

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

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

**NOTICE OF FILING OF CURB'S REPLY TO STAFF'S
REPORT AND RECOMMENDATION**

COMES NOW, the Citizens' Utility Ratepayer Board (CURB), and files its *Reply to Staff's Report and Recommendation*, in the above captioned docket, which is attached hereto as "Attachment A."

WHEREFORE, CURB respectfully submits its recommendations to the Commission for its consideration.

Respectfully submitted,



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REPLY TO STAFF'S REPORT AND RECOMMENDATION

TO: Chair Shari Feist Albrecht
Commissioner Jay Scott Emler
Commissioner Dwight D. Keen

FROM: Stacey Harden

DATE: April 27, 2018

SUBJECT:

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

EXECUTIVE SUMMARY:

Kansas City Power & Light ("KCPL") is requesting approval to extend five of its demand-side management ("DSM") programs through September 30, 2022. The programs KCPL is requesting to extend are: (1) Home Energy Analyzer, (2) Business Energy Analyzer, (3) Building Operator Certification, (4) Income-Eligible Weatherization, and (5) Programmable Thermostat. Additionally, KCPL's application requests Commission permission to terminate three previously frozen programs: (1) Energy Audit and Energy Measures, (2) Cool Homes, and (3) ENERGY STAR New Homes.

On October 10, 2017, the Commission issued an order granting a joint motion for an interim order. The interim order allowed KCPL's existing programs to remain active past their September 30, 2017 expiration dates, until further order of the Commission.

KCPL filed two addendums to its original petition. The first addendum, filed on November 16, 2017, provided additional information to supplement its original application. The second addendum, filed on March 5, 2018, included a request to terminate three programs that have been frozen to new participants since 2011.

On April 17, 2018, the Staff of the Kansas Corporation Commission ("Staff") filed its Report and Recommendation ("Staff's R&R"). In Staff's R&R, Staff recommended the Commission approve KCPL's application, with two conditions: (1) that KCPL use the programmable

thermostat program when system conditions are appropriate, and (2) that KCPL collect specific data for a reevaluation of the amount of capacity saved during a cycling event.

In response to KCPL's application, CURB recommends the following:

1. The Commission should deny KCPL's request to extend its Programmable Thermostat program for another five years because the Commission previously determined the program was not in the public interest, the benefit-cost test results used by KCPL and Staff are inflated, and the program is no longer being used by KCPL to generate savings. Additionally, CURB recommends the Commission require KCPL file a report regarding remaining obligations stemming from participants' thermostat replacements.
2. KCPL should continue its partnership with the Kansas Housing Resources Corporation to provide weatherization services through its Income-Eligible Weatherization program. CURB recommends the Income-Eligible Weatherization Program not be classified as a DSM Program, but rather as a social program offered by KCPL. Additionally, CURB recommends that KCPL reduce or eliminate administrative costs that take away from actual delivery of weatherization services and products for its income-eligible residential customers. The reasonable costs incurred by KCPL for the Income-Eligible Weatherization Program would be eligible for cost recovery during a general rate case.
3. KCPL should continue offering its Online Energy Information and Analysis Programs to Kansas customers. CURB recommends the Online Energy Information and Analysis Programs be continued as a general energy education program offered by KCPL, outside of a comprehensive set of DSM programs. The costs incurred by KCPL for the Online Energy Information and Analysis Programs would be eligible for cost recovery during a general rate case. Additionally, CURB recommends KCPL provide an additional report that supports the functionality of the Online Energy Information and Analysis Programs in conjunction with KCPL's new Customer Self Service Portal.
4. The Commission should deny KCPL's request to continue offering the Building Operator Certification program as a standalone DSM education program. In the alternative, if the Commission determines that the Building Operator Certification program should remain in place, CURB recommends the Building Operator Certification program no longer be classified as a DSM program, and instead be considered general energy education program offered by KCPL. Additionally, the Commission should implore KCPL to utilize the budget for the BOC program to provide the most educational opportunities to its customers. The reasonable costs incurred by KCPL for the Building Operator Certification program would be eligible for cost recovery during a general rate case.
5. If the Commission adopts CURB's recommendations in this proceeding, KCPL's

energy-efficiency rider mechanism can be terminated, as any costs associated with KCPL's remaining programs will be eligible for cost recovery during a general rate case.

6. CURB does not oppose KCPL's request to terminate its previously frozen Energy Audit and Energy Measures Program, Cool Homes Program, and the ENERGY STAR New Homes Program.

BACKGROUND:

Since 2008, CURB has consistently advocated in several dockets for the implementation of cost-effective energy-efficiency programs that produce measurable and reliable energy savings over the duration of the program. In fact, CURB was involved in the dockets in which the Commission first established its energy-efficiency policies and goals in 2008. These policy goals were later reaffirmed by the Legislature in the Kansas Energy Efficiency Investment Act ("KEEIA") that was enacted in 2014. Importantly, through all of its energy-efficiency dockets, the Commission has consistently maintained that in order to evaluate prospective energy-efficiency programs, the Commission would evaluate the programs using two primary benefit-cost test ratios: the Total Resource Cost test ("TRC") and the Ratepayer Impact Method ("RIM"). These two tests are described below.

The TRC test is designed to measure the cost-effectiveness of a program to the utility as a whole and indicates whether a program is beneficial to the utility and to all of the utility's customers – whether or not a customer participates in the offered energy-efficiency program. An energy-efficiency program with a TRC test score greater than 1.0 reflects the benefit to implementing an energy-efficiency program throughout a utility's territory. In other words, if an energy-efficiency program can produce a TRC score greater than 1.0, it means each dollar spent on the energy-efficiency program allows the utility to avoid more than one dollar in future construction expenditures.

The RIM test supports the Commission's policy to mitigate customer bill increases as a primary goal of energy-efficiency programs. In general, a program with a RIM test score below 1.0 will put upward pressure on rates, while a program that can achieve a RIM test score greater than 1.0 will either have no impact or will put downward pressure on rates.

As history shows, KCPL, CURB and Staff rarely achieve unanimous agreement on things such as the avoided capacity cost used to calculate a program's TRC or RIM, the method of cost recovery, or the necessity of lost revenue recovery or performance incentives. By CURB's count this will be the fifth time KCPL has requested Commission approval of these programs. KCPL has been offering these same five pilot programs for as many as 12 years at a cost to ratepayers of \$11,545,378.¹ KCPL's request in this proceeding will extend these five pilot programs for another five years, at an additional cost to ratepayers of \$2,192,340.

¹ This amount is the sum of KCPL's responses to CURB Data Request Nos. 7, 8, 9, and 10.

In evaluating this docket, the Commission should be aware that KCPL's request in this docket is no longer intended to achieve the Commission's energy-efficiency policy goals, or even to further advance the directive given by the legislature in KEEIA. Instead, according to its application, KCPL will use the five-year extension to "explore options of the future of its DSM program portfolio."² In CURB's opinion, this is an unreasonable request by KCPL. KCPL has had ten years since the Commission first stated its energy-efficiency policy goals to determine the future of its DSM program portfolio in Kansas. Most disappointing in KCPL's request, is the lack of data to support whether KCPL's programs have achieved any actual savings over the past twelve years. If this data had been collected and reported by KCPL, the Commission would not have to determine if it is beneficial to Kansas ratepayers to extend **pilot** programs to their seventeenth year based upon contested estimates of savings.

HISTORY OF KCPL'S DSM PROGRAMS:

KCPL's DSM initiative in Kansas officially began with the Stipulation and Agreement covering KCPL's Comprehensive Energy Plan, which was approved by the Commission in Docket No. 04-KCPE-1025-GIE ("1025 Docket"). As part of the Stipulation and Agreement, KCPL committed to develop, implement and request Commission approval for a series of Demand Response, Energy Efficiency and Affordability pilot programs. In accordance with the 1025 Docket, KCPL requested and received Commission approval for and implemented a portfolio of pilot DSM programs in Kansas.

