BEFORE THE
KANSAS CORPORATION COMMISSION

In the Matter of the Applications of Westar Energy, Inc. and Kansas Gas and Electric Company for Approval to Make Certain Changes in their Charges for Electric Service.	)))))	Docket No. 08-WSEE-1041-RTS

DIRECT TESTIMONY OF

STACEY HARDEN

ON BEHALF OF
THE CITIZENS' UTILITY RATEPAYER BOARD

September 29, 2008

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I. STATEMENT OF QUALIFICATIONS

Q. Please state your name and business address.

A. My name is Stacey Harden and my business address is 1500 SW Arrowhead Road, Topeka, KS 66604-4027.

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

A. I am employed by the Citizens' Utility Ratepayer Board as a Regulatory Analyst.

Q. Please describe your educational background?

A. I received a Bachelors Degree in Business Administration from Baker University in 2001. I received a Masters Degree in Business Administration from Baker University in 2004.

Q. Please summarize your professional experience.

A. I joined the Citizens' Utility Ratepayer Board as a Regulatory Analyst in February of 2008. Prior to joining CURB, I was the manager of a rural water district in Shawnee County, Kansas for five years. I am currently an adjunct faculty member at Friends University, where I am an undergraduate instructor in business courses such as Data Development and Analysis and Managerial Statistics.

Q. Have you previously testified before the Commission?

A. No.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. On May 28, 2008, Westar Energy, Inc. ("Westar" or "company") filed an application with the Kansas Corporation Commission ("KCC" or "Commission") seeking a rate increase of $90.04 million for its Westar Energy North ("WEN") operations, and a rate increase of $87.58 million for its Westar Energy South ("WES") operations. Included in Westar's rate increase request is a small amount of money used for energy efficiency initiatives. In my testimony I will evaluate each of Westar's planned energy efficiency initiatives and provide recommendations for consideration by the Commission. In my evaluation of the company's energy efficiency initiatives, I will assess whether these initiatives conform to the recommendations of the Commission's *Order Setting Energy Efficiency Policy Goals* in Docket No. 08-GIMX-442-GIV.

In my testimony, I will focus on the following areas:

1. General comments about energy efficiency
2. Westar's 2007 Energy Efficiency expenditures
3. Westar's Energy Efficiency Programs
    a. Education Programs
    b. CFL Distribution Program
    c. Heat Pump Rebate Program
    d. Direct Load Control Program
4. Renewable Energy Program Rider

III. SUMMARY OF CONCLUSIONS

Q. Please summarize your conclusions and recommendations.

A. Based on my analysis of the Petition, the responses to discovery requests, and my general knowledge of energy efficiency programs, my conclusions and recommendations are as follows:

- Westar should be required to provide the Commission with specific program goals and objectives for each of its energy efficiency initiatives
- Westar should be required to allocate expenses to each of its specific energy efficiency programs. Accurate allocation of program expense, including labor and overhead, is a necessary condition for accurate evaluation of program results
- The Commission should require Westar to do the following for each of their energy efficiency programs:
    1) file a tariff for each energy efficiency program,
    2) establish a timeline setting a schedule for evaluation, measurement and verification,
    3) detail all assumptions used in the cost-benefit analysis.
- The Commission should re-examine Westar's Renewable Energy Program Rider that was proposed in this docket but subsequently approved in a separate docket. This tariff is deceptive and is susceptible to program failure. Since Westar has never withdrawn its application for this tariff in this docket, I believe the Commission may still revise its conclusions or reconsider its approval.

IV. DISCUSSION OF THE ISSUES

A. Energy Efficiency Program Goals

Q. Has Westar described in detail its goals or objectives for its energy efficiency initiatives?

A. No. In the Company's *A Strategic Plan for Uncertain Times*[1], as well as in James Ludwig's initial Direct Testimony[2] in this case, energy efficiency programs are described as methods to help consumers become more energy efficient. Both the plan and Mr. Ludwig's initial testimony fail to specify program or portfolio goals.

Q. Why are clearly defined goals and objectives essential to successful energy efficiency programs?

A. Without clearly stated program goals and objectives, evaluating the success or failure of energy efficiency measures will be nearly impossible. Before energy efficiency programs are implemented by a utility, a detailed plan, complete with goals and objectives, anticipated program impacts, costs, and benefits, should be presented to the Commission. This will afford the Commission the opportunity to review the programs to insure compliance with the specific guidelines laid out in Docket Nos. 08-GIMX-441-GIV and 08-GIMX-442-GIV. Further, this will afford the Commission the opportunity to ensure that similar programs offered by different jurisdictional utilities maintain a level of consistency in scope, operation, cost, and objectives.

[1] As seen at www.westarenergy.com

[2] Docket 08-WSEE-1041-RTS, Ludwig Direct Testimony

B. Evaluation, Measurement, and Verification

Q. Has Westar provided the Commission with a clear evaluation, measurement and verification plan?

A. No. In data request responses, Westar has provided draft proposals for certain energy-efficiency programs, including internal evaluations of the cost - effectiveness of the programs, but they have not to my knowledge indicated how evaluation, measurement and verification (EM&V) for each program will be conducted.[3] In my opinion, the Commission should require Westar to provide specific protocols, methodologies, and process evaluations that it intends to use to determine the success or failure of an energy efficiency program.

