

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

Before Commissioners: Dwight D. Keen, Chair
 Shari Feist Albrecht
 Susan K. Duffy

In the Matter of the Application of Westar)
Energy, Inc. and Kansas Gas and Electric) Docket No. 15-WSEE-181-TAR
Company for Approval of Energy Efficiency)
Programs.)

ORDER GRANTING FINAL APPROVAL OF WATTSaver PROGRAM BUDGET;
CLOSING DOCKET

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

I. Background

1. On October 28, 2014, Westar Energy, Inc. and Kansas Gas and Electric Company (collectively, “Westar”) filed an Application in this docket seeking approval of three new energy efficiency programs and approval to move its WattSaver Air Conditioning Cycling Program (Wattsaver) into sunset mode.

2. On June 11, 2015, the Commission issued an *Order Approving Stipulation and Agreement* (15-181 Order) which allowed Westar to withdraw its three proposed energy efficiency programs while retaining the right to refile the programs at a later date. The 15-181 Order also granted Westar’s request to continue operating the WattSaver program in maintenance and service mode with no new installation through the end of 2017 under the following conditions:

- i. Westar will utilize the program at least 12 times over the next three years (between January 2015 and December 2017).
- ii. Westar will continue to seek opportunities to reduce operating costs while maintaining customer satisfaction.

- iii. Westar will conduct EM&V¹ analysis of the WattSaver program within the next six months pursuant to the Commission order in Docket No. 15-WSEE-021-TAR and then again after two cycling seasons and will provide written EM&V reports regarding both usage and customer satisfaction.
- iv. Staff and CURB agree to make reasonable efforts to expedite any requests made by Westar to make a change to the vendor administering the WattSaver program.

3. On September 14, 2017, in Docket No. 15-WSEE-532-MIS, the Commission issued an *Order Adopting Staff's Report and Recommendation* (15-532 Order) which, among other things, granted Westar's proposed interim budgets for the WattSaver program until such a time as Staff could review Westar's EM&V report and verify that the conditions from the 15-181 Order had been met. The 15-532 Order directed Westar to file its EM&V for WattSaver in this docket by August 31, 2018.

4. Westar filed its EM&V for the Wattsaver program on August 29, 2018, as required.

II. Jurisdiction and Standard of Review

5. The Commission holds full power, authority and jurisdiction to supervise and control Westar as an electric public utility pursuant to K.S.A. 66-101. The Commission holds jurisdiction over Westar's rates and terms of service under K.S.A. 66-101b. All of Westar's rates pertaining to jurisdictional service must be approved by the Commission pursuant to K.S.A. 66-117.

6. According to K.S.A. 66-101b, any rates charged by Westar must be just and reasonable. The rates may not be unreasonably discriminatory or unduly preferential.

¹EM&V refers to Evaluation, Measurement and Verification.

III. Staff's Report and Recommendation

7. On October 2, 2019, Commission Staff (Staff) submitted a Report and Recommendation (R&R) in this docket addressing the three outstanding matters from Docket Nos. 15-WSEE-532-MIS; 15-WSEE-181-TAR; and 15-WSEE-021-TAR. The three outstanding matters being: 1) compliance with the conditions set forth in the 15-181 Order; 2) compliance with the EM&V requirements from the 15-181 and 15-532 Orders as well as a determination of whether the EM&V showed the WattSaver program had continued value; and 3) the interim budgets for the Wattsaver program as approved in the 15-532 Order.

8. With respect to the conditions set forth in the 15-181 Order, Staff found that Westar had complied in full. First, twelve cycling events had been called since January 2015 – four cycling events in 2015, four in 2016, and four in 2017. Second, Westar had worked to reduce program expenses while maintaining customer service and satisfaction. For example, 2017 estimated expenses totaled approximately \$758,430 and 2016 expenses totaled \$753,966 compared to 2015 expenses of \$1,049,990 – a reduction of about 28%. Third, Westar conducted two EM&Vs and provided two written reports as required.

9 With respect to EM&V, Staff found that Westar had complied with all ordered requirements and conducted a review to determine whether the program still had value. Westar's EM&V looked at three items: (1) customer satisfaction; (2) impact on customer demand; and (3) the cost-effectiveness of the WattSaver Program.

10. With respect to customer satisfaction, Westar conducted surveys with respect to thermostat servicing and cycling events. Tables of complete data can be found in Staff's R&R, but overall, customers were more satisfied with the program than dissatisfied. In general, customers experienced the least satisfaction if they were at home during a cycling event.

11. Impact on customer demand during cycling events was measured using econometric estimation. For a detailed explanation of how the estimation was performed, refer to Staff's R&R. The results of the estimation revealed a per participant load reduction of approximately 0.92 kW per cycling event in 2010, tapering down to 0.62 kW in 2017. Staff noted that this decline is to be expected due to more energy efficient air conditioners replacing obsolete units over time. Staff also noted that the demand reduction for Commercial customers was higher, but there are 77 times more Residential customers in the program, which skews the kW impact downward.

12. Cost-effectiveness was evaluated based on a comparison of avoided costs to program administration costs. Both Westar and Staff's avoided cost figures are confidential. However, both Westar and Staff calculated a benefit to cost ratio of greater than 2 to 1. Therefore, Staff found the WattSaver Program to be cost-effective.

13. Ultimately, Staff recommended that the Commission grant final approval of the existing budget until December 31, 2019.

IV. Findings and Conclusions

14. The Commission, having reviewed Staff's R&R, finds the recommendations contained therein to be reasonable and hereby adopts the same.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Westar's WattSaver Program interim budget is granted final approval until December 31, 2019. The WattSaver Program's new budget will be handled concurrent with Westar's other energy efficiency program budgets in Docket No. 15-WSEE-532-MIS.

B. This docket is closed.

C. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).

D. The Commission retains jurisdiction over the subject matter and parties for the purpose of issuing such further order, or orders, as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Albrecht, Commissioner; Duffy, Commissioner

Dated: 10/10/2019



Lynn M. Retz
Executive Director

MRN

CERTIFICATE OF SERVICE

15-WSEE-181-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of
electronic service on 10/10/2019.

JANET BUCHANAN, DIRECTOR- REGULATORY AFFAIRS
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421W 129TH ST
OVERLAND PARK, KS 66213-2713
Fax: 913-319-8622
janet.buchanan@onegas.com

CATHRYN J. DINGES, CORPORATE COUNSEL
WESTAR ENERGY, INC.
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
Fax: 785-575-8136
cathy.dinges@evergy.com

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067
Fax: 785-242-1279
jflaherty@andersonbyrd.com

JUDY JENKINS HITCHYE, MANAGING ATTORNEY
KANSAS GAS SERVICE, A DIVISION OF ONE GAS, INC.
7421W 129TH ST
OVERLAND PARK, KS 66213-2713
Fax: 913-319-8622
judy.jenkins@onegas.com

MICHAEL NEELEY, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3167
m.neeley@kcc.ks.gov

DAVID W. NICKEL, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
d.nickel@curb.kansas.gov

SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
s.rabb@curb.kansas.gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
d.smith@curb.kansas.gov

ANDREW J ZELLERS, GEN COUNSEL/VP REGULATORY
AFFAIRS
BRIGHTERGY, LLC
1712 MAIN ST 6TH FLR
KANSAS CITY, MO 64108
Fax: 816-511-0822
andy.zellers@brightergy.com

/S/ DeeAnn Shupe

CERTIFICATE OF SERVICE

15-WSEE-181-TAR

DeeAnn Shupe