In Docket Nos. 08-GIMX-441-GIV ("441 Docket") and 08-GIMX-442-GIV ("442 Docket"), the Commission broadly developed a framework for its energy efficiency policy goals and objectives. The 441 and 442 Dockets established the framework for utilities, Staff and the Commission to determine how energy-efficiency programs should be offered in Kansas, cost recovery methods, and the parameters under which approved energy-efficiency programs must operate.

Following the Commission's orders in the 441 and 442 Dockets, KCPL requested Commission approval to make the DSM pilot programs borne from the 1025 Docket permanent. On June 12, 2010, KCPL filed Docket No. 10-KCPE-795-TAR ("795 Docket") in which it petitioned the Commission for approval to extend its thirteen energy-efficiency programs, and to provide KCPL with a new cost recovery mechanism that included performance incentives and a shared savings mechanism. On December 15, 2010, KCPL withdrew its application before the Commission was able to issue an order on the application.

On May 27, 2011, KCPL petitioned the Commission to make six programs permanent in Docket No. 11-KCPE-780-TAR ("780 Docket"). The Commission ordered that KCPL's six energy-efficiency programs not be granted permanent status, but rather be given a limited two-year approval while the Commission further determines its policies on energy efficiency to ensure reliable and cost-effective service is provided to ratepayers. The Commission further directed KCPL to make an application to the Commission, upon conclusion of a generic investigation

² Application, at ¶2.

docket and prior to the expiration of the two-year pilot period, to request the Commission designate these programs as permanent, or to modify or terminate the programs.³

The Commission opened a separate docket, Docket No. 12-GIMX-337-GIV (“337 Docket”) to further clarify the Commission’s orders in the 441 and 442 Dockets. The March 6, 2013, Order in the 337 Docket stated “the underlying principles in the 441 and 442 Dockets are consistent. Both 441 and 442 provide an overall framework to promote energy efficiency, while instructing the Commission to review individual dockets on their own merit. In the 442 Docket, the Commission established basic policy guidelines for energy efficiency programs. There, the Commission favored a balanced approach between traditional and alternative energy sources and also between energy and demand reductions.”⁴

On July 18, 2013, KCPL petitioned the Commission to again extend the six active pilot DSM programs that were originally approved in the 1025 Docket, for another two years, in Docket No. 14-KCPE-042-TAR (“042 Docket”). On August 1, 2013, the Commission issued an Order that (1) stayed the 042 Docket from further consideration of the Application until the evaluation, measurement and verification (“EM&V”) results were available to the Commission; (2) allowed the DSM pilot programs to continue until ordered by the Commission; and (3) approved an interim budget at the existing level to allow the subject DSM pilot programs to continue until the Commission issued a final Order on the Application. On December 10, 2013, the Commission issued an Order lifting the stay of the 042 Docket.

While the 042 Docket was being investigated by CURB and Staff, the Kansas Energy Efficiency Investment Act (“KEEIA”) was approved by then-Governor Sam Brownback on April 30, 2014 and became law on July 1, 2014. As legislation, KEEIA outlines the regulatory guidance concerning the Commission’s approval of utility-sponsored energy-efficiency programs and identifies various cost recovery mechanisms the Commission can consider for utilities that offer energy-efficiency programs.

On October 6, 2014, Staff, CURB and KCPL requested Commission approval of settlement agreement in the 042 Docket. As part of the settlement agreement, Staff, CURB and KCPL agreed that the proposed extension of the DSM programs did not make them “Commission-approved” programs as defined by KEEIA. In addition, the settlement agreement required certain EM&V procedures – specifically a provision that if KCPL wishes to extend any of the six DSM programs beyond December 31, 2016, it would be required to file a program specific EM&V before filing any additional extension request. Per the terms of the settlement agreement, neither the Commission, nor any party, would be required to agree to an extension of a program simply because an EM&V was filed. The Commission approved the settlement between the parties, allowing the programs to continue as pilot programs until December 31, 2016.⁵

On April 6, 2016, KCPL requested Commission approval of a KEEIA suite of DSM programs and a Demand-Side Investment Mechanism Rider in Docket No. 16-KCPE-446-TAR (“446

³ Docket No. 11-KCPE-780-TAR, January 4, 2012, *Order Approving Application with Modification*, at ¶ 25-26.

⁴ Docket No. 12-GIMX-337-GIV, March 6, 2013, *Order*, at page 7.

⁵ Docket No. 14-KCPE-442-TAR, October 23, 2014, *Order Approving Joint Motion for Approval of Settlement Agreement*.

Docket”). At the prehearing conference on September 2, 2016, KCPL notified the parties it had discovered an error in certain information contained in the KEEIA Report filed as part of its application. The hearing officer determined that the procedural schedule should be suspended to allow other parties to review and respond to corrected information provided by KCPL. A new procedural schedule was established which pushed back the Commission’s Order and the effective date of the approved programs from January 1, 2017 to October 1, 2017.

On November 14, 2016, KCPL filed a motion to extend its existing six DSM programs and budget. KCPL stated that an extension of the procedural schedule in the 446 Docket necessitated a corresponding extension of the current DSM programs utilized by KCPL’s customers. KCPL requested the programs and budget be extended through September 30, 2017, otherwise, the six DSM programs would terminate December 31, 2016.

On June 22, 2017 the Commission issued an Order in the 446 Docket. In its Order, the Commission approved seven of KCPL’s proposed DSM programs, denied seven of KCPL’s proposed programs, and denied KCPL’s proposed Demand-Side Investment Mechanism Rider. On June 30, 2017, KCPL filed a response to the Commission Order indicating that KCPL was unable to move forward with its DSM Plan as modified by the Commission Order. As is its right per law, KCPL withdrew its DSM portfolio. However, in its response, KCPL indicated that it would like to extend its education, low-income weatherization, and programmable thermostat programs beyond the September 30, 2017 date previously granted by the Commission. KCPL further elaborate that it would work collaboratively with Staff and CURB to ascertain whether that is possible through a future filing.⁶

This is that future filing.

ANALYSIS OF PROGRAMS:

For consistency and brevity, CURB will provide a brief analysis of each of KCPL’s proposed DSM programs, followed by Staff’s recommendation of the program, concluded with CURB’s response to KCPL’s application and Staff’s recommendation, collectively.

A. Programmable Thermostat Program

- **History of Programmable Thermostat Program**

The Programmable Thermostat Program (“PT Program”) was originally approved by the Commission in January 2006. The program was previously named Energy Optimizer. Since its inception in 2006, KCPL has spent \$10,217,778 on the PT Program in Kansas.⁷ According to its response in CURB Data Request No. 5, KCPL has used the PT program 34 times since it was approved in 2006 – this is an average cost to ratepayers of \$300,435 per cycling event.

- **Benefit-Cost Tests**

KCPL provided the following benefit-cost test results in support of the PT Program.

⁶ Docket No. 16-KCPE-446-TAR, June 30, 2017, *Kansas City Power & Light Company’s Response to Commission Order*.

⁷ KCPL response to CURB Data Request No. 7.

Programmable Thermostat Program	
Test Name	Test Results
Utility Test	8.58
TRC Test	8.58
RIM Test	8.58
RIM (Net Fuel)	8.58
Participant Test	N/A
Societal Test	7.3

KCPL’s benefit-cost tests are the result of using an avoided capacity cost nearly three times the avoided capacity cost the Commission deemed most appropriate in the 446 Docket.⁸ KCPL does not provide an explanation why it continues to use an inflated avoided capacity cost in its benefit-cost test calculations. As a result of using inflated avoided capacity costs, KCPL’s provided benefit-cost test results are also inflated.