Q. Does Westar have a specific time frame in which EM&V review will take place for its energy efficiency programs?

A. No. Westar's initial energy efficiency programs do not include a specific time frame in which the EM&V process will take place.

Q. Why is a specific time frame for EM&V review of energy efficiency programs important?

A. EM&V is arguably the most important aspect of an energy-efficiency program. By not specifying a point in time for review, Westar could continue to spend consumers' dollars on energy-efficiency programs that are failing to meet their stated goals or objectives. I recommend the Commission set a clear schedule of

[3] Data Request: CURB-240: Rebate Program; CURB-242: CFL Program.

EM&V review events over the course of any utility-sponsored energy-efficiency program that will need to take place before each utility program is allowed to continue.

C. 2007 Energy Efficiency Expenditures

Q. How much has Westar invested in energy efficiency initiatives during the 2007 test year?

A. Westar spent $389,920 during the test year for the start-up and planning processes in their new Energy Efficiency department.[4] These expenses were generally for the implementation and start-up of the department and for beginning the planning process. The expenses do not appear to have been allocated to a specific energy efficiency measure or program.

Q. Is CURB recommending any accounting adjustments for the energy efficiency expenditures during the test year?

A. There is one accounting adjustment for an employee and retiree heat pump rebate program. This accounting adjustment can be seen in Andrea Crane's testimony as adjustment numbers ACC31N and ACC31S.[5] For the remaining expenditures, CURB is not recommending an accounting adjustment.

[4] Data Request: CURB-236: Reference to CURB-102
[5] Docket 08-WSEE-1041-RTS, Andrea Crane Direct Testimony
[6] Data Request: CURB-236: Reference to CURB-102

Q. Is Westar allocating 2008 expenses to specific energy-efficiency measures or programs?

A. It does not appear that Westar is allocating expenses to specific energy-efficiency programs. In data request responses provided by Westar[6], from January to July 2008, more than $1.5 million has been allocated to its energy-efficiency department. It does not appear that these expenses are being allocated to specific energy-efficiency measures or programs.

Q. What is your recommendation to the Commission regarding Westar's future energy-efficiency expenses?

It is my opinion that overhead and start-up expenses are necessary when a new department is created. However, for future EM&V of energy efficiency initiatives, these expenses should be allocated to specific measures or programs. Administrative and labor expenses can often be a large part of an energy efficiency portfolio. Without exact expense amounts charged to each program or measure, the process of EM&V becomes clouded and uncertain. The Commission must know exactly how much money has been spent for the implementation, management, marketing, and administration of each energy-efficiency measure to determine if that measure will pass any of the five standard cost-benefit tests outlined in the California Standard Practice Manual[7].

[7] California Standard Practice Manual: Economic Analysis of Demand-Side Programs & Projects, 2004

D. Energy Efficiency Programs

i.) Educational Program

Q. What energy efficiency programs is Westar planning to implement?

A. According the Westar's Comprehensive Energy Plan[8] and the Direct Testimony of James Ludwig, the initial programs are (1) educational, (2) Residential CFL Distribution Program, (3) employee and retiree heat pump rebate program, (4) residential thermostat program, and (5) a commercial and industrial response program.

Q. Has Westar filed any tariffs to initiate these specific programs?

A. Not to my knowledge.

Q. Does CURB support educational energy-efficiency programs, even if a particular program might not pass the various cost-benefit tests applied to other programs?

A. Yes. CURB agrees that educating consumers is a necessary part of all successful energy-efficiency programs. Furthermore, CURB acknowledges that beneficial education programs may not in every instance pass the various cost-benefit tests as described in the California Standard Practice Manual.

Q. Does CURB believe that a utility is the only party capable of administering energy-efficiency educational programs?

[8] As seen at www.westarenergy.com

A. No. CURB has recommended the Commission study other non-utility models for the delivery of energy-efficiency programs that have been successful in other areas of the country. Not-for-profit third-party administrators may be the most effective way to achieve energy efficiency goals. Programs like Efficiency Vermont[9] and the Oregon Energy Trust[10] are proven examples of how non-utility companies can educate consumers on how to conserve energy in their homes and also deliver energy efficiency measures. Third-party administrators are not confined to jurisdictional boundaries like utility companies, and can therefore offer consistent energy-efficiency programs across a wide range of customers. Third-party administrators can also be made subject to the same oversight and evaluation as utility companies.

Q. Do you have several concerns regarding the implementation of Westar's consumer education program?

Yes. My primary concern, as noted above, is that Westar may not be accurately recording expenses spent on consumer education. Expenses such as labor, marketing, and materials that are spent specifically on education programs need to be allocated as such, to prevent over-stating or under-stating the cost-benefit results. While expenses incurred in the test year for these education programs are small in comparison with other items, it is important that the Commission

[9] Information about the programs offered by Efficiency Vermont can be found at www.efficiencyvermont.com

[10] Information about the programs offered by the Oregon Energy Trust can be found at www.energytrust.org

determine how these energy-efficiency expenditures fit with Commission decisions in Docket Nos. 08-GIMX-441-GIV and 08-GIMX-442-GIV.

