above, however, I recommend not rolling over
14 unspent funds in the HEIP and CESP Programs from 2025 to 2026. The variance in
15 budgets by year is shown in the Figure below. The dotted lines represent the Company's
16 actual spending in 2025 and its proposed budgets for 2026 and 2027. The solid lines

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 represent the actual spending in 2025 and the Commission approved spending for 2026
2 and 2027 based upon Case No. 2024-000115. The Company’s proposed spending for the
3 TEE program in 2026 and 2027 is the same as the Commission approved spending for the
4 TEE in 2026 and 2027. Therefore, the solid line and dotted line are overlapping.

Figure 6 DSM Budget by Program and Year



6

IV. D.S.M.C. SURCHARGE

7

8 Q. Based on your funding recommendations in the prior section, do you support the
9 proposed surcharge levels for the residential and commercial customers?

10 A. No, I do not. Based on the 2025 performance of the DSM programs and continued ramp
11 up efforts in 2026, the level of funding forecasted for 2026 should be at the Commission
12 approved level in Case No. 2024-00115. The level of funding by program should be as
13 follows:

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

Table 2 2026 Program Funding Levels

	Company Requested 2026 Budget	Commission Approved 2026 Budget
TEE	\$370,606	\$ 370,606
HEIP	\$991,494	\$ 548,607
CESP	\$1,267,246	\$ 779,409

Using the Commission approved 2026 budget from the prior case and the overcollection in 2025 compared to 2025 spend, the current surcharge should be decreased from \$0.000587/kWh to \$0.000425/kWh for residential customers and \$0.000573/kWh to \$0.000464/kWh for commercial customers. The decrease in the surcharge in 2026 is due to unspent 2025 funds offsetting the amount needed for collection. Therefore, while the unspent funds are not being rolled over to program investment, they are being used to offset the surcharge.

In a month with average residential customer usage of 1,300 kWh, the 2025 DSM surcharge bill impact of \$0.76 would be reduced to \$0.55, a reduction of \$0.21 or roughly 27% compared to 2025.

For a G.S.-Secondary customer with an average usage of 19,452 kWh, the 2025 DSM surcharge bill impact of \$11.15 would be reduced to \$9.03 in 2026, a reduction of \$2.12 or roughly 19% compared to 2025.²⁸

The calculations of these rates can be found in Exhibit SLS-2.

²⁸ KPC Response to KPSC 2_3.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 **Q. Do you believe that the surcharge mechanism should be adjusted for any additional**
2 **items?**

3 A. Yes. The surcharge mechanism should be adjusted to include interest on the funds
4 collected and the lost revenue mechanism should be adjusted to reflect actual measures
5 installed and funded by the DSM surcharge.

6 First, the Company should be required to hold the funds collected via the DSM surcharge
7 in an interest bearing account.²⁹ Currently, the funds are not held in an account that earns
8 or pays a return.³⁰ That is a missed opportunity generally, and particularly so where, as
9 here, the Company has collected money from customers via the DSM surcharge at a
10 faster rate than the Company has been able to spend the approved 2025 budget. If held in
11 an interest bearing account, accrued interest can be used to offset DSM costs. If interest
12 had been accrued on the unspent but collected 2025 funds, then that could have been used
13 to further reduce the surcharge collection needed for 2026. This should be corrected
14 going forward. Allowing for interest to be earned on the collected funds and re-invested
15 in the programs to offset collections is a responsible use of ratepayer funds that
16 maximizes system benefits.

17 Second, the lost revenues need to be calculated based on the contribution of the DSM
18 surcharge. Currently, the Company is assuming that the lost revenues are based on an
19 average forecast measure mix savings on a per participant basis, rather than the assumed
20 savings for the measures installed. This approach departs from standard practice, and

²⁹ This recommendation is consistent with Commission orders requiring regulated utilities to utilize interest bearing accounts for surcharge revenues. *E.g., Elec. Southern Water & Sewer District's Meter Replacement Surcharge Monitoring*, Order, Case No. 2020-00121, at 2-3 (requiring deposit of meter replacement surcharge proceeds to be deposited in a separate interest-bearing account); *App. of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness*, Case No. 2012-00119, at 4-5.

³⁰ KPC Responses to JI 1_24 and 1_25.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 results in less accurate reporting of achieved savings attributable to program activities.