- Proposed Program Changes
KCPL is not requesting material or significant changes to the PT Program.
- 2017-2022 Proposed Budget & Participation
KCPL’s proposed budget for the PT Program is detailed below. The budget begins on October 1, 2017 and extends through September 30, 2022. The budget includes 5% for an EM&V to be completed in 2020.

	2017	2018	2019	2020	2021	2022	Total
Programmable Thermostat	\$56,250	\$240,000	\$ 246,750	\$ 316,827	\$ 260,864	\$ 204,930	\$ 1,325,621

According to KCPL’s application, there are currently 19,740 customers enrolled in the PT Program. KCPL expects that there will be slight degradation of participation and in turn, load reduction, over the next five years.

- Staff’s Conclusions and Recommendations
Staff provided an analysis of the benefit-cost test results, changing only the value of avoided capacity cost. Staff’s analysis uses the avoided capacity cost that was used in the 446 Docket.⁹ Staff’s results are below:

⁸ KCPL’s avoided capacity cost is a confidential number. The Commission’s Order in the 446 Docket, at ¶135, provided the avoided capacity cost deemed most appropriate. This is in contrast to the avoided capacity cost used by KCPL in this application at Attachment 4, page 4 of 6.

⁹ Staff’s recommended capacity contract cost is a confidential number. The number can be seen in Staff’s Confidential Report and Recommendation at page 11.

Programmable Thermostat Program	
Test Name	Test Results
Utility Test	2.9
TRC Test	2.9
RIM Test	2.9
RIM (Net Fuel)	2.9
Participant Test	N/A

In the 446 Docket, Staff recommended the Commission evaluate KCPL’s KEEIA application using an avoided capacity cost equal to a capacity contract. However, Staff acknowledged in the 446 Docket that “(g)iven the excess capacity present in SPP today compared to two years ago, it is likely that this “capacity contract” price is *even lower* than the price used by Staff.”¹⁰ Staff’s analysis in this docket uses that same avoided capacity contract price, despite its admission that it is likely the actual capacity contract is lower than the value used by Staff. The result of using an inflated avoided capacity cost causes the benefit-cost test results to be artificially higher than they should be.

Additionally, Staff’s R&R suggests that Staff is uncomfortable with the estimates being used to complete the benefit-cost test results. Staff states that it is “concerned about the validity of the estimated capacity savings” and that it has “reason to believe that the capacity saved today is less than it was in 2007.” Staff also reports that a “complete EM&V analysis on Kansas-specific data has not been conducted on the PT Program since 2007.”¹¹ Staff’s R&R concludes that “it is not that Staff is concerned about evaluating the existing PT program, rather Staff wants a contemporary reasonable number to evaluate future programmable thermostat programs like the new program KCP&L proposed in the 16-446 Docket.”¹²

Staff’s report also highlights the struggle to conduct a limited EM&V of data provided by KCPL in 2015. As a condition of approval in the 042 Docket, KCPL agreed to collect sufficient PT data in order to perform a cost-effectiveness study. According to Staff’s R&R, the data provided by KCPL from two cycling events was not usable for a cost-effectiveness study. The first set of data was fraught with errors and a second set of data was collected on a day where the high temperature reached 92 degrees. According to Staff, the result of the second data set was that the estimated capacity savings was about 25% of the 2007 estimate.

Despite Staff’s concerns that avoided costs are likely lower than what Staff used in its analysis and the acknowledgement that capacity savings are likely less today than in 2007, Staff determines that the PT program passes the benefit-cost test results. As a result, Staff recommends the Commission approve the program and the proposed budget – with conditions that KCPL use the program when system conditions are appropriate,

¹⁰ Docket No. 16-KCPE-446-TAR, January 20, 2017, *Surrebuttal Testimony of Robert H. Glass, PhD*, at page 10.

¹¹ Staff’s Report and Recommendation, at pages 12-13.

¹² *Id.*

and that KCPL agrees to collect Kansas-specific data that is sufficient for a reevaluation of the amount of capacity saved during a cycling event.

- CURB’s Response to KCPL’s Application and Staff’s Recommendation

CURB recommends the Commission deny KCPL’s request to extend the PT program through September 30, 2022, at a cost of \$1,325,620 for the three reasons below:

- (1) KCPL’s current PT program is “essentially the same”¹³ as the Residential Programmable Thermostat Program proposed in the 446 Docket. In its Order in the 446 Docket, the Commission found that the Residential Programmable Thermostat Program did not pass benefit-cost tests, and was therefore not in the public interest. The Commission did not approve the Residential Programmable Thermostat program in the 446 Docket.
- (2) Staff’s benefit-cost test results are inconsistent with its analysis performed in the 446 Docket. In the 446 Docket, Staff witness Darren Prince reported that the Residential Programmable Thermostat Program could not pass either the TRC or the RIM test.¹⁴ According to Mr. Prince’s analysis, the Residential Programmable Thermostat Program had a TRC score of 0.95 and a RIM score of 0.63.¹⁵ Despite the failing benefit-cost scores, Mr. Prince recommended the Commission approve the Residential Programmable Thermostat Program in part because the program “has the potential to be a beneficial program if it is implemented correctly.”¹⁶

In this docket, Staff recommends approval but does not offer any opinion or analysis as to whether KCPL’s PT Program is being implemented correctly. Staff reports that “essentially the same” program, which was unable to pass either TRC or RIM in the 446 Docket, now achieves a TRC and RIM score of 2.9.¹⁷ Staff does not offer any explanation on how its analysis of two programs, which are essentially the same, result in substantially different benefit-cost test results. Because neither KCPL nor Staff provide evidence or analysis that would address the Commission’s stated concerns that the program is not in the public interest, CURB believes that the Commission’s conclusion in its Order in the 446 Docket remains sound, and therefore recommends the Commission deny KCPL’s request to continue operating the PT Program through 2022.

- (3) It is not reasonable to require ratepayers to continue paying for a program that is no longer being used by KCPL to generate savings, for the sole purpose of collecting data that should have been collected years ago. KCPL’s PT program was first approved by the Commission on January 10, 2006. Since the program was approved, KCPL has only utilized the program 34 times.¹⁸ The budget for

¹³ Staff’s Report and Recommendation, at page 9.

¹⁴ Docket No. 16-KCPE-446-TAR, August 8, 2016, *Direct Testimony of Darren Prince*, at page 19.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ Staff’s Report and Recommendation, at page 11.

¹⁸ KCPL Response to CURD Data Request No. 5.

this program was previously extended in 2011 and again in 2014. In both 2011 and 2014, KCPL included in its budget the cost of an EM&V. However, that full EM&V was never conducted. In this application, KCPL is requesting a five-year budget, with the indication that a full EM&V will be completed in 2020. Because of KCPL's failure to utilize the program to generate any savings and KCPL's failure to conduct a full EM&V of Kansas-specific data since 2007, it remains uncertain how many savings can be attributed to the program.¹⁹

In Docket No. 11-KCPE-780-TAR ("780 Docket"), KCPL requested Commission approval of the same programs included in its current application. It was during the 780 Docket that CURB and Staff became aware of KCPL's plan to significantly ramp down the PT Program by limiting participation to existing customers. As a result of KCPL's plan to ramp down the program, Staff recommended that the program be extended only as a pilot program, and not given permanent status.

In its October 31, 2011 Response to Staff's Report and Recommendation filed in the 780 Docket, CURB expressed its concern that KCPL was spending millions of dollars on programs like the PT program, which may not be delivering enough system benefits to justify the expenses. Further, CURB recommended the Commission determine whether it makes economic sense to continue to ask consumers to pay for the PT Program. CURB also recommended that if the Commission determined that the PT Program was economic and had benefits to consumers, then the Commission should include language in its order requiring KCPL to utilize these programs.