Second, I am concerned that some of Westar's educational materials are promoting fuel-switching. A major component of Westar's consumer education program includes providing consumers with a DVD video that provides useful information on how to save energy. This educational DVD spends a significant amount of time discussing the potential benefits of installing a heat pump system. At one point, the DVD instructs consumers that "switching to a heat pump from natural gas can be a smart, economical choice."[11] It is my recommendation that the Commission should take special note of this educational material, as it may be in conflict with any decision or opinion that the Commission may issue in 09-GIMX-160-GIV fuel-switching docket.

Finally, Westar is packaging its Residential Compact Fluorescent Lamp (CFL) Distribution Program with the educational DVDs and literature on energy efficiency. I believe that a large-scale CFL distribution program such as Westar's is not an educational program; it is its own energy-efficiency program and should be subject to stricter cost-benefit requirements than educational programs. Westar should be tracking the costs of the CFL distribution separately, including labor hours and administrative expenses. Bundling expenses for educational programs with the CFL distribution will undoubtedly skew the results of any cost-benefit tests that are required to determine the feasibility of the CFL program. While CURB does not object to some small-scale use of CFLs for educational purposes -

[11] DVD provided as attachment to company's initial filing in 08-WSEE-1041-RTS

for example, to be handed out at community activities or to schools - the Commission must not allow Westar to masquerade its uneconomic CFL program as an educational program.

ii.) CFL Distribution Program

Q. Describe Westar's Residential CFL Distribution Program.

A. Westar's CFL Distribution Program intends to provide up to four CFLs per residential customer through a number of delivery methods, including school programs, coupons mailed to customers, and making the CFLs available at promotional events. Westar intends to distribute nearly 2.3 million CFLs to its 575,000 residential customers during the program.[12]

Q. Has Westar filed a tariff to implement this CFL program?

A. Not to my knowledge.

Q. Does Westar's CFL Distribution Program make the most efficient use of energy-efficiency dollars?

A. No. Westar will purchase CFLs at a cost of $2.00 per CFL bulb. The cost of the CFL bulb itself accounts for only $4.6 million of $18.2 million cost of the entire program. Projected costs for this CFL distribution program include expenses for marketing, administration, EM&V, and recovery of lost margin. I would like to emphasize that the lost margin that Westar may seek to recover is estimated at

[12] Data Request: CURB-242: CFL Program

[13] "*EPA and DOE Spread a Bright Idea: Energy Star Light Bulbs are Helping to Change the World*" report can be obtained at http://www.energy.gov/news/5825.htm

$13 million. This $13 million for recovery of lost margin is nearly 72% of the total program costs.

Furthermore, Westar has indicated that the each customer will save approximately $7.25 annually per CFL installed in their home. However, the company's CFL distribution program has total costs of $18.2 million for 2.3 million bulbs, or a cost of *$7.92 per distributed CFL.*

Q. Do you believe that a utility-sponsored CFL program, like Westar's, is in the best interest of ratepayers?

A. No. Ratepayers are already sold on CFLs. A recent EPA study shows that in 2007, CFL sales accounted for nearly 20% of the light-bulb market in the United States.[13] In fact, sales in 2007 totaled approximately 290 million bulbs, double the amount of bulbs sold in 2006. In recent years, Energy Star has partnered with retailers such as Wal-Mart, Lowes, Home Depot, and many others in educating consumers about the importance of saving energy and the value of CFLs in achieving energy savings.

Consumers are benefiting from this market-driven energy-efficiency without the intervention of utilities like Westar. Consumers can purchase CFLs at their local grocery or hardware store for a price far less than Westar's rate of $7.92 per bulb.

Q. What is your recommendation to the Commission regarding Westar's CFL distribution program?

A. In recent decisions, the Commission made clear that energy-efficiency programs should make the most cost-effective use of energy-efficiency expenditures and that companies should seek the most cost-effective way to achieve savings.[14] In my opinion, Westar's CFL distribution program does not meet the standards set by the Commission in its *Order Setting Energy Efficiency Policy Goals*.[15] Further, a similar CFL program was proposed by Kansas City Power & Light (KCP&L) and subsequently withdrawn, presumably for these same reasons.[16] It is my recommendation that the Commission not approve a CFL program if it is proposed by Westar as a full-scale comprehensive utility-sponsored energy-efficiency program. However, as noted above, CURB does not object to limited distribution of CFLs in certain educational situations.

iii.) <u>Heat Pump Rebate Program</u>

Q. Describe Westar's HVAC and heat pump rebate program.

A. Westar is offering rebates to Westar employees and retirees toward replacement of their natural gas or propane furnace with a heat pump system (CURB DR 240). It is unclear whether or not this program was designed originally as a pilot program. A draft of the High Efficiency Heat Pump (HEHP) Rebate Program

[14] KCC Docket No. 08-KCPE-581-TAR; Order dated September 10, 2008
[15] Docket 08-GIMX-442-GIV, Order issued June 2, 2008
[16] Docket No. 06-KCPE-223-TAR

indicates that $300 rebates were to be offered to 11,750 customers who installed a HEHP with mandatory direct-load control. Total program costs are projected to be $19,680,000, with $8,000,000, or 41% of total program costs, assigned for recovery of lost margin.[17]

Q. Is Westar planning to offer this rebate program to customers?

A. No. It does not appear that Westar plans to offer this program to customers at this time. However, I would have concerns if Westar moves forward with this program with the assumptions listed above. If Westar intends to offer this program to customers, the Commission should require Westar to file a tariff if it intends to move forward this program.