2 The Company should only be able to claim lost revenues for the measures it installs and
3 the savings it actually generates, which may result in higher or lower savings than
4 forecasted depending on the types of measures actually installed.

5 Likewise, with the TEE program, there is co-funding available with the lion's share of
6 CAA weatherization activities being funded through DOE's weatherization grants.

7 Standard practice to account for lost revenues in this co-funding dynamic would be to
8 claim program savings based on only the measures funded by the utility. Applied here,
9 the Company should only be able to claim lost revenues related to the portion of the
10 achieved savings funded by the TEE funds and not the federal weatherization dollars that
11 co-funds measures. To address this, the assumed measure savings for the installed
12 measures should be allocated based upon the percentage of funds contributed by the TEE
13 program. As an illustrative example, if insulation is installed, providing 200 kWh of
14 annual energy savings, and 30% of installed insulation was funded by TEE, then the
15 Company should be able to claim 60 kWh in program savings, as well as in net lost
16 revenues. This methodology should be easy for the Company to implement as it should
17 be tracking the measures installed with its funds, regardless of the program.

18 **Q. When do you recommend that the Company be required to adopt the change in the**
19 **calculation of lost revenues?**

20 A. The Company should recalculate its lost revenues for 2025 using this methodology and
21 adjust the surcharge accordingly. If the Commission does not adopt this change for 2025,
22 at a minimum it should adopt this change in methodology for the calculation of 2026 lost
23 revenues.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 **Q. Why should net lost revenue recovery for the TEE Program change if it has been**
2 **allowed in the past?**

3 A. The calculation of net lost revenues should change as described to align with industry
4 best practices. It is never too late to align ratemaking approaches consistent with industry
5 best practices, which do and have evolved since the Company first began its TEE
6 program. This change in methodology will also ensure that the lost revenues are limited
7 to those that result because of the investment of DSM funds.

V. ANNUAL DSM STATUS REPORT

8
9 **Q. Do you believe that the information provided in Exhibit SNC-1 was sufficient for an**
10 **annual DSM status report?**

11 A. No, I do not. The number of data requests issued to the Company to gather more
12 information on performance indicate that more information is needed to understand the
13 status of the programs and whether future plans for program implementation and budgets
14 are reasonable. The data requests issued in this case included questions related to
15 performance, issues faced by the program, marketing efforts to increase participation, and
16 how the programs will be able to achieve future forecasted participation and spending
17 based on current spending. Such information should already be available through a
18 narrative which accompanies the current annual DSM status report. Inclusion of a
19 narrative will allow the Commission and public to understand the success of the
20 programs and the investment of ratepayer funds. There are reports available nationwide
21 that can provide insight into the information that the narrative can offer;³¹ however, it

³¹ An example of a narrative report is the Baltimore Gas and Electric Company 2025 Year-End EmPOWER Maryland Report for January 1 through December 31, 2025. Mail Log# 327198.

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 may be most beneficial if the parties in this case and interested stakeholders can meet to
2 inform and design a more informative annual status report. I recommend that a
3 workgroup be formed to develop a more informative annual status report.

VI. CONCLUSION

5 **Q. Please summarize your recommendations.**

6 A. Overall, I support the continuation of the DSM programs in 2026. However, given the
7 current program status and desire for the programs to have continued success in 2026 and
8 beyond, I recommend against the rolling over of unspent 2025 funds into 2026. The level
9 of funds already approved for 2026 are sufficient and support a sustainable and stable
10 level of investment from year to year, based on approved funding for 2027. A summary
11 of my recommendations and plan enhancements are as follows:

- 12 1. The DSM programs should be continued in 2026.
- 13 2. The unspent from 2025 for the HEIP and CESP should not be rolled over into the
14 2026 program year, thus increasing the 2026 program budgets.
- 15 3. The 2026 D.S.M.C. surcharge should reflect the decrease in 2026 program
16 budgets to the level approved in Case No. 2024-000115. As a result, the
17 Commission should approve a residential surcharge of \$0.000425/kWh and a
18 commercial surcharge of \$0.000464/kWh.
- 19 4. The calculation of lost revenues as part of the D.S.M.C. should reflect savings
20 from actual measures installed, and if there is co-funding, that savings should be
21 adjusted to only reflect the portion of savings funded by the DSM programs. At a
22 minimum, this adjustment should be made to future calculations if not adopted for
23 the calculation of the 2026 D.S.M.C.
- 24 5. Unspent funds collected through the D.S.M.C. should be held in an interest
25 bearing account, with that interest used to offset the collection amount. Beginning
26 in 2026, the surcharge collections should be held in an interest bearing account,
27 with the interest offsetting program collections for the 2027 surcharge.

