

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of Westar Energy, Inc. and)
Kansas Gas and Electric Company (both)
doing business as Westar Energy) Filing)
Tariff Revisions Seeking Approval for an)
Energy Efficiency Rider Pursuant to the)
Commission's Order Dated November 18,)
2008 in Docket No. 08-GIMX-441-GIE)

Docket No. 12-WSEE-063-TAR

Received
on

SEP 08 2011

by
State Corporation Commission
of Kansas

Response of CURB to Staff's Report and Recommendation

The Citizens' Utility Ratepayer Board (CURB) submits its response to the *Staff Report and Recommendation* filed in the above-captioned docket on September 1, 2010.

1. CURB concurs with the recommendation of the Commission Staff to approve Westar Energy's application for recovery of an adjusted amount of \$10,731,209 through its Energy Efficiency Rider (EER).

2. CURB agrees with the recommendation of the Commission Staff to oppose the inclusion of regulatory costs in Westar Energy's application. Westar should seek recovery of such costs as a part of its general rate case applications. The rider is not intended to recoup general costs of regulation, but to provide more timely recovery of the costs of goods and services related to Westar's energy-efficiency and demand-side management portfolio.

3. In support of Staff's recommendation, CURB adds that Westar asked for and received authorization to implement this annual rider. Therefore, these annual tariff proceedings are conducted at the request of, and for the benefit of Westar, not its customers. The distinct regulatory costs associated with the rider applications could be avoided altogether if Westar had opted instead to seek recovery of these costs through its general rate case applications. Further, given that the

company sought and received authorization to apply annually for recovery, the cost of doing so is now a predictable annual expense that is more appropriate for recovery in base rates.

4. CURB also agrees with the recommendation of the Commission Staff to deny recovery of costs in Westar's application that are associated with heat pump marketing. However, since the Commission has yet to develop policies concerning whether encouraging fuel-switching is a legitimate way to encourage energy efficiency, the rationale for denying these costs may be more properly founded in the fact that marketing expenses are generally not recoverable in rates at all, and certainly should not be considered "educational" expenses.

5. Furthermore, it is the Commission's purpose in allowing EE riders to encourage electric utilities to offer programs that will help delay the need for new generation facilities. Attempts to build load by marketing heat pumps does not serve that policy. While heat pump marketing is clearly not an education program, as Staff noted, it is not an energy-efficiency or demand-side management program, either. Therefore, recovery of these expenses through the EER would clearly be inappropriate, even if the Commission were to determine that they are eligible for recovery from customers through base rates.

6. In summary, CURB recommends that the Commission adopt the recommendations of Staff, whether for the reasons that Staff has articulated, or for the reasons articulated by CURB.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'D. Springe', written in a cursive style.

David Springe #15619
Niki Christopher #19311
C. Steven Rarrick #13127
Citizens' Utility Ratepayer Board
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VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

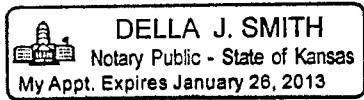
I, Niki Christopher of lawful age, being first duly sworn upon her oath states:

That she is an attorney for the above named petitioner; that she has read the above and foregoing Intervention, and, upon information and belief, states that the matters therein appearing are true and correct.



Niki Christopher

SUBSCRIBED AND SWORN to before me this 8th day of September, 2011.



Notary Public

My Commission expires: 01-26-2013.

CERTIFICATE OF SERVICE

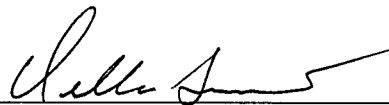
12-WSEE-063-TAR

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 8th day of September, 2011, to the following:

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Administrative Specialist