Q. Is CURB recommending an adjustment for expenses associated with this heat pump rebate program?

A. Yes. During the 2007 test year, $30,075 in rebates were given to employees and retirees of Westar to help offset the cost of installing a heat pump system. The accounting adjustment is covered in Andrea Crane's Direct Testimony[18].

[17] Data Request: CURB-240: Rebate Program
[18] Docket 08-WSEE-1041-RTS, Crane direct testimony page
[19] Docket 09-WSEE-198-TAR; Order issued September 15, 2008

iv.) DLC Program

Q. Do you have recommendations for the Commission regarding Westar's Residential Thermostat Program (also called direct load control "DLC")?

A. Yes. CURB believes that providing direct-load thermostats for use by residential customers is an effective demand-response tool for utilities to shave peak load usage. Westar is implementing what should be a useful and informative pilot program.

It is my recommendation that the Commission require Westar to file a tariff for this program, similar to the tariff filed by KCP&L for its Energy Optimizer program, which was filed in Docket No. 08-KCPE-275-TAR. This will allow the Commission to set program goals, create a timeline for EM&V, and establish a budget for relevant expenditures.

E. Renewable Energy Program Rider

Q. Explain the status of Westar's Renewable Energy Program Rider (also called a green tariff).

A. In this case as originally filed, Westar proposed a Renewable Energy Program Rider, a green tariff. Under this green tariff, customers could voluntary pay a higher rate and receive green energy, presumably wind. Westar subsequently filed this same tariff with the Commission, in KCC Docket No. 09-WSEE-198-TAR and requested an expedited ruling. On September 9, 2008 Staff issued a memorandum to the Commission, supporting approval of the tariff, and the Commission approved the tariff on September 15, 2008.[19]

Q. Were any of the parties to this rate case given notice that Westar was seeking approval of the tariff in another docket?

A. Not to my knowledge. CURB was not notified of this change to the 08-WSEE-1041-RTS rate case filing and was not served with the filing in Docket No. 09-WSEE-198-TAR. CURB was a party to Docket 08-WSEE-309-PRE which directed Westar to develop a green tariff.[20]

Q. Do you believe that the Commission has been given enough data on the Renewable Energy Program Rider to make an informed decision?

A. I cannot answer that question. The Staff memorandum in Docket No. 09-WSEE-198-TAR contains no indication of what information Staff relied upon in making its determination. The subsequent Commission order also lacks any substantive explanation of the program. No substantive testimony supporting the tariff has been filed in this case.

Q. Please provide a brief description of the green tariff program.

A. Under this tariff, Westar offers customers the opportunity to purchase "green energy" from renewable sources for $1.00 for 100 kWh, or $.01 per kWh, up to a maximum amount equal to the customer's lowest monthly kWh usage level during the year.

Q. Will Westar use the revenue generated under this tariff to purchase additional green energy above the level Westar already owns or purchases?

A. No. There is no requirement in the tariff that Westar use the revenue generated under the tariff to purchase additional green energy over and above that which Westar already owns. It appears Westar will simply flow the revenue generated from this green tariff program back to Westar's other customers through the monthly fuel cost adjustment.

Q. How will Westar provide the green energy that it is selling to customers under the tariff?

A. It appears Westar is simply allowing customers to "volunteer" to pay more for wind energy that Westar already owns and that is already being paid for in the customer's normal rates.

Q. Do you believe it is deceptive to advertise a product and collect extra money from customers for a product that customers already receive by paying for service under their normal tariff?

A. Yes. Customers who volunteer to purchase green energy under this tariff won't receive any more green energy than any other customer on the Westar system. They will simply pay a higher rate.

Further, pricing green energy in this manner may give customers the impression that a utility can convert to renewable energy production for only 1 cent per kWh more than customers currently pay in rates. In my opinion, I don't believe this would be an accurate impression. I don't believe it is appropriate to mislead consumers in this manner.

Q. How was the $1.00 per 100 kWh, or $.01 per kWh green tariff price derived?

A. I don't know. Nowhere in the testimony of Dick Rohlfs in this case, or in the memorandum of Staff in Docket No. 09WSEE-198-TAR, is there a discussion of the derivation of this price.

Q. If the Commission has already approved the tariff, why are you offering testimony regarding this program?

A. While CURB does not oppose a green tariff, CURB does have serious reservations regarding this specific Renewable Energy Program, as it has been presented by Westar and approved by Staff and the Commission. Specifically, there are no budgeted expenses for marketing and administration, as well as no projection of revenues for this program.[21] Further, since Westar has not withdrawn its request for this tariff in this docket, the Commission is free to reconsider its approval.

Q. If there is no information about the marketing and administration costs for this program, is it possible that the green tariff program could actually lose money?