It is item 391 on Case No. 9705, *The 2024-2026 EmPOWER Maryland Program*, Dkt. No. 391, Maryland Publ. Serv. Comm'n, <https://webpsxcb.pscmaryland.com/DMS/case/9705> (last accessed Mar. 18, 2026).

CASE NO. 2025-00365
DIRECT TESTIMONY OF STACY L. SHERWOOD

1 6. The annual DSM status reports should include a narrative to provide insight into
2 performance of the programs, challenges and successes faced throughout the year.
3 This can be used to reflect many of the responses received through
4 interrogatories. A working group should be formed to develop the narrative
5 requirements for the annual status report.

6 **Q. Does that conclude your testimony?**

7 **A. Yes.**

Exhibit SLS-1 – Stacy Sherwood Resume



Stacy has over 15 years of experience in the energy industry, specializing in energy efficiency (EE), demand response (DR), automated metering infrastructure (AMI), cost recovery, and renewable energy. Stacy has testified or provided comments before 11 public service commissions on AMI, EE, protections for cryptocurrency related load growth, and reasonableness of revenue increases. Throughout her career, Stacy has evaluated various electric and natural gas EE and DR plans; potential studies; evaluation, measurement, and verification reports; environmental justice impacts, and riders for cost recovery. Since 2021, Stacy has immersed herself in Connecticut's energy goals and policy, serving as the Lead Technical Consultant on behalf of the Connecticut Energy Efficiency Board. Recently, she has begun providing support to jurisdictions on establishing a cost-benefit framework to evaluate distributed energy resources (DERs) and identifying safeguards related to large loads, such as data centers and cryptomining.

✉ ssherwood@energyfuturesgroup.com 📞 (410) 371-0623 📍 Mooresville, NC

EXPERIENCE

- Principal**
Energy Futures Group, Hinesburg, VT
2024 - Present
- Managing Consultant**
Energy Futures Group, Hinesburg, VT
2021 - 2023
- Senior Analyst**
Exeter Associates, Inc., Columbia, MD
2015 - 2021
- Assistant Director of Energy, Analysis, and Planning Division**
Maryland Public Service Commission, Baltimore, MD
2013 - 2015
- Regulatory Economist II**
Maryland Public Service Commission, Baltimore, MD
2011 - 2013
- Regulatory Economist I**
Maryland Public Service Commission, Baltimore, MD
2009 - 2011

EDUCATION

- McDaniel College
B.A., Business Administration,
Economics, Accounting/Economics
2009

SELECT PROJECTS

Connecticut Energy Efficiency Board

2021 - Present

Lead Technical Consultant on the oversight of the state's electric and gas residential energy efficiency programs. Work closely with the state's utilities to develop, implement, and evaluate cost-effective program designs and goals for the Three-Year Conservation and Load Management Plan.

Pennsylvania Office of Consumer Advocate

2015 - 2021, 2023 - Present

Reviewed and commented on potential studies utilized to develop energy efficiency and demand response targets for Phases III, IV, and IV of the Act 129 Energy Efficiency and Conservation (EE&C) Program. Provided written testimony on utility EE&C five-year plans.

Earthjustice

2025

Authored *Review of Large Load Tariffs to Identify Safeguards and Protections for Existing Ratepayers* (January 28, 2025), which summarized research on tariff mechanisms and language to limit negative impacts of new data center and cryptocurrency loads on a service territory's existing customers.

Natural Resources Defense Council

2021 - 2022

Filed testimony before the Kansas Corporation Commission to support the adoption of energy efficiency programs for the first time in the Evergy service territory. Worked with parties to negotiate program design and implementation, as well as the performance incentive mechanism.

Louisiana Public Service Commission

2020 - 2021

Filed testimonies evaluating the reasonableness of automated metering infrastructure implementation plans by Concordia Electric Cooperative, Inc., Southwest Louisiana Electric Membership Corporation, and Point Coupee Electric Membership Corporation.

(continued on next page)

SELECT PROJECTS (continued)

Arkansas Attorney General's Consumer Utility Rate Advocacy Division 2018 - 2020

Drafted a dedicated limited income EE program strawman implemented on a pilot basis by the electric and natural gas utilities.