Staff replied to CURB's recommendation by stating that even if the program was economic and provided benefits to customers, that KCPL should not be required to use the program, as utility participation in energy-efficiency programs in Kansas was voluntary. Staff stated that CURB's recommendation "would constitute a significant change in policy from prior Commission policy as the Commission would have to decide the legal question of it is has the authority to require utilities to offer DSM portfolios."²⁰

It should not be overlooked that in the more than six years since the Commission order in the 780 Docket, KCPL, Staff and CURB are stuck with the same analysis, of the same program, with the same inability to provide results, or to collect and measure meaningful data. CURB is exceptionally concerned that there is no evidence that KCPL's PT program, which has cost Kansas ratepayers \$10,214,778, has produced verifiable benefits. However, CURB cannot support

¹⁹ On March 30, 2016, in Docket 14-KCPE-042-TAR, KCPL provided a modified EM&V study using a 2014 analysis of KCPL's Greater Missouri Operations (GMO) DSM programs as a base. The EM&V reported that no cycling events were conducted in the PT program during 2014. AS a result, while the EM&V could provide potential savings that could be generated, the modified EM&V could provide no Kansas-specific information about the actual amount of savings generated from the PT program in 2014.

²⁰ Docket No. 11-KCPE-780-TAR, November 10, 2011, *Staff Reply to Responsive Comments of CURB and KCP&L*, at ¶ 16.

KCPL's request to extend the same program for another five years for the primary purpose of future planning and collecting data.

CURB recommends the Commission deny KCPL's application to extend its PT program for another five years. Based upon a discovery response provided in the 042 Docket, CURB understands that KCPL's obligation to maintain thermostats provided to participants in the PT program would expire if the Commission were to terminate the PT program.²¹ Therefore, there are no contractual obligations that would prevent the PT program from being discontinued.

As a result, CURB recommends the Commission require KCPL to file a report that includes the following: (1) the terms of the previous and/or current contract between KCPL and the current participants in the PT program; (2) the number of customer thermostats which are still covered by either KCPL's warranty or the contract between KCPL and the participant; and (3) the potential estimated cost remaining to fulfill all obligations within the PT program. The future costs that are incurred by KCPL as a result of outstanding obligations from the existing PT Program, should not be included in KCPL's Energy Efficiency Rider ("EER"), but rather should be included for review in a future general rate case.

B. Income-Eligible Weatherization Program

- History of Income-Eligible Weatherization Program

The Income-Eligible Weatherization Program ("IEW Program") was originally approved by the Commission in December 2005. The program was previously named Low Income Weatherization. Since its inception in 2005, KCPL has spent \$173,977 on the IEW Program in Kansas.²²

- Benefit-Cost Tests

KCPL's IEW Program is not subject to a cost-effectiveness test, per the language in KEEIA.

- Proposed Program Changes

KCPL is not requesting material or significant changes to the IEW Program. The program is consistent with the terms approved by Staff and CURB following the 042 Docket.

- 2017-2022 Proposed Budget & Participation

KCPL's proposed budget for the IEW Program is detailed below. The budget begins on October 1, 2017 and extends through September 30, 2022. The budget includes 5% for an EM&V to be completed in 2020.

²¹ In KCPL's response to CURB Data Request No 21 in Docket 14-KCPE-042-TAR, KCPL reported that per the customer agreement, the customer receives a free programmable thermostat, which includes free maintenance of the thermostat during the initial three-year term. Following the initial three-year term, the thermostat becomes the property of the customer. In this proceeding, KCPL reports in its response to Staff Data Request No. 2 that the last programmable thermostat was installed in 2015.

²² KCPL response to CURB Data Request No. 10.

	2017	2018	2019	2020	2021	2022	Total
Income-Eligible Weatherization	\$10,750	\$43,000	\$ 44,200	\$ 56,744	\$ 46,709	\$ 36,065	\$237,468

According to KCPL’s application, the IEW Program budget will provide services to 31 Kansas Residential participants from October 1, 2017 and through September 30, 2022.

- Staff’s Conclusions and Recommendations
Staff recommended the Commission approve the IEW Program and its budget without modification.
- CURB’s Response to KCPL’s Application and Staff’s Recommendation
CURB recommends that KCPL continue its partnership with the Kansas Housing Resources Corporation (“KHRC”) to provide weatherization services to income-eligible residential customers. However, because KCPL no longer offers a set of DSM programs that, as a portfolio, adhere to the goals of the 442 Docket or KEEIA, CURB recommends the IEW Program not be classified as a DSM Program, but rather as a social program offered by KCPL. The costs incurred by KCPL for the IEW Program would then be eligible for cost recovery during a general rate case.

Additionally, the Commission should implore KCPL to utilize the budget for the IEW program to provide the most weatherization services to its residential customers that qualify for the program. KCPL’s application seeks approval of a \$237,468 budget, in order to serve an expected 31 Kansas residential customers. Based upon KCPL’s requested budget and estimated number of participants, the cost of this program is \$7,660 per participant. However, in its Addendum to the Application, KCPL reported that in 2016, using a budget of \$41,872, the KHRC was able to provide benefits to 12 low-income families.²³ This is an average cost per participant of \$3,489 – 46% less than the requested budget. If the IEW Program is continued, whether as requested in KCPL’s application or as an on-going social program offered by KCPL, CURB recommends that KCPL reduce or eliminate, to the greatest extent possible, administrative costs that take away from actual delivery of weatherization services and products for its income-eligible residential customers.

C. **Online Energy Information and Analysis Programs**

- History of Online Energy Information and Analysis Programs
The Online Energy Information and Analysis Programs, also known as the Home Energy Analyzer and Business Energy Analyzer, were originally approved in March 2006 and December 2006, respectively. In this report, these programs will be collectively referred to as the “Analyzer Programs”. Since the inception of the Analyzer Programs in 2006, KCPL has spent \$1,048,397 on the Analyzer Programs in Kansas.²⁴

²³ November 16, 2017, *Addendum to Application of Kansas City Power & Light Company*, at ¶8.

²⁴ KCPL response to CURB Data Request No. 8.

- Benefit-Cost Tests
KCPL’s Analyzer Programs are not subject to a cost-effectiveness test, per the Commission Order in 442 Docket.²⁵
- Proposed Program Changes
KCPL is not requesting material or significant changes to the Analyzer Programs.
- 2017-2022 Proposed Budget
KCPL’s proposed budget for the Analyzer Programs is detailed below. The budget begins on October 1, 2017 and extends through September 30, 2022. The budget includes 5% for an EM&V to be completed in 2020.

	2017	2018	2019	2020	2021	2022	Total
Home/Business Energy Analyzer	\$23,750	\$95,000	\$97,400	\$124,733	\$102,418	\$78,781	\$522,082

- Staff’s Conclusions and Recommendations
Staff recommended the Commission approve the Analyzer Programs and its budget without modification.
- CURB’s Response to KCPL’s Application and Staff’s Recommendation
CURB recommends that KCPL continue offering its Analyzer Programs to Kansas customers. However, because KCPL no longer offers a set of DSM programs that, as a portfolio, adhere to the goals of either the 442 Docket or KEEIA, CURB recommends the Analyzer Programs be continued as a general energy education program offered by KCPL, outside of a comprehensive set of DSM programs. The costs incurred by KCPL for the Analyzer Programs would then be eligible for cost recovery during a general rate case.

However, CURB recommends that KCPL provide an additional report to the Commission that supports the functionality of the Analyzer Programs in conjunction with KCPL’s new Customer Self Service (“CSS”) Portal. KCPL’s new CSS is scheduled to be in service in 2018. According to KCPL’s response to CURB Data Request No. 6, the new CSS portal will provide residential customers with an AMI meter 15-minute interval data, along with billing history, bill summary information, and estimated usage to day. The Analyzer Programs are limited to a monthly bill amount. In order to maximize the energy education dollars provided by residential ratepayers, a thorough review of the functionality of the new CSS and the Energy Analyzers should be completed. Given the abbreviated time remaining in this docket, CURB recommends this review be conducted in either KCPL’s upcoming general rate case or a new proceeding.