A. Yes. If marketing and administration cost are more than $1.00 per 100 kWh sold, then Westar's costs will be greater than the revenue received under the program. Not only will no additional green power be provided, but all of Westar customers' rates will have to increase to cover those costs. Even if Westar doesn't lose

money, it is still possible that marketing and administrative costs could offset a majority of the revenues received, yielding little benefit to the customer.

Q. Can you give an example of a poorly-designed green program similar to Westar's that yielded little or no benefit to customers?

A. Yes. Florida Power & Light (FP&L) offered a green-pricing program called the Sunshine Energy Program. This voluntary program offered by FP&L was very similar to the green tariff program offered by Westar. In this voluntary Sunshine Energy Program, participating customers were charged $9.75 each month to purchase 1,000 kWh of renewable energy credits, which is about the same price Westar is charging. FP&L claimed it would use these voluntary contributions to develop or purchase 150 kW of renewable energy credits for every 10,000 participating residential customers.[22]

FP&L's Sunshine Energy Program was recently shut down after state regulators discovered that over 75% of the $11.4 million collected in four years went towards administrative, marketing and management expenses.[23]

Q. What are your recommendations to the Commission regarding Westar's Renewable Energy Program Rider?

A. It is my recommendation that the Renewable Energy Program Rider, as approved in Docket No. 09-WSEE-198-TAR, be re-evaluated in this docket. I do not believe that the Commission was given enough information regarding the specifics of this tariff to make an informed decision. By temporarily postponing

this tariff and reopening the docket, the Commission will be given the opportunity to be properly informed of all the issues relevant to determining the program's merit.

Q. Does this conclude your testimony?

A. Yes.

VERIFICATION

STATE OF KANSAS)

COUNTY OF SHAWNEE) ss:

I, Stacey Harden, of lawful age, being first duly sworn upon her oath states:

That she is a regulatory analyst for the Citizens' Utility Ratepayer Board; that she has read the above and foregoing testimony, and, upon information and belief, states that the matters therein appearing are true and correct.

Stacey Harden

SUBSCRIBED AND SWORN to before me this 29th day of September, 2008.

Notary Public

My Commission expires: 08-03-2009.

SHONDA D. SMITH
Notary Public - State of Kansas
My Appt. Expires August 3, 2009

APPENDIX A

Referenced Data Requests

CURB-236

CURB-240

CURB-242

KCC-333

CURB
2008 Rate Case
08-WSEE-1041-RTS
09/22/2008

9

Data Request: CURB-236: Reference to CURB-102
Regarding the response to CURB-102, the Company provided 2007 and 2008 costs but did not identify how much is included in its claim relating to the energy efficiency and AMI/MDM program costs. As requested in the original question, please identify the amount of such costs included in the Company's claim and state where such costs can be found.

Response:
There is no specific amount of money related to AMI/MDM in the Energy Efficiency department actual expenditures for 2007. As the answer to CURB 102 stated the department was created in July 2007 and that no expense was incurred for the development of advanced AMI/MDM infrastructure. The expenditures relate to the small energy efficiency initiatives during 2007 - mostly education and planning for programs to initiate starting in 2008.

Prepared by or Under Supervision of: Rohlfs, Dick F.

Verification of Response
I have read the foregoing Data Request and Answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed by: Dick F Rohlfs

Dated: 9-9-2008

06310 Energy Efficiency WA		2007	All Projects	Oper and M	All Data Ind	All Products
	August	September	October	November	December	YEAR
A11 Exempt Labor	5,503	8,466	21,005	37,032	37,476	109,481
A12 Hourly Labor Fixed Dist	1,405	2,810	2,810	1,425	-	8,450
Regular Labor	6,907	11,275	23,815	38,457	37,476	117,931
Payroll Labor	6,907	11,275	23,815	38,457	37,476	117,931
A90 Other Labor	-	-	-	-	1,257	1,257
Labor	6,907	11,275	23,815	38,457	38,733	119,188
C20 Professional Services	159,012	-	-	-	-	159,012
Subcontract Labor	159,012	-	-	-	-	159,012
E20 Direct Purchases	-	75	-	500	32,965	33,540
Material and Supplies	-	75	-	500	32,965	33,540
G52 Cellular Phones	-	-	268	260	529	1,057
G55 Pager Costs	-	-	201	412	465	1,079
G58 Internet	-	-	55	40	40	135
Communication Expenses	-	-	524	713	1,034	2,270
G30 Computer Hardware & Hardware Maintenar	-	-	245	-	285	530
G31 Computer Software & Software Maintenanc	-	-	442	-	447	889
G40 Leases	77	77	191	249	302	895
G50 Office Supplies and Expenses	-	-	-	91	67	157
G80 Company Assoc/memberships	-	30	5,683	160	1,135	7,008
General Expenses	77	107	6,561	500	2,235	9,479
G20 Employee Expenses	-	93	875	2,981	1,907	5,857
G21 Employee Meals and Entertainment	-	-	224	357	458	1,040
G24 Employee Personal Mileage	-	-	1,439	1,102	3,399	5,940
G29 Payment Unallocated Visa Card	-	-	844	1,289	(429)	1,704
Employee Expenses	-	93	3,383	5,729	5,336	14,541
L20 Employee Benefits	2,418	3,946	8,335	13,460	13,117	41,275
L30 Payroll Taxes	622	1,015	2,143	3,461	3,373	10,613
Overhead	3,039	4,961	10,478	16,921	16,489	51,889
Cost Code Total W/O Fuel	169,035	16,511	44,760	62,820	96,794	389,920
Current Year Total Cost Codes	169,035	16,511	44,760	62,820	96,794	389,920
All Cost Codes	169,035	16,511	44,760	62,820	96,794	389,920