Arkansas Attorney General's Consumer Utility Rate Advocacy Division 2017 - 2021

Participated in Parties Working Collaboratively (PWC) group regarding the electric and natural gas EE programs. Provided comments on three-year plans, annual progress reports, and evaluation, measurement, and verification reports.

Maryland Public Service Commission Staff (2009 - 2015)

Developed templates and directed work groups related to the implementation of the electric and natural gas EmPOWER Maryland EE and DR programs. Evaluated the semi-annual reports and three-year plans filed by the utilities and submitted comments regarding plan recommendations before the Maryland Public Service Commission.

PUBLICATIONS

Sherwood, Stacy. 2025. *Review of Large Load Tariffs to Identify Safeguards and Protections for Existing Ratepayers*. Earthjustice.

<https://energyfuturesgroup.com/wp-content/uploads/2025/01/Review-of-Large-Load-Tariffs-to-Identify-Safeguards-and-Protections-for-Existing-Ratepayers-Report-Final.pdf>.

EXPERT TESTIMONY

Before the Kentucky Public Service Commission, Case No. 2025-00045. *In the Matter of Electronic Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates*, June 16, 2025, on behalf of Sierra Club. Testified regarding the proposal to allow a regulatory asset to cover post-in-service costs related to generating station construction.

Before the Georgia Public Service Commission, Docket Nos. 56002 and 56003. *In Re: Georgia Power Company's 2025 Integrated Resource Plan and Georgia Power Company's 2025 Application for the Certification, Decertification, and Amended Demand-Side Management Plan*, May 2, 2025, on behalf of Georgia Interfaith Power & Light and Southface Energy Institute. Testified regarding the reasonableness of the proposed DSM plan and to support additional energy efficiency and demand savings as part of the Integrated Resource Plan.

Before the Pennsylvania Public Utilities Commission, Docket No. M-2024-3048418. *Petition of UGI Utilities, Inc. – Gas Division for Approval of its Phase II Energy Efficiency and Conservation Plan*, February 2025, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of proposed Plan. (Case settled prior to cross-examination.)

Before the Public Service Commission of Wisconsin, Case No. 6630-CE-317. *Application of Wisconsin Electric Power Company for a Certificate of Public Convenience and Necessity to Construct and Operate the South Oak Creek Combustion Turbine Project in the City of Oak Creek, Milwaukee County, Wisconsin*, February 2025, on behalf of Clean Wisconsin. Testified on increased need for energy efficiency in the Wisconsin Electric Power Company service territory. (Ongoing).

Before the Public Service Commission of Wisconsin, Case No. 6630-CE-316. *Application of Wisconsin Electric Power Company for a Certificate of Public Convenience and Necessity to Construct and Operate the Paris Reciprocating Internal Combustion Engines Project, Consisting of Seven Natural Gas-Fired Reciprocating Internal Combustion Engines Generating up to 128 MW Total at the Lakeshore Capacity Improvement Project Regulator Station in the Town of Paris, Kenosha County, Wisconsin*, December 2024, on behalf of Clean Wisconsin. Testified on increased need for energy efficiency in the Wisconsin Electric Power Company service territory. (Ongoing).

EXPERT TESTIMONY (continued)

Before the Kentucky Public Service Commission, Case No. 2024-00115. *In the matter of Electronic Application of Kentucky Power Company For: (1) Approval to Expand its Targeted Energy Efficiency Program; (2) Approval of a Home Energy Improvement Program and a Commercial Energy Solutions Program; (3) Authority to Recover Costs and Net Lost Revenues, and to Receive Incentives Associated with the Implementation of its Demand Side Management/Energy Efficiency Programs; (4) Approval of Revised Tariff D.S.M.C.; (5) Acceptance of its Annual DSM Status Report; and (6) All Other Required Approvals and Relief*, May 2024, on behalf of Mountain Association, Appalachian Citizens' Law Center, Kentuckians for the Commonwealth, and Kentucky Solar Energy Society. Testified on the reasonableness of the proposed demand side management programs and cost recovery mechanism.

Before the Public Service of South Carolina Docket No. 2023-388-E. *In the matter of Application of Duke Energy Carolinas, LLC for Authority to Adjust and Increase its Electric Rates, Adjustments in Electric Rate Schedules and Tariffs, and Request for an Accounting Order*, April 2024, on behalf of the South Carolina Conservation League, Southern Alliance for Clean Energy, and Vote Solar. Testified regarding impact of rate increase on customer energy burden and the benefits of energy efficiency to offset rate impact.