²⁵ Docket No. 08-GIMX-442-GIV, June 2, 2008 *Order Setting Energy Efficiency Policy Goals, Determining a Benefit-Cost Test Framework, and Engaging a Collaborative Process to Develop Benefit-Cost Test Technical Matters and an Evaluation, Measurement, and Verification Scheme*, at ¶ 42.

D. Building Operator Certification Program

- History of Building Operator Certification Program

The Building Operator Certification Program (“BOC Program”) was originally approved by the Commission in May 2007. Since its inception in 2007, KCPL has spent \$108,225.75 on the BOC Program in Kansas.²⁶ Approximately 63 Kansas customers have graduated from the program since it was approved in 2007 – this is an average cost of \$1,718 per participant. KCPL have not recorded any expenses associated with the BOC Program since 2015.²⁷

- Benefit-Cost Tests

KCPL’s BOC Program is not subject to a cost-effectiveness test, per the Commission Order in 442 Docket.²⁸

- Proposed Program Changes

KCPL has requested to increase the rebate given to participants of the BOC program from \$575 to 50% of the cost per certification level. In support of the requested change, KCPL reports that when the BOC program was approved in 2007, the \$575 rebate reimbursed graduates 50% of the cost per certification. The cost of the program has now increased to \$1,695 per certification.²⁹ Instead of including a flat price in its BOC tariff (50% of \$1,695 is \$847.50), KCPL is requesting that the BOC tariff be revised to state that 50% of the tuition cost per certification level will be paid to the participant.

- 2017-2022 Proposed Budget & Participation

KCPL’s proposed budget for the BOC Program is detailed below. The budget begins on October 1, 2017 and extends through September 30, 2022. The budget includes 5% for an EM&V to be completed in 2020.

	2017	2018	2019	2020	2021	2022	Total
Building Operator Certification	\$4,833	\$20,433	\$20,433	\$25,536	\$20,433	\$ 15,506	\$ 107,174

According to KCPL’s application, the BOC Program budget will provide services to 35 participants from October 1, 2017 and through September 30, 2022.

- Staff’s Conclusions and Recommendations

Despite recognizing that BOC program participation has fallen significantly over the past several years, Staff concluded that the BOC Program has been effective and recommended the Commission approve KCPL’s BOC Program and its budget without modification.

²⁶ KCPL response to CURB Data Request No. 9.

²⁷ *Id.*

²⁸ Docket No. 08-GIMX-442-GIV, June 2, 2008 *Order Setting Energy Efficiency Policy Goals, Determining a Benefit-Cost Test Framework, and Engaging a Collaborative Process to Develop Benefit-Cost Test Technical Matters and an Evaluation, Measurement, and Verification Scheme*, at ¶ 42.

²⁹ KCPL response to Staff Data Request 1.

- CURB’s Response to KCPL’s Application and Staff’s Recommendation

CURB recommends the Commission deny KCPL’s request to continue offering the BOC program as a standalone DSM education program through September 30, 2022, at a cost of \$107,174. In the alternative, if the Commission determines that the BOC program should remain in place, CURB recommends the BOC program no longer be classified as a DSM program, and instead be considered a general energy education program offered by KCPL. The costs incurred by KCPL for the BOC program would then be eligible for cost recovery during a general rate case.

Additionally, the Commission should implore KCPL to utilize the budget for the BOC program to provide the most educational opportunities to its customers. KCPL’s application seeks approval of a \$107,169 budget, in order to serve an expected 35 Kansas residential customers – an average cost of \$3,062 per participant. Based upon KCPL’s response to CURB Data Request No. 9, since the inception of the BOC program, KCPL has spent \$108,226 in Kansas for 63 participants to complete the BOC program – this is an average cost of \$1,718 per participant. KCPL’s request, if approved, will increase the tuition reimbursement that can be provided to participants from the current \$575.00 to 50% of the cost per certification level, which based on the current cost of the certification, is \$847.50. KCPL has estimated 35 customers will participate in this program through 2022. 35 participants at a cost of \$847.50 per participant is \$29,662.50 – or 28% of the requested budget.

In the 446 Docket, KCPL requested that the BOC Program be terminated as a separate educational program. In the KEEIA Cycle I report, KCPL indicated that while “it is important to continue to educate these customers on DSM, we propose to utilize that funding on programs that would benefit a broader segment of customers and realize greater energy savings.”³⁰ In its Order in the 446 Docket, the Commission found that KCPL’s request to terminate the BOC Program was supported by the record and was in the public interest. However, the Commission indicated that it would permit KCPL to continue its BOC program, if KCPL chose to.³¹

CURB is concerned about the level of KCPL’s proposed BOC budget, especially given the historical costs associated with the program, KCPL’s request and the fact that KCPL has not incurred any costs for the BOC program since 2015. Therefore, if the BOC Program is continued, whether as requested in KCPL’s application or as a general energy education program offered by KCPL, CURB recommends that KCPL reduce or eliminate, to the greatest extent possible, all administrative costs that will cause a reduction in the number of customers that can participate in the program.

³⁰ Docket No. 16-KCPE-446-TAR, April 6, 2016 *Kansas City Power & Light Company – Kansas KEEIA Cycle I 2017-2019 Filing*, at pages 3.9 – 3.10.

³¹ Docket No. 16-KCPE-446-TAR, June 22, 2017, *Final Order*, at ¶ 133.

COST-RECOVERY

KCPL's application reports that KCPL is not requesting any changes to its EE Rider Mechanism at this time. According to KCPL, if the Commission approves this application, KCPL intends to "continue to recover the costs of those programs through its EE Rider Mechanism."³² On March 29, 2018 KCPL filed its annual Energy Efficiency Rider ("EER") application in Docket No. 18-KCPE-420-TAR ("420 Docket"). Instead of recovering the costs of its programs through the EER, KCPL has requested permission to collect costs associated with its energy-efficiency offerings in 2014, 2015, 2016 and 2017, in its next general rate case.³³

CURB was granted intervention in the 420 Docket on April 10, 2018. CURB has not yet completed its review of the application presented by KCPL. If the Commission approves CURB's recommendations in this proceeding, the costs associated with KCPL's IEW, BOC and Analyzer Programs would be collected during a general rate case investigation. KCPL's request in the 420 Docket to recover such costs in a general rate case, as opposed to the EER, appears to be in agreement with CURB's recommendation. In fact, if CURB's recommendations are adopted by the Commission, KCPL's annual EER filing and its approved EER mechanism would be eliminated.

CURB has one outstanding concern regarding KCPL's request in this proceeding to continue to recover costs through its EER. The EER mechanism has been utilized by KCPL and Westar Energy, Inc. ("Westar") for several years in order to allow the utility to recover all costs associated with DSM programs. In Docket No. 14-WSEE-030-TAR ("030 Docket"), CURB challenged the prudence of Westar's energy-efficiency and demand-response programs, and the cost being passed onto ratepayers through the EER. In its Order in the 030 Docket, the Commission agreed with Staff that the annual EER proceedings are not the appropriate dockets in which to review the prudence of energy-efficiency expenditures.³⁴

As a result of the Commission's Order in the 030 Docket, CURB remains concerned that if KCPL's application in this proceeding is approved, no party, including Staff or CURB, would be able to challenge the implementation of future KCPL EER applications. Therefore, CURB continues to recommend the Commission approve CURB's recommendations in this proceeding.

SUMMARY OF CURB'S CONCLUSIONS AND RECOMMENDATIONS:

In determining this docket, the Commission should be aware that KCPL has been offering the same five pilot DSM programs for as many as 12 years at a cost to ratepayers of \$11,545,378.³⁵ If KCPL is allowed to offer the same five pilot programs for another five years, it will cost ratepayers an additional \$2,192,340, without any evidence that these programs have produced any verifiable benefits. In short, as will be discussed in detail below, the record does not contain

³² Application at ¶7.

