

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

Before Commissioners:                    Shari Feist Albrecht, Chair  
   Jay Scott Emler  
   Pat Apple

In the Matter of Westar Energy, Inc. and                    )  
Kansas Gas and Electric Company Seeking                    )     Docket No. 15-WSEE-021-TAR  
Commission Approval for Tariff Revisions to                    )  
the Energy Efficiency Rider.    )

**ORDER APPROVING ENERGY EFFICIENCY RIDER**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the files and records, and being duly advised in the premises, the Commission makes the following findings:

1.        On July 15, 2014, Westar Energy, Inc., and Kansas Gas and Electric Company (Westar) filed proposed tariff revisions relating to its Energy Efficiency Rider (EER), seeking recovery of \$5,543,112 in costs associated its various energy-efficiency programs.

2.        On September 18, 2014, Commission Staff (Staff) filed its Report and Recommendation (R&R), recommending approval of Westar's Application, conditioned upon Westar filing its next Energy Efficiency Rider by July 31, 2015. Staff's R&R explained that Westar's EER factor would decrease an average residential customer bill by \$0.23 per month or \$2.76 annually.<sup>1</sup>

3.        On September 29, 2014, the Citizens' Utility Ratepayer Board<sup>2</sup> (CURB) filed its Reply to Staff's Report and Recommendation. CURB noted Westar's Application shows that from July 1, 2013 through June 30, 2014, Westar spent \$5,543,385 to offer five energy efficiency

---

<sup>1</sup> Staff Report and Recommendation, Sept. 18, 2014, p. 1.

<sup>2</sup> On July 31, 2014, CURB was granted intervention.

programs and over-recovered its 2013 Commission approved EER by \$273.00.<sup>3</sup> CURB recommends: (1) disallowing \$27,964 in expenses for notebooks, sponsorships, cash awards, baseball caps, and flashlights that are included in Westar's EER request, as inconsistent with the Commission's directions given in Docket No. 08-GIMX-442-GIV and inappropriate for recovery through a rider; (2) allowing Westar to recover \$5,515,148<sup>4</sup> through its EER; (3) approving the EER rates as calculated by Westar in its Application; (4) ordering Westar to file a petition for new operating budgets for each of its energy efficiency programs, consistent with the guidelines established in Docket No. 08-GIMX-441-GIV; (5) ordering Westar to conduct complete evaluation, measurement and verifications (EM&V) for each of its energy efficiency programs,<sup>5</sup> available for review by Staff, CURB and the Commission no later than September 1, 2015; and (6) requiring an EM&V of Westar's SimpleSavings program as ordered in Docket No. 10-WSEE-775-TAR, to provide invaluable information on how Kansas can reduce base load energy consumption, reduce greenhouse gas emissions, and comply with the EPA's proposed Clean Air Act, section 111(d).<sup>6</sup>

4. On October 7, 2014, Westar filed its Response to CURB's Reply to Staff's Report and Recommendation. In its Response, Westar explains that based on the small size of the adjustment proposed by CURB, it does not object to the proposed adjustment and agrees to true-up the adjustment of approximately \$28,000 when it files its next EER update.<sup>7</sup> Westar contends the Commission should not consider the need for Westar to file updated budgets for certain

---

<sup>3</sup> CURB's Reply to Staff's Report and Recommendation (CURB's Reply), Sept. 29, 2014, p. 1.

<sup>4</sup> This amount includes unrecovered expenses of \$5,515,421 incurred from July 1, 2013 through June 30, 2014, and over-recovered costs of \$273 from the prior period.

<sup>5</sup> The cost of the EM&V should not exceed 5% of the program's Commission-approved budget.

<sup>6</sup> CURB's Reply, pp. 1-2.