Before the Commonwealth of Virginia State Corporation Commission Case No. PUR-2023-000169. *Petition of Appalachian Power Company for approval to continue a rate adjustment clause, the EE-RAC, and for approval of new energy efficiency programs pursuant to § 56-585.1 A 5 c and 56-596.2 of the Code of Virginia*, March 2024, on behalf of the Appalachian Voices. Testified regarding reasonableness of proposed Plan.

Before the Public Service Commission of the State of Missouri, File No. EO-2023-0136. *In the matter of Union Electric Company d/b/a Ameren Missouri's 4th Filing to Implement Regulatory Changes in Furtherance of Energy Efficiency as Allowed by MEEIA*, March 2024, on behalf of the National Resources Defense Council. Testified regarding reasonableness of proposed Plan.

Before the Pennsylvania Public Utilities Commission, Docket No. M-2023-3043230. *Petition of UGI Utilities, Inc. – Electric Division for Approval of its Energy Efficiency and Conservation Plan*, September 2023, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of proposed Plan. (Case settled prior to cross-examination.)

Before the Commonwealth of Kentucky before the Public Service Commission, Case No. 2022-00424. *In the Matter of Electronic Tariff Filing of Kentucky Power Company for Approval of a Special Contract Under Its Economic Development Rider and Demand Response Service Tariffs with Cyber Innovation Group, LLC.*, on behalf of the Mountain Association, Kentuckians for the Commonwealth, Appalachian Citizens' Law Center, Sierra Club, and Kentucky Resources Council. Testified on the merits of providing an economic development discount rate to a proposed crypto mining facility as it relates to ratepayer risk.

Before the Commonwealth of Kentucky before the Public Service Commission, Case No. 2022-00387. *In the Matter of Electronic Tariff Filing of Kentucky Power Company for Approval of a Special Contract with Ebon International, LLC.*, on behalf of the Mountain Association, Kentuckians for the Commonwealth, Appalachian Citizens' Law Center, Sierra Club, and Kentucky Resources Council, Inc. Testified on the merits of providing an economic development discount rate to a proposed crypto mining facility as it relates to ratepayer risk.

Before the Commonwealth of Kentucky before the Public Service Commission, Case No. 2022-00037. *In the Matter of Electronic Tariff Filing of Kentucky Utilities Company for Approval of an Economic Development Rider Special Contract with Bitiki-KY, LLC.*, on behalf of Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources. Testified on the merits of providing an economic development discount rate to a proposed crypto mining facility as it relates to ratepayer risk.

Before the State of Maine Public Utilities Commission, Docket No. 2022-0025. *Versant Power Request for Approval of a Distribution Rate Change – 307*, December 2022, for Maine Office of Consumer Advocate. Testified regarding the reasonableness of the overall revenue increase.

Before the Kansas Corporation Commission, Docket No. 22-EKME-254-TAR. *In the Matter of the Application of Evergy Kansas Metro, Inc., Evergy Kansas South, Inc. and Evergy Kansas Central, Inc. for Approval of its Demand-Side Management Portfolio Pursuant to the Kansas Energy Efficiency Investment Act ("KEEIA")*, K.S.A. 66-1283, June 2022, for Natural Resources Defense Council. Testified regarding reasonableness of the proposed Plan and its compliance with the KEEIA Act.

EXPERT TESTIMONY (continued)

Before the Louisiana Public Service Commission, Docket No. U-35877. *Pointe Coupee Electric Membership Corporation Application to Acquire and Install an Automated Metering System and Request for Cost Recovery and Related Relief*, February 2021, for the Louisiana Public Service Commission Staff. Testified regarding the implementation of automated metering infrastructure to replace current meters. (Case settled prior to cross-examination.)

Before the Pennsylvania Public Utilities Commission, Docket No. M-2020-3020818. *Petition of Duquesne Light Company for Approval of its Energy Efficiency and Conservation Phase IV Plan*, January 2021, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the proposed Plan and its compliance with Pennsylvania Act 129. (Case settled prior to cross-examination.)

Before the Pennsylvania Public Utilities Commission, Docket No. M-2020-3020830. *Petition of PECO Energy Company for Approval of its Energy Efficiency and Conservation Phase IV Plan*, January 2021, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the proposed Plan and its compliance with Pennsylvania Act 129. (Case settled prior to cross-examination.)

