



Respectfully submitted,

/s/ Robert H. Hack

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**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been emailed or mailed, postage prepaid, this 6<sup>th</sup> day of July 2018, to all counsel of record.

/s/ Robert J. Hack

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Attorney for Kansas City Power & Light  
Company

**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

In the Matter of the Application of Kansas City     )  
Power & Light Company for Approval to Extend its     ) Docket No. 18-KCPE-124-TAR  
Demand-Side Management Programs.                     )

**SETTLEMENT AGREEMENT**

As a result of discussions between Kansas City Power & Light Company (“KCP&L”), the Staff of the State Corporation Commission of the State of Kansas (“Staff” and “Commission”, respectively), and the Citizens’ Utility Ratepayer Board (“CURB”) (collectively, “Signatories”), the Signatories hereby submit to the Commission for its consideration and approval the following Settlement Agreement (“Settlement”).

**I.     BACKGROUND**

1.     On September 11, 2017, KCP&L filed its Application requesting Commission approval to extend five of its six Demand-Side Management (“DSM”) pilot programs for an additional five years and terminate one of its DSM programs, the Demand Response Incentive Rider. These programs were originally implemented as pilot programs under the Settlement Agreement in Docket No. 04-KCPE-1025-GIE (04-1025 Docket).<sup>1</sup> The six programs comprising KCP&L’s current DSM portfolio and the date of the original tariff for each was approved are as follows:

- |   |                            |
|---|----------------------------|
| ▪       Low Income Weatherization       | Approved December 9, 2005  |
| ▪       Home Energy Analyzer            | Approved March 7, 2006     |
| ▪       Business Energy Analyzer        | Approved December 22, 2006 |
| ▪       Building Operator Certification | Approved May 15, 2007      |

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<sup>1</sup> See Joint Motion to Approve Stipulation and Agreement, Appendices B and B-1, filed April 27, 2005, in the 04-1025 Docket and Order Approving Stipulation and Agreement, issued August 5, 2005, also in the 04-1025 Docket.

- Programmable Thermostat                      Approved January 10, 2006
- Demand Response Incentive Rider<sup>2</sup>    Approved September 25, 2006

2. Also on September 11, 2017, KC&L, Staff, and CURB filed a joint motion for an order (1) allowing continuation of five Demand-Side Management (“DSM”) programs, and (2) approving the use of a previously approved unspent budget as an interim budget to allow continuation of the subject DSM pilot programs until further order of the Commission. The Commission approved the joint motion on October 10, 2017.

3. On November 16, 2017, KPC&L filed its first addendum to the Application to provide the Commission with additional information and budget support for its low-income and educational programs.

4. On March 5, 2018, KCP&L filed its second addendum to the Application seeking approval to terminate three DSM programs that were previously frozen to new customers. Specifically, the following:

- Energy Audit and Energy Savings Measures Rider (Schedule ER)
- Cool Homes Program (Schedule CHP)
- ENERGY STAR® New Homes (Schedule NH)<sup>3</sup>

5. On April 17, 2018, Staff filed its Report and Recommendation (“Staff’s Report”). On April 27, 2018, CURB filed its reply to Staff’s Report. On May 7, 2018, Staff and KCP&L filed responses to CURB’s reply, to which CURB responded on May 17, 2018.

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<sup>2</sup> KCP&L seeks to terminate this program.

<sup>3</sup> KCP&L sought to terminate these programs as part of its Application in Docket No. 16-KCPE-446-TAR (16-446 Docket). The Commission approved the termination of the programs in that docket, however, upon final order from the Commission, KCP&L withdrew its application based on other considerations as permitted by law, which resulted in the programs not being terminated at that time. As part of the instant proceeding, KCP&L has renewed its request to terminate these three previously-frozen programs.

## **II. KCP&L APPLICATION**<sup>4</sup>

6. As noted above, KCP&L's Application seeks approval to extend five of its Demand-Side Management (DSM) pilot programs for an additional five years, and to terminate four programs, three of which were previously frozen. KCP&L submitted the required information including descriptions of the program and corresponding five-year budgets. Three of the programs are classified as educational, consistent with the guidelines set out by the Commission in Docket No. 08-GIMX-442-GIV. Those programs are Home Energy Analyzer, Business Energy Analyzer, and Building Operator Certification. KCP&L requested the continuation of the following five programs:

- Low Income Weatherization
- Home Energy Analyzer
- Business Energy Analyzer
- Building Operator Certification
- Programmable Thermostat

## **III. TERMS OF SETTLEMENT**

7. Extension of the DSM programs. The Signatories agree that the DSM programs contained within KCP&L's Application will be extended until February 1, 2020. KCP&L will utilize Navigant to conduct a limited evaluation, measurement and verification ("EM&V") study (impact analysis and cost-benefit test results only).<sup>5</sup> The cycling events included in the EM&V

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<sup>4</sup> Application as referred to herein includes KCP&L's original Application filed on Sept. 11, 2017, and its two addendums filed on Nov. 16, 2017 and Mar. 5, 2018, respectively.