³³ Docket No. 18-KCPE-420-TAR, March 29, 2018, *Application*, at ¶4.

³⁴ Docket No. 14-WSEE-030-TAR, October 15, 2013, *Order Approving Westar's Energy Efficiency Rider*, at ¶4.

³⁵ This amount is the sum of KCPL's responses to CURB Data Request Nos. 7, 8, 9, and 10.

evidence that would reasonably justify the Commission's approval of the continuation of these programs as DSM programs.

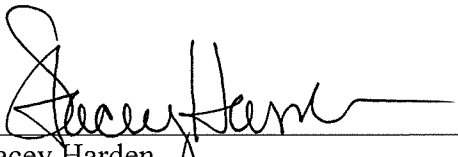
1. The Commission should deny KCPL's request to extend its Programmable Thermostat program for another five years because the Commission previously determined the program was not in the public interest, the benefit-cost test results used by KCPL and Staff are inflated, and the program is no longer being used by KCPL to generate savings. Additionally, CURB recommends the Commission require KCPL file a report regarding remaining obligations stemming from participants' thermostat replacements.
2. KCPL should continue its partnership with the Kansas Housing Resources Corporation to provide weatherization services through its Income-Eligible Weatherization program. CURB recommends the Income-Eligible Weatherization Program not be classified as a DSM Program, but rather as a social program offered by KCPL. Additionally, CURB recommends that KCPL reduce or eliminate administrative costs that take away from actual delivery of weatherization services and products for its income-eligible residential customers. The reasonable costs incurred by KCPL for the Income-Eligible Weatherization Program would be eligible for cost recovery during a general rate case.
3. KCPL should continue offering its Online Energy Information and Analysis Programs to Kansas customers. CURB recommends the Online Energy Information and Analysis Programs be continued as a general energy education program offered by KCPL, outside of a comprehensive set of DSM programs. The costs incurred by KCPL for the Online Energy Information and Analysis Programs would be eligible for cost recovery during a general rate case. Additionally, CURB recommends KCPL provide an additional report that supports the functionality of the Online Energy Information and Analysis Programs in conjunction with KCPL's new Customer Self Service Portal.
4. The Commission should deny KCPL's request to continue offering the Building Operator Certification program as a standalone DSM education program. In the alternative, if the Commission determines that the Building Operator Certification program should remain in place, CURB recommends the Building Operator Certification program no longer be classified as a DSM program, and instead be considered general energy education program offered by KCPL. Additionally, the Commission should implore KCPL to utilize the budget for the BOC program to provide the most educational opportunities to its customers. The reasonable costs incurred by KCPL for the Building Operator Certification program would be eligible for cost recovery during a general rate case.
5. If the Commission adopts CURB's recommendations in this proceeding, KCPL's energy-efficiency rider mechanism can be terminated, as any costs associated with KCPL's remaining programs would be eligible for cost recovery during a general rate case.

6. CURB does not oppose KCPL's request to terminate its previously frozen Energy Audit and Energy Measures Program, Cool Homes Program, and the ENERGY STAR New Homes Program.

VERIFICATION

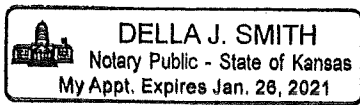
STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

I, Stacey Harden, of lawful age and being first duly sworn upon my oath, state that I am a Senior Regulatory Analyst for the Citizens' Utility Ratepayer Board; that I have read and am familiar with the above and foregoing document and attest that the statements therein are true and correct to the best of my knowledge, information, and belief.



Stacey Harden

SUBSCRIBED AND SWORN to before me this 26th day of April, 2018.





Notary Public

My Commission expires: 01-26-2021.

APPENDIX A

Referenced Data Requests

CURB-5

CURB-6

CURB-7

CURB-8

CURB-9

CURB-10

KCC-1*

KCC-2

CURB-21 issued in Docket No. 14-KCPE-042-TAR

***Spreadsheet Voluminous & Confidential – not included**

KCPL KS
Case Name: 2017 Extending Demand-Side Management Programs (DSM)
Case Number: 18-KCPE-124-TAR

Response to Conners, Thomas Interrogatories - CURB_20180410
Date of Response: 4/24/2018

Question:CURB-5

How many times has the air conditioner cycling program (formerly Optimizer) been used to voluntary cycle residential air conditioner units since it was approved in Kansas. Please provide the number of cycling events on an annual basis.

Response:

Please see the attached list with # of cycling events per year since the program was approved.

Year	# of T-stat Cycling Events in KS
2007	6
2008	4
2009	2
2010	8
2011	1
2012	4
2013	0
2014	0
2015	2
2016	4
2017	3

Answer provided by: Brian File

Attachment: QCURB-5_Verification.pdf

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-124-TAR

The response to CURB-5 Data Request# CURB__20180410, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) 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 the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: Kimberly H. Wenzel

Title: Director, Energy Solutions

Date: April 23, 2018

KCPL KS

Case Name: 2017 Extending Demand-Side Management Programs (DSM)

Case Number: 18-KCPE-124-TAR

Response to Conners, Thomas Interrogatories - CURB_20180410

Date of Response: 4/24/2018

Question:CURB-6

When KCPL's One CIS program goes live, will certain functions of the Home and Business Energy Analyzer programs be duplicative? For example billing information, up-to-date usage information, etc?

Response:

Two primary components of the KCP&L Customer Self Service (CSS) portals and the OPower Energy Analyzer that are similar center around presenting the following information to our residential and small business customers:

1. Energy usage on the KCP&L CSS portals can allow a customer to drill down to the various levels of energy usage. If a customer has an AMI meter they can drill down to 15-minute interval data. Our interface with OPower contains monthly billing usage; therefore, the Energy Analyzer is limited to monthly usage only.
2. Billing history, bill summary information, and an estimated usage to date (which computes all charges for that usage) is available in the KCP&L portal. The Energy Analyzer is limited to a monthly bill amount.

Response provided by: Gail Allen

Attachment: QCURB-6_Verification.pdf

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-124-TAR

The response to CURB-6 Data Request# CURB__20180410 submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) 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 the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: Kimberly H. Wenzel

Title: Director, Energy Solutions

Date: April 23, 2018

KCPL KS
Case Name: 2017 Extending Demand-Side Management Programs (DSM)
Case Number: 18-KCPE-124-TAR

Response to Conners, Thomas Interrogatories - CURB_20180410
Date of Response: 4/24/2018

Question:CURB-7

How much has KCPL spent in Kansas for the Programmable Thermostat program, since the program's approval? Please breakdown the total expenses on an annual basis.

Response:

Please find enclosed attachment QCURB-7_Programmable Thermostat Program Costs 2005-2018.xlsx detailing program costs by year for 2005 through March 31, 2018.

Response By: Mark Foltz, Senior Project Director

Attachments:

QCURB-7_Programmable Thermostat Program Costs 2005-2018.xlsx
QCURB-7_Verification.pdf

Kansas City Power & Light Company
Case Number: 18-KCPE-124-TAR
Demand-Side Management Program - Programmable Thermostat
Program Costs - 2005 through March 2018

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Cumulative Total
Programmable Thermostat	48,234.00	1,730,923.90	1,441,711.32	2,852,413.00	1,577,629.46	980,069.43	416,636.07	220,551.30	246,316.60	170,471.63	131,278.28	201,827.34	166,810.17	29,905.94	10,214,778.44

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-124-TAR

The response to CURB Data Request# CURB-7, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) 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 the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: Regina Anne Jones

Title: Director Accounting

Date: April 23, 2018

KCPL KS
Case Name: 2017 Extending Demand-Side Management Programs (DSM)
Case Number: 18-KCPE-124-TAR

Response to Conners, Thomas Interrogatories - CURB_20180410
Date of Response: 4/24/2018

Question:CURB-8

How much has KCPL spent in Kansas for the Home & Business Energy Analyzer programs, since the programs' approval? Please breakdown the total expenses on an annual basis.