06310 Energy Efficiency WA		Actual 2008	Oper and Ma	Unit of Meas	All Products	All Locations	All Data Indic	All Projects
As of 7-07-08	January	February	March	April	May	June	July	YEAR
A11 Exempt Labor	47,085	55,392	83,268	83,206	83,206	83,206	-	435,362
A12 Hourly Labor Fixed Dist	-	-	5,980	2,693	4,039	2,693	-	15,404
Full Time Labor	47,085	55,392	89,248	85,898	87,245	85,898	-	450,767
Regular Labor	47,085	55,392	89,248	85,898	87,245	85,898	-	450,767
Payroll Labor	47,085	55,392	89,248	85,898	87,245	85,898	-	450,767
Labor	47,085	55,392	89,248	85,898	87,245	85,898	-	450,767
C20 Professional Services	-	-	53,920	-	170,409	9,645	417,399	651,373
Subcontract Labor	-	-	53,920	-	170,409	9,645	417,399	651,373
E09 Tools	-	-	313	-	-	-	-	313
E20 Direct Purchases	6,157	45,313	20,086	7,999	17,447	16,193	9,486	122,682
Material and Supplies	6,157	45,313	20,400	7,999	17,447	16,193	9,486	122,996
G52 Cellular Phones	335	383	174	1,226	956	821	-	3,895
G54 Telephone Support	-	254	-	-	-	-	-	254
G55 Pager Costs	729	673	579	2,560	1,247	994	-	6,782
G58 Internet	40	40	40	40	40	40	-	240
Communication Expenses	1,103	1,350	793	3,827	2,243	1,855	-	11,171
Fleet Expenses	-	-	470	949	4,471	2,386	-	8,276
G30 Computer Hardware & Hardware Maintenar	-	1,578	1,872	1,306	-	667	-	5,423
G31 Computer Software & Software Maintenanc	-	4,358	3,420	-	-	342	447	8,567
G40 Leases	323	478	582	634	618	923	-	3,558
G50 Office Supplies and Expenses	289	188	374	626	422	514	-	2,413
G80 Company Assoc/memberships	-	-	10	-	-	-	-	10
G99 Miscellaneous	-	-	(39)	-	-	-	-	(39)
General Expenses	612	6,601	6,689	3,515	5,511	4,833	447	28,208
G20 Employee Expenses	5,921	1,266	6,587	5,934	3,967	5,434	297	29,406
G21 Employee Meals and Entertainment	430	208	1,621	1,666	1,779	773	634	7,110
G24 Employee Personal Mileage	1,591	1,905	5,715	3,606	5,800	3,946	-	22,562
G29 Payment Unallocated Visa Card	655	5,501	7,078	(8,232)	2,509	(2,273)	(3,081)	2,157
Employee Expenses	8,597	8,879	21,001	2,974	14,055	7,881	(2,151)	61,235
L20 Employee Benefits	17,422	20,495	33,022	31,782	32,281	31,782	-	166,784
L30 Payroll Taxes	4,238	4,985	8,032	7,731	7,852	7,731	-	40,569
Overhead	21,659	25,480	41,054	39,513	40,133	39,513	-	207,353
Cost Code Total W/O Fuel	85,214	143,015	233,104	143,727	337,042	165,818	425,182	1,533,102
Current Year Total Cost Codes	85,214	143,015	233,104	143,727	337,042	165,818	425,182	1,533,102
All Cost Codes	85,214	143,015	233,104	143,727	337,042	165,818	425,182	1,533,102

CURB
2008 Rate Case
08-WSEE-1041-RTS
09/22/2008

Data Request: CURB-240: Rebate Program
Discuss in detail and provide itemized expenses in 2007 and 2008 for the employee and retiree rebate program to install high efficiency HVAC equipment and heat pumps? Also provide any cost benefit analysis that was performed for this program.

Response:
We are offering rebates for Westar employees & retirees toward their replacement of natural gas or propane furnace with a heat pump system. To offset the cost of installing a heat pump system, we are offering rebates between $150 to $350 per ton.

For 2007, we provided heat pump system rebates to 34 Westar employees & retirees amounting to $30,075.00.

As of August 31, 2008, rebates were provided to 42 employees & retirees amounting to $34,550.000.

Attached please find a draft of a suggested Energy Efficiency program from George Fitzpatrick of the Harbourfront Group regarding the feasibility of a high efficiency heat pump rebate program for Westar customers. Please note that we do not plan to offer heat pump rebates to customers. Customers who purchase heat pumps will save energy and benefit from our lower winter rates for heating their homes.