Before the Pennsylvania Public Utilities Commission, Docket No. M-2020-3020824. *Petition of PPL Electric Utilities for Approval of its Energy Efficiency and Conservation Phase IV Plan*, January 2021, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the proposed Plan and its compliance with Pennsylvania Act 129. (Case settled prior to cross-examination.)

Before the Louisiana Public Service Commission, Docket No. U-35707. *Southwest Louisiana Electric Membership Corporation. Application for Approval to Acquire and Install an Automated Metering System and Request for Cost Recovery and Related Relief*, December 2020, for the Louisiana Public Service Commission Staff. Testified regarding the implementation of automated metering infrastructure to replace current meters. (Case settled prior to cross-examination.)

Before the Pennsylvania Public Utilities Commission, Docket No. R-2020-3020919. *Pennsylvania Public Utility Commission v. Audubon Water Company*, November 2020, for the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the overall revenue increase. (Case settled prior to cross-examination.)

Before the Pennsylvania Public Utilities Commission, Docket No. R-2020-3020256. *Pennsylvania Public Utility Commission v. City of Bethlehem – Water Department*, November 2020, for the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the overall revenue increase. (Case settled prior to cross-examination.)

Before the Louisiana Public Service Commission, Docket No. U-35456. *Concordia Electric Cooperative Inc. Application for Certification of a Replacement Advanced Metering System and Approval of Related Financing*, November 2020, for the Louisiana Public Service Commission Staff. Testified regarding the implementation of automated metering infrastructure to replace current meters. (Case settled prior to cross-examination.)

Before the Pennsylvania Public Utilities Commission, Docket No. R-2020-3019612. *Pennsylvania Public Utility Commission v. Reynolds Disposal Company*, October 2020, for the Pennsylvania Office of Consumer Advocate. Participated in mediation regarding reasonableness of the overall revenue increase.

Before the Pennsylvania Public Utilities Commission, Docket No. R-2019-3010955. *Pennsylvania Public Utility Commission v. City of Lancaster – Sewer Fund*, October 2019, for the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the overall revenue increase.

Before the Pennsylvania Public Utilities Commission, Docket No. R-2019-3008208. *Pennsylvania Public Utility Commission v. Wellsboro Electric Company*, October 2019, for the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the overall revenue increase.

Before the Pennsylvania Public Utilities Commission, Docket No. R-2019-3008209. *Pennsylvania Public Utility Commission v. Valley Energy, Inc.*, October 2019, for the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the overall revenue increase.

EXPERT TESTIMONY (continued)

Before the Pennsylvania Public Utilities Commission, Docket No. R-2019-3008212. *Pennsylvania Public Utility Commission v. Citizens' Electric Company of Lewisburg, PA*, October 2019, for the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the overall revenue increase.

Before the Pennsylvania Public Utilities Commission, Docket No. R-2019-3009559. *Pennsylvania Public Utility Commission v. Eaton Sewer & Water Company, Inc. – Wastewater Division*, August 2019, for the Pennsylvania Office of Consumer Advocate. Participate in mediation regarding reasonableness of the overall revenue increase.

Before the Pennsylvania Public Utilities Commission, Docket No. R-2019-3009567. *Pennsylvania Public Utility Commission v. Eaton Sewer & Water Company, Inc. – Water Division*, August 2019, for the Pennsylvania Office of Consumer Advocate. Participate in mediation regarding reasonableness of the overall revenue increase.

Before the Pennsylvania Public Utilities Commission, Docket No. R-2019-3008947. *Pennsylvania Public Utility Commission v. Community Utilities of Pennsylvania Inc. Water Division*, July 2019, for the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the overall revenue increase. (Case settled prior to cross-examination.)

Before the Pennsylvania Public Utilities Commission, Docket No. R-2019-3008948. *Pennsylvania Public Utility Commission v. Community Utilities of Pennsylvania Inc. Wastewater Division*, July 2019, for the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the overall revenue increase. (Case settled prior to cross-examination.)

Before the Pennsylvania Public Utilities Commission, Docket No. R-2019-3006904. *Pennsylvania Public Utility Commission v. The Newtown Artesian Water Company (Supplement No. 136 to Tariff Water – Pa. P.U.C. No. 9)*, March 2019, for the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the overall revenue increase. (Case settled prior to cross-examination.)