<sup>7</sup> Westar Energy, Inc. and Kansas Gas and Electric Company's Response to CURB's Reply to Staff's Report and Recommendation, Oct. 7, 2014, ¶ 3.

energy efficiency programs with the Commission, the need for a final evaluation of the SimpleSavings program, or the need for the Commission to require additional EM&V for Westar's energy efficiency programs as all of those issues are beyond the scope of this docket.<sup>8</sup>

5. On October 9, 2014, Staff filed its Reply to CURB's Reply and Westar's Response, explaining that because Westar does not object to CURB's adjustment, and is no longer seeking recovery of the associated costs, Staff takes no position on the issue.<sup>9</sup> Staff generally agrees with Westar's position on the scope of the docket because the docket is essentially an audit proceeding to ensure program expenditures are within the scope of the approved programs and are appropriate for recovery.<sup>10</sup> At the same time, Staff concedes that CURB raises legitimate concerns and therefore recommends the Commission develop processes to address the issues raised by CURB in a timely fashion.<sup>11</sup> Specifically, Staff recommends the opening of a generic docket to investigate the effects of Westar's expired energy efficiency program budgets and whether Westar should be required to seek approval of new budgets.<sup>12</sup> Staff makes no recommendation on the sufficiency of Westar's EM&V activities or whether Westar is obligated to conduct additional EM&V of its energy efficiency programs.<sup>13</sup>

6. On October 17, 2014, CURB filed its Response to Westar Energy, Inc. and Kansas Gas and Electric Company's Response to CURB's Reply to Staff's Report and Recommendation and the Commission Staff's Reply to CURB's Reply and Westar's Response (CURB's Response), arguing Westar misinterprets CURB's recommendations -- CURB is not

---

<sup>8</sup> *Id.*, ¶ 4.

<sup>9</sup> Commission Staff's Reply to CURB's Reply and Westar's Response (Staff's Reply), Oct. 9, 2014, ¶ 15.

<sup>10</sup> *Id.*, ¶ 16.

<sup>11</sup> *Id.*, ¶ 17.

<sup>12</sup> *Id.*, ¶ 18.

<sup>13</sup> *Id.*, ¶ 19.

recommending the Commission make a determination on appropriate budgets in the EER proceeding, nor that EM&V studies be conducted as part of the EER proceeding. Instead CURB posits the current status of Westar's programs, as well as the status of Westar's EM&V studies, need to be addressed as part of a prudence review.<sup>14</sup>

7. Since the parties all view \$5,515,148 as an acceptable amount of recovery for costs associated with Westar's energy efficiency programs that would result in lower average residential customer bills, the Commission approves Westar's request for \$5,515,148 in costs.

8. The parties remain divided on the appropriate scope of this docket. The Commission believes this question deserves greater study and will reserve judgment on whether Westar needs to file updated budgets for certain energy efficiency programs, the need for a final evaluation of the SimpleSavings program, or the need for additional EM&V of Westar's energy efficiency programs.

**THEREFORE, THE COMMISSION ORDERS:**

A. Westar's Application for recovery of \$5,515,148 in costs associated its various energy efficiency programs is approved.

B. The Commission will determine the appropriate scope of this docket by March 12, 2015.

C. Parties have 15 days, from the date of service of this Order, plus three days if served by mail, to petition for reconsideration.<sup>15</sup>

---

<sup>14</sup>CURB's Response to Westar Energy, Inc. and Kansas Gas and Electric Company's Response to CURB's Reply to Staff's Report and Recommendation and the Commission Staff's Reply to CURB's Reply and Westar' Response (CURB's Response), Oct. 17, 2014, ¶ 6.

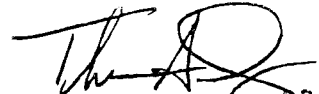
<sup>15</sup> K.S.A. 66-118b; K.S.A. 77-529(a)(1).

D. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders, as it deems necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: OCT 28 2014



ORDER MAILED OCT 29 2014

Thomas A. Day  
Acting Executive Director

BGF

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
NIKI CHRISTOPHER, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 <b>***Hand Delivered***</b>		
DAVID SPRINGE, CONSUMER COUNSEL CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 <b>***Hand Delivered***</b>		
BRIAN G. FEDOTIN, ASSISTANT GENERAL COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 <b>***Hand Delivered***</b>		
ANDREW FRENCH, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 <b>***Hand Delivered***</b>		
JEFFREY L. MARTIN, VICE PRESIDENT, REGULATORY AFFAIRS KANSAS GAS & ELECTRIC CO. D/B/A WESTAR ENERGY 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889		
CATHRYN J. DINGES, CORPORATE COUNSEL WESTAR ENERGY, INC. 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889		
CINDY S. WILSON, DIRECTOR, RETAIL RATES WESTAR ENERGY, INC. 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889		

**ORDER MAILED OCT 29 2014**

The Docket Room hereby certified that on this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.