Prepared by or Under Supervision of: Degenhardt, Randy

Verification of Response
I have read the foregoing Data Request and Answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed by: Derek T Richey

Dated: 9-12-2008

PRESENTATION OF WESTAR'S ENERGY EFFICIENCY PROGRAMS
DRAFT
JUNE 2007-GF

PROGRAM NAME:
High Efficiency Heat Pump Rebate Program

PROGRAM DESCRIPTION:
This program promotes High Efficiency Heat Pumps (HEHP) with Mandatory Direct Load Control (DLC). Westar will offer rebates if necessary for HEHP's with SEER's of 15 or greater (1.4 BTU's of heat and/or cool energy captured for every 1 BTU of generated energy used - 65% more efficient than natural gas.) Participating Customers may be placed on a special Residential Energy Efficient Household Rate. The DLC component removes peak load responsibility for central air conditioning (1.1 kw per average customer), electric water heating (.4 kw per average customer), and swimming pool pump (.7 kw per average customer). The DLC communication and control devices are provided to participants without contribution.

PROGRAM MOTIVATION:
This program is projected to save approximately 10,611 kwh annually for each HEHP installed by Residential and or Commercial participants. This will lead to electric generation-related fuel savings, accompanying power generation emissions savings and electric bill savings for participating customers. With DLC, this program should also provide for a reduction in System Peak Demand which is estimated to be more than 13 MW or 1.1kw per participating customer

PROJECTED PROGRAM IMPACTS:
The current program design contemplates that 7050 HEHP's will be distributed to replace older less efficient heat pumps and 4700 HEHP's will be distributed to replace existing gas space heating systems. Assuming that only the saving from the replacement of the older heat pumps is counted, the potential ten year reduction of 75 GWH of Electric Sales at the meter corresponding to 80 GWH of Energy produced at the generator will be realized.
Using Westar's baseload generation mix, the concomitant annual and lifecycle reduction in CO-2 emissions would be 97,000 tons over the average 10 year lifecycle of this initial distribution program.

PROJECTED PROGRAM COSTS FOR THE YEARS 2007-2016:

Direct Costs: $300 dollar rebate per customer for 11,750 participants:	$3,525,000.
Direct Costs of Mandatory Load Control:	$4,700,000.
Program Marketing and Advertising:	$200,000.

Program Delivery (5%): $xx.	$411,000
Program Administration (3%):	$247,000
Program O&M of DLC Component	$2,350,000
Program Monitoring and Verification (3%):	$247,000
Recovery OF Lost Westar Margin (12% or 1 Cent per kwh):	$8,000,000.
Total Program Costs:	$19,680,000

PROJECTED PROGRAM BENEFITS:

10 Year Lifecycle Energy-related Savings:

a) Annual Electric Generation Fuel Savings: 75 GWH Generated Energy Saved Fuel Savings(2.5 Cents per KWH)= $1,875,000 or $18,750,000 over the 10 year program life

b) Electric Generation Emissions Savings: 75 GWH Energy Saved translates to 97 thousand Tons of CO-2 Emissions Saved* $8-20/Ton=$774,000- $1.9 Million annually, or $7.74 Million-$19 Million over the 10 year life of the program.

10 Year Avoided CT Construction Savings:

a) 12 MW of At-the-Meter System Coincident Peak Load Shed translates into 15 MW of Avoided CT Construction and O&M Costs;

b) This translates into $7.5 Million in Deferred Capital Costs($10.4 Million in avoided Revenue Requirements) and $390,000 annually in avoided O&M Costs (e.g., Fuel, Fixed O&M, Variable O&M and Taxes).

PROJECTED BENEFIT/COST RATIO:

Projected Benefit/Cost Ratio of this program is 2.7:1

CURB
2008 Rate Case
08-WSEE-1041-RTS
09/22/2008

Data Request: CURB-242: CFL Program
Please detail expenses in 2007 and 2008 for the CFL program that Westar is undergoing. Also provide any cost-benefit analysis that was performed for this program, including a per-bulb break-down of expenses and anticipated savings.

Response:
CFLs consume approximately 75% less electricity per hour of operation than their incandescent counterparts. Thus, a CFL replacement for a 75-watt incandescent lamp would save 56 watts per hour of use. Assume 1,800 hours per use annually at $0.072 per kWh calculates to $7.25 annual savings per CFL.

As part of our customer education programs and community support programs, Westar handed out 15,000 CFLs in 2007 and 40,000 which translates to an annual (anticipated) energy savings of approximately $400,000. We spent approximately $100,000 for these CFLs.

Attached is a feasibility study on the residential CFL distribution program which George Fitzpatrick of Harbourfront Group, Inc. provided to Westar.

Prepared by or Under Supervision of: Eusebio, Victor E

Verification of Response
I have read the foregoing Data Request and Answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed by: Derek F Ratcliff

Dated: 9-12-2008

PRESENTATION OF WESTAR'S ENERGY EFFIECIENCY PROGRAMS
DRAFT
JUNE 2007-GF

PROGRAM NAME:

Residential Compact Fluorescent Lamp (CFL) Distribution Program

PROGRAM DESCRIPTION:

Up to four CFL's per Westar Residential customer will be distributed through a number of delivery protocols including school programs, coupons mailed to customers, making available such lamps at locally identified Westar distribution centers and the like. Customer will also receive printed suggestions concerning the most beneficial deployment of such lamps in the home, thus optimizing the benefits accruing to this program.