Response:

Please find enclosed attachment Q_CURB-8_Energy Analyzer Program Costs 2005-2018.xlsx detailing program costs by year for 2005 through March 31, 2018.

Response By: Mark Foltz, Senior Project Director

Attachments:

QCURB-8_Energy Analyzer Program Costs 2005-2018.xlsx
QCURB-8_Verification.pdf

Kansas City Power & Light Company
 Case Number: 18-KCPE-124-TAR
 Demand-Side Management Program - Home & Business Energy Analyzer
 Program Costs - 2005 through March 2018

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Cumulative Total
Home Energy Analyzer	35,033.00	139,369.38	30,681.00	74,181.00	68,317.81	75,722.82	42,311.04	59,508.86	50,708.59	35,500.00	55,125.00	59,667.52	59,200.00	57,881.00	843,207.02
Business Energy Analyzer	-	32,264.00	26,743.54	16,374.00	13,922.10	23,890.98	26,374.70	14,970.14	8,518.00	4,700.00	9,450.00	8,136.48	9,923.00	9,923.00	205,189.94

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-124-TAR

The response to CURB Data Request# CURB-8, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) 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 the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: Reynolds Jones

Title: Director Accounting

Date: April 23, 2018

KCPL KS

Case Name: 2017 Extending Demand-Side Management Programs (DSM)

Case Number: 18-KCPE-124-TAR

Response to Conners, Thomas Interrogatories - CURB_20180410

Date of Response: 4/24/2018

Question:CURB-9

How much has KCPL spent in Kansas for the Building Operator Certification program, since the program's approval? Please breakdown the total expenses on an annual basis.

Response:

Please find enclosed attachment QCURB-9_Building Operator Certification Program Costs 2005-2018.xlsx detailing program costs by year for 2005 through March 31, 2018.

Response By: Mark Foltz, Senior Project Director

Attachments:

QCURB-9_Building Operator Certification Program Costs 2005-2018.xlsx

QCURB-9_Verification.pdf

Kansas City Power & Light Company
 Case Number: 18-KCPE-124-TAR
 Demand-Side Management Program - Building Operator Certification
 Program Costs - 2005 through March 2018

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Cumulative Total
Building Operator Certification	-	-	8,213.00	16,767.00	36,696.86	13,527.46	2,418.31	4,153.12	25,300.00	-	1,150.00	-	-	-	108,225.75

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-124-TAR

The response to CURB Data Request# CURB-9, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) 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 the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: Reynolds Jones

Title: Director Accounting

Date: April 23, 2018

KCPL KS
Case Name: 2017 Extending Demand-Side Management Programs (DSM)
Case Number: 18-KCPE-124-TAR

Response to Conners, Thomas Interrogatories - CURB_20180410
Date of Response: 4/24/2018

Question:CURB-10

How much has KCPL spent in Kansas for the Income-Eligible Weatherization program, since the program's approval? Please breakdown the total expenses on an annual basis.

Response:

Please find enclosed attachment QCURB-10_Income-Eligible Weatherization Program Costs 2005-2018.xlsx detailing program costs by year for 2005 through March 31, 2018.

Response By: Mark Foltz, Senior Project Director

Attachments:

QCURB-10_Income-Eligible Weatherization Program Costs 2005-2018.xlsx
QCURB-10_Verification.pdf

Kansas City Power & Light Company
Case Number: 18-KCPE-124-TAR
Demand-Side Management Program - Income-Eligible Weatherization
Program Costs - 2005 through March 2018

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Cumulative Total
Income-Eligible Weatherization	-	23,204.18	15,759.56	7,762.00	19,431.16	2,385.35	14,249.92	7,405.64	-	-	-	15,825.68	67,953.84	-	173,977.33

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-124-TAR

The response to CURB Data Request# CURB-10, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) 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 the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: Regina Anne Jones

Title: Director Accounting

Date: April 23, 2018

KCPL KS
Case Name: 2017 Extending Demand-Side Management Programs (DSM)
Case Number: 18-KCPE-124-TAR

Response to Cates Ryan Interrogatories - KCC_20180104
Date of Response: 1/15/2018

Question:1

Please provide the following:

- 1) A specific date (mm/dd/yyyy) for when the last contract for the Demand Response Incentive Program expired.
- 2) An explanation of why KCPL&L is requesting to change the BOC reimbursement amount from \$575 to 50 percent of the cost.
- 3) The current BOC tuition amount per attendee.
- 4) All work papers related to this docket.

Response:

- 1) Black & Veatch was the last KCPL-KS contract that expired after the 2015 curtailment season and before the 2016 curtailment season on 5/31/2015.
- 2) The BOC reimbursement has always been reimbursed at 50% of the cost. In the past that amount was \$575. The reference to a specific dollar amount was removed and changed to 50% of the cost to allow for future changes should pricing changes ever occur.
- 3) BOC tuition is currently \$1,695 per attendee.
- 4) Please see attached workpapers for the calculation of the benefit-cost tests.

This information in the following attachments is considered CONFIDENTIAL as it contains market-specific information relating to services offered in competition with others.

Release of the avoided energy cost forecast and avoided generation capacity cost information would cause harm to the Company as it may impact the Company's competitive position when negotiating wholesale contracts.

Confidential Attachments:

- Q-1_CONF_Batch_KS_Res_Income-Eligible Weatherization_COMBINED IMPACTS_PY2018.xlsx
- Q-1_CONF_Batch_KS_Res_Income-Eligible Weatherization_COMBINED IMPACTS_PY2019.xlsx
- Q-1_CONF_Batch_KS_Res_Income-Eligible Weatherization_COMBINED IMPACTS_PY2020.xlsx
- Q-1_CONF_Batch_KS_Res_Income-Eligible Weatherization_COMBINED IMPACTS_PY2021.xlsx
- Q-1_CONF_Batch_KS_Res_Income-Eligible Weatherization_COMBINED IMPACTS_PY2022.xlsx
- Q-1_CONF_Batch_KS_Res_Residential Programmable Thermostat_PCT (New Customer)_Total.xlsx
- Q-1_CONF_IEW BC tests_Avoided Costs_assumptions_Revised.xlsx
- Q-1_CONF_IEW DSMore 2012 Aggregation - Sect=ALL - Tech=ALL - Revised.xlsx
- Q-1_CONF_IEW DSMore 2012 Aggregation - Sect=ALL - Tech=ALL.xlsx
- Q-1_CONF_Tstat BC tests_Avoided Costs_assumptions.xlsx
- Q1_Verification.pdf

Answered by: Tim Nelson

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-124-TAR

The response to KCC_20180104 Data Request# 1, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) 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 the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: Kimberly Wenzel

Title: Director, Energy Solutions

Date: 1/8/2018

KCPL KS
Case Name: 2017 Extending Demand-Side Management Programs (DSM)
Case Number: 18-KCPE-124-TAR

Response to Prentiss Justin Interrogatories - KCC_20180406
Date of Response: 4/11/2018

Question:2

Please provide the date that the Programmable Thermostat (PT) Program was frozen.

Response:

Below is the email chain from Kim Winslow to Lana Ellis regarding the “Optimizer Freeze Date Question”.

From: Kimberly Winslow
Sent: Tuesday, February 06, 2018 11:33 AM
To: Lana Ellis <l.ellis@kcc.ks.gov>
Cc: Tia J Alexander <tia.alexander@kcpl.com>
Subject: RE: Optimizer Freeze Date Question

Lana,

My apologies for the delay. I was out as well for a few days. We are all back again!

The product manager reviewed the database for information on the history of the Utility Pro (1 way paging stat from Honeywell). It appears that there were 2 phases of “shutting down” the program over a couple of years. It would appear from the data that we first stopped offering the Utility Pro to **new** customers. However, if an existing participating customer needed a replacement, we did a 1 for 1 replacement with another Utility Pro.