<sup>5</sup> 2017 cycling data is available and can be provided to Navigant for purposes of an EM&V. Additionally, KCP&L will continue to collect data from 2018 cycling events for the purpose of Navigant's EM&V.

will adhere to the parameters specified in Staff's Report.<sup>6</sup> The completed EM&V will be filed no later than October 1, 2019 and will cover only the 2017 and 2018 program years.

8. Further Extension of DSM Programs. The Signatories agree that if, based upon the results of a completed EM&V, KCP&L wishes to petition the Commission for extension of its existing programs, KCP&L must submit an application no later than October 1, 2019, or else the programs will automatically terminate on February 1, 2020.

9. Discontinuance of DSM programs. The Signatories agree that Cool Homes, Energy Star New Homes, Energy Audit and Energy Measure Rider, and Demand Response Incentive Riders programs should be terminated and requests that the Commission authorize such termination.

10. Budget. The Signatories agree that the Commission should approve the following budget (2018-2020) for KCP&L's DSM programs as reflected in the table below.

<b>Program</b>	<b>2018</b>	<b>2019</b>	<b>2020 (2)</b>	<b>Total</b>
Low Income Weatherization	\$ 43,000	\$ 44,200	\$ 3,536	\$ 90,736
Home/Business Energy Analyzer	\$ 95,000	\$ 97,400	\$ 7,073	\$ 199,473
Building Operator Certification	\$ 20,433	\$ 20,433	\$ -	\$ 40,865
Programmable Thermostat	\$ 240,000	\$ 296,083 (1)	\$ 19,892	\$ 555,975
<b>Total</b>	<b>\$ 398,433</b>	<b>\$ 458,116</b>	<b>\$ 30,501</b>	<b>\$ 887,049</b>

(1) EM&V costs of 5% are included only for Programmable Thermostat Program and is based on 5% of actual costs for 2015-2017 and projected costs for 2018-2020. An impact evaluation will be completed by a third-party consultant no later than 10/1/2019.

(2) Costs in 2020 for Low Income Weatherization, Analyzers and Programmable Thermostat are 1/12 of annual budget pursuant to settlement agreement.

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<sup>6</sup> KCP&L will collect data from 400 PT program subscribers and 400 non-subscribers and provide to Staff and CURB. Data provided from the PT program subscribers and non-subscribers shall come from subscribers and non-subscribers within the same zip code.

11. The Signatories agree that in the current EER application (18-KCPE-420-TAR), the unrecovered DSM costs of \$785,821 will flow through the EER, and will not be recovered in KCPL's rate case (18-KCPE-480-RTS). The EER will remain in effect. KCP&L may propose to defer costs that would otherwise flow through its EER until its next general rate proceeding.

12. Waivers. The Signatories agree to the following waivers, if necessary:

- (a) A waiver of the educational program budget guideline established by the Commission in Docket No. 08-GIMX-442-GIV.
- (b) A waiver of the income-eligible program budget guideline established by the Commission in Docket No. 16-KCPE-446-TAR.

#### **IV. MISCELLANEOUS PROVISIONS**

##### **A. Commission's Rights**

13. Nothing in this Settlement is intended to impinge or restrict, in any manner, the exercise by the Commission of any statutory right, including the right of access to information, and any statutory obligation, including the obligation to ensure that KCP&L is providing efficient and sufficient service at just and reasonable rates.

##### **B. Signatories' Rights**

14. The Signatories waive the right to file testimony in support of the Settlement, unless otherwise directed by the Commission. The record evidence already filed in this docket clearly supports the terms of the Settlement, and additional pre-filed testimony would offer no additional facts on which the Commission will base its decision.

##### **C. Waiver of Cross-Examination**

15. In the event the Commission elects to conduct an evidentiary hearing on this matter, the Signatories waive cross-examination on all testimony or other record evidence filed



prior to the filing of this Settlement. The Signatories agree that all such pre-filed testimony, reports, and responses may be incorporated into the record without objection.

**D. Negotiated Settlement**

16. This Settlement represents a negotiated settlement that fully resolves the issues among the Signatories in this docket for the purposes of this proceeding. The Signatories represent that the terms of this Settlement constitute a fair and reasonable resolution of the issues addressed herein. Except as specified herein, the Signatories shall not be prejudiced, bound by, or in any way affected by the terms of this Settlement (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Settlement in the instant proceeding. If the Commission accepts this Settlement in its entirety and incorporates the same into a final order without material modification, the Signatories shall be bound by the terms and the Commission's order incorporating the terms as to all issues addressed herein, and in accordance with the terms hereof, and will not appeal the Commission's order on these issues.

**E. Interdependent Provisions**

17. The provisions of this Settlement have resulted from negotiations among the Parties and are interdependent. In the event that the Commission does not approve and adopt the terms of this Settlement in total, the Settlement shall be voidable and no signatory hereto shall be bound, prejudiced, or in any way affected by any of the agreements or provisions hereof. Further, in such event, this Settlement shall be considered privileged and not admissible as evidence or made a part of the record in any proceeding.

**IN WITNESS THEREOF**, the Signatories have executed and approved this Settlement, effective as of the 6<sup>th</sup> day of July 2018, by subscribing their signatures below.

Respectfully submitted,

/s/ Robert H. Hack

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