Before the Pennsylvania Public Utilities Commission, Docket No. R-2018-3006814. *Pennsylvania Public Utility Commission v. UGI Utilities, Inc – Gas Division (Utility Code 123100, Filed Tariff Gas- Pa. P.U.C. Nos. 7 and 7S)*, January 2019, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of its proposed consolidated natural gas energy efficiency plan. (Case settled prior to cross-examination.)

Before the Pennsylvania Public Utilities Commission, Docket No. M-2018-3004144. *Petition of UGI Utilities, Inc. – Electric Division for Approval of its Energy Efficiency and Conservation Plan*, August 2018, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of proposed Plan. (Case settled prior to cross-examination.)

Before the Pennsylvania Public Utilities Commission, Docket No. R-2018-3001307. *Pennsylvania Public Utility Commission v. Hidden Valley Utility Services, L.P. – Wastewater (General Rate Increase Filed Pursuant to 66 PS. CS 1308, Including Answers to 52 PA. Code 53.52)*, April 2018, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding the reasonableness of the overall revenue increase.

Before the Pennsylvania Public Utilities Commission, Docket No. R-2018-3001306. *Pennsylvania Public Utility Commission v. Hidden Valley Utility Services, L.P. – Water (General Rate Increase Filed Pursuant to 66 PS. CS 1308, Including Answers to 52 PA. Code 53.52)*, April 2018, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding the reasonableness of the overall revenue increase.

Before the Pennsylvania Public Utilities Commission, Docket No. P-2015-2497267. *Petition of Duquesne Light Company for Approval of its Smart Meter Procurement and Installation Plan*, February 2016, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding the inclusion of additional costs related to the Plan's implementation.

Before the Pennsylvania Public Utilities Commission, Docket No. M-2015-2477174. *Petition of UGI Utilities, Inc. – Electric Division for Approval of Phase II of its Energy Efficiency and Conservation Plan*, February 2016, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of proposed Plan. (Case settled prior to cross-examination.)

EXPERT TESTIMONY (continued)

Before the Pennsylvania Public Utilities Commission, Docket No. M-2015-2515642. *Petition of PPL Electric Utilities for Approval of its Energy Efficiency and Conservation Phase II Plan*, January 2016, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the proposed Plan and its compliance with Pennsylvania Act 129. (Case settled prior to cross-examination.)

Before the Pennsylvania Public Utilities Commission, Docket No. M-2015-2515375. *Petition of Duquesne Light Company for Approval of its Energy Efficiency and Conservation Phase II Plan*, January 2016, on behalf of the Pennsylvania Office of Consumer Advocate. Testified regarding reasonableness of the proposed Plan and its compliance with Pennsylvania Act 129. (Case settled prior to cross-examination.)

Before the Public Utilities Commission of Rhode Island, Docket No. 4595. *Newport Water Division – Rate Application to Collect Additional Revenues of \$1,304,595 for a Total Cost of Service of \$20,151,440*, December 2015, on behalf of the Division of Public Utilities and Carriers. Testified regarding reasonableness of the overall rate revenue increase.

Before the Maryland Public Service Commission, Case No. 9311. *In the Matter of the Application of Potomac Electric Power Company for an Increase in its Retail Rates For the Distribution of Electric Energy*, April 2013, on behalf of the Maryland Public Service Commission Staff. Testified regarding the inclusion of advanced metering infrastructure meters and energy advisor and engineer positions in rates.

Exhibit SLS-2 – Recalculation of D.S.M.C. Surcharge

(Uploaded separately as “SLS-2 Testimony Figures and Charts Data.xlsx”)

VERIFICATION

The undersigned, Stacy Sherwood, being first duly sworn, deposes and says that she has personal knowledge of the matters set forth in the foregoing testimony and that the information contained therein is true and correct to the best of her information, knowledge, and belief, after reasonable inquiry.

Stacy Lynn Sherwood

Stacy Lynn Sherwood

Subscribed and sworn to before me by Stacy Lynn Sherwood ~~this~~^{the} 18th day of March, 2026.

Commonwealth of Pennsylvania - Notary Seal
Francisco J Santiago, Notary Public
Northampton County
My commission expires May 9, 2028
Commission Number 1446353



Notary Public

My commission expires: 05/09/2028

Notarized remotely online using communication technology via Proof.