PROGRAM MOTIVATION:

This program is projected to save approximately 100 kWh annually for each CFL installed by Residential participants (See Note below). This will lead to electric generation-related fuel savings, accompanying power generation emissions savings and electric bill savings for participating customers. While not a primary motivation, this program should also provide for a minor reduction in System Peak Demand, which is estimated to be less than 10MW.

PROJECTED PROGRAM IMPACTS:

Westar has approximately 585,000 Residential Customers. The current program design contemplates that 4 CFL's will be distributed per customer. Assuming that 2.3 million CFL's are installed according to the recommendations provided by Westar for their deployment, a potential annual reduction of 234 GWH of Electric Sales at the meter corresponding to 249 GWH of Energy produced at the generator will be realized. Over each lamp's projected 10,000-hour life, the total kWh savings equates to approximately 1,300 GWH.

Using Westar's baseload generation mix, the concomitant annual and lifecycle reduction in CO-2 emissions would be 188,000 tons annually and 1,053,000 tons over the average 5.6 year lifecycle of this initial CFL distribution program.

PROJECTED PROGRAM COSTS BY YEAR 2007-2008:

CFL Bulb Purchase Cost (2.3 million units @$2.00 per unit):	$4.6 million
Program Marketing and Advertising:	$100,000
Program Delivery (5%):	$230,000
Program Administration (3%):	$140,000
Program Monitoring and Verification (3%):	$140,000
Recovery OF Lost Westar Margin (12% or 1 Cent per kwh):	$13 million

Total Program Costs: $18,210,000

PROJECTED PROGRAM BENEFIT:

Simple 5.5-Year Lifecycle Savings:

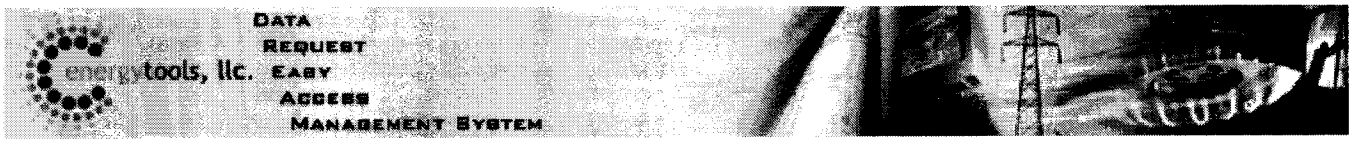
a) Electric Generation Fuel Savings:
   1,300 GWH Generated Energy Saved * Fuel Savings (2.5 Cents per KWH) = $32,500,000;
b) Electric Generation Emissions Savings:
   1,300 GWH Energy Saved translates to 1.05 Million Tons of CO-2 Emissions Saved* $8-20/ Ton=$8.4 Million- $21 Million

PROJECTED BENEFIT/COST RATIO:

Between 2.25:1 and 2.94:1
Total Costs: $18.2 Million
Total Benefits: $41 Million-$53.5 Million

**

NOTE: Compact Fluorescent Lamps (CFLs) consume approximately 75% less electricity per hour of operation than their incandescent light lamp counterparts. Thus, for example, a CFL replacement for a 75-watt incandescent lamp would save 56 watts per hour of use. The driving assumption of this analysis is that Residential customers using program-delivered CFL's will place these lamps in locations that typically experience higher hours of annual use (e.g., living rooms, hallways, lights left on for nighttime security, etc.) than limited use areas such as closets and basements.
For each CFL to achieve its projected annual savings level, a total number of hours use would be approximately 1800 hours per year or less than 5 hours per day.



Docket: [08-WSEE-1041-RTS] 2008 Rate Case
Requestor: [KCC] [Larry Holloway]
Data Request: KCC-333 :: Green Tariff Proposal
Date: 0000-00-00

Question 1 (Prepared by Dick Rohlfs)
Regarding Westar's Renewable Energy Program Rider, please provide the following: 1) How will Westar recover costs related to marketing, advertising, and promotion of the program? Will this be recovered by revenues generated by the Rider? 2) Provide estimates of the amount of costs assumed to be required to market, promote, and advertise the rider. 3) Will revenue from participants be used to procure new renewable energy sources or pay for wind energy under construction and purchase power agreements? 4) Provide any projections of revenue and participation in the rider.

Response:
1. Westar's costs to market, advertise and promote the Renewable Energy Program will be charged to operating expenses. The revenues from the Renewable Rider, as indicated in Mr. Rohlfs' testimony, could either a) flow through the RECA or b) be a revenue credit to offset these costs or other costs of providing service. 2. There is no budget for these type of expenses currently. 3. See response to question 1 above. 4. Westar has not projected the revenues it may receive from this Rider.

No Digital Attachments Found.

CERTIFICATE OF SERVICE

08-WSEE-1041-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was placed in the United States mail, postage prepaid, or hand-delivered this 29th day of September, 2008, to the following:

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08-WSEE-1041-RTS

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