Then circa 2014, we replaced Utility Pro’s with a standard Honeywell programmable stat (non-communicating). I believe this was due to budgetary concerns.

Below is the data that supports this and the Commission Order in early Jan 2012:

2011 – 406 installs (“normal” offering of UtilityPro to new customers)
2012 – 85 installs (drop reflecting ceasing the offer of the UtilityPro to new customers and only replacement of stats)
2013- 146 installs (continued drop reflecting ceasing the offer of the UtilityPro to new customers and only replacement of stats)
2014 – 67 installs, final date was October 7, 2014 which was noted as being an “upgrade install” (change to replacing Utility Pro w/standard stat)

2015 – 1 install, which was an install for a Utility Pro on July 22, 2015 and the notes indicate a “test install – do not bill”.

From this point on, we have only been replacing non-working Utility Pro’s with a standard programmable stat.

Let me know if you have any questions. If you do, I would recommend a conference call and I can have our product manager answer any additional questions that you may have.

Thanks,
Kim

From: Lana Ellis [mailto:l.ellis@kcc.ks.gov]
Sent: Thursday, January 25, 2018 10:46 AM
To: Kimberly Winslow <Kimberly.Winslow@kcpl.com>
Subject: RE: Optimizer Freeze Date Question

This is an EXTERNAL EMAIL. Stop and think before clicking a link, opening attachments or entering credentials.

Thank you, Kim. I believe that is all we need to complete our review.

From: Kimberly Winslow [mailto:Kimberly.Winslow@kcpl.com]
Sent: Thursday, January 25, 2018 10:41 AM
To: Lana Ellis <l.ellis@kcc.ks.gov>
Cc: Darren Prince <d.prince@kcc.ks.gov>; Tia J Alexander <Tia.Alexander@kcpl.com>
Subject: RE: Optimizer Freeze Date Question

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Lana, we can get that date to you as it is in our database. However, the product manager responsible for this program is out sick with the flu (day 2). It may be early next week before she can get that date to me. I was not part of the team at that time but the data should let us know a date when we put in our last HW paging state.

Thanks,
Kim

From: Lana Ellis [mailto:l.ellis@kcc.ks.gov]
Sent: Thursday, January 25, 2018 9:00 AM
To: Kimberly Winslow <Kimberly.Winslow@kcpl.com>
Cc: Darren Prince <d.prince@kcc.ks.gov>
Subject: RE: Optimizer Freeze Date Question

This is an EXTERNAL EMAIL. Stop and think before clicking a link, opening attachments or entering credentials.

Here is the statement I found in Jason Jones's 11-780 testimony (May of 2011) that I haven't been able to tie to an order:

Q. What are the underlying assumptions for the Energy Optimizer program that drive the increase in this percentage?

A. As with the MPower program, the Energy Optimizer program likewise allows KCP&L discretion regarding the amount of peak shaving that is required and beneficial to pursue under the program. *For the time being, KCP&L has determined to restrict additional installations of programmable thermostats and continue to utilize the significant base of peak shaving MWs available from customers participating in the program currently.* This significantly reduces the annual spend for this program to only the maintenance necessary for currently installed thermostats and, therefore, increases the percent of the overall budget represented by education programs. [Emphasis Added]

Staff addressed this issue on page six of its September 2011 R&R:

Finally, although not stated within the Company's tariff, on page 10 of the direct testimony of Jason D. Jones, *KCP&L indicates that it intends to discontinue the expansion of the Energy Optimizer Program, restricting customer participation to only those participants already enrolled in the program. Staff is concerned with the equity this forced stagnation of the program causes.* While it is true that all KCP&L customers will presumably receive the benefits from the existing level of demand response the program has garnered, the majority of KCP&L ratepayers will also be now asked to fund a program to which they themselves cannot participate in. *Staff believes that this will have to be changed sometime in the future before this program can be given 'permanent' status.* [Emphasis Added]

On January 4, 2012, the Commission approved "KCP&L's Application with Staffs recommendations" and directed "KCP&L to make an Application to the Commission, upon conclusion of the 12-337 Docket and prior to the expiration of the two-year pilot period, to request the Commission designate these programs as permanent, or to modify or terminate the programs." I interpret that to mean KCP&L was authorized to stop accepting new participants at that point on the condition that the freeze would be reevaluated when KCP&L requested permanent status for the program. What I am struggling to understand is whether Jones was stating that KCP&L had already stopped accepting new participants or whether he was requesting approval to freeze the program in that docket. I'm also not sure how KCP&L interpreted and implemented that order if Jones was requesting approval.

Instead of tracing the lineage of the issue in the dockets, it might be easier if we have an actual date when the last participant joined the program. What do you think?

From: Kimberly Winslow [<mailto:Kimberly.Winslow@kepl.com>]

Sent: Wednesday, January 24, 2018 9:25 AM

To: Lana Ellis <l.ellis@kcc.ks.gov>

Cc: Tia J Alexander <Tia.Alexander@kcpl.com>
Subject: RE: Optimizer Freeze Date Question

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Lana,
I have found the following that may help to connect the dots.

Attached is our Attachment A for the programmable thermostat in 14-KCPE-042-TAR. Within our attachment, we state:

KCP&L currently expects to maintain the current level of participation and load reduction over the next two years (extrapolated out to five years for purposes of showing the required five-year budget) without adding any incremental participants; however, as noted previously, KCP&L will re-evaluate desired participation levels annually and bring any proposed changes to the attention of Commission Staff and request Commission approval of any necessary budget changes.

This budget then matches the attached Settlement Agreement through 2017 for the thermostat program (attached)

And then the Order approving the Settlement Agreement (attached) states:
(4) the Energy Optimizer program should be continued at its current level without the addition of new participants 18

I think that this is what you were looking for. If not, please let me know.

Thanks,
Kim

From: Lana Ellis [<mailto:l.ellis@kcc.ks.gov>]
Sent: Tuesday, January 23, 2018 11:39 AM
To: Kimberly Winslow <Kimberly.Winslow@kcpl.com>
Subject: RE: Optimizer Freeze Date Question

This is an EXTERNAL EMAIL. Stop and think before clicking a link, opening attachments or entering credentials.

Much appreciated. Thank you, Kim.

From: Kimberly Winslow [<mailto:Kimberly.Winslow@kcpl.com>]
Sent: Tuesday, January 23, 2018 9:25 AM
To: Lana Ellis <l.ellis@kcc.ks.gov>
Subject: RE: Optimizer Freeze Date Question

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Hi Lana, I see what you mean. Let me dig further.

Kim

From: Lana Ellis [<mailto:l.ellis@kcc.ks.gov>]
Sent: Friday, January 19, 2018 3:02 PM
To: Kimberly Winslow <Kimberly.Winslow@kcpl.com>
Subject: RE: Optimizer Freeze Date Question

This is an EXTERNAL EMAIL. Stop and think before clicking a link, opening attachments or entering credentials.

Thank you for following up, Kim. I'm not sure what Tia means by "freeze" but what I am looking for is the date the program was frozen to new participants. I was able to trace the issue back to a statement made in Jones's testimony in May of 2011 but haven't been able to tie that statement to an order. Let me know if this helps clarify or if you need anything further from my end.

From: Kimberly Winslow [<mailto:Kimberly.Winslow@kcpl.com>]
Sent: Friday, January 19, 2018 10:35 AM
To: Lana Ellis <l.ellis@kcc.ks.gov>
Subject: FW: Optimizer Freeze Date Question

This is an EXTERNAL EMAIL. Think before clicking a link or opening attachments.

Hi Lana, see comments below from our Regulatory team. Let me know if you need anything else.

Kim

From: Tia J Alexander
Sent: Thursday, January 18, 2018 2:59 PM
To: Kimberly Winslow <Kimberly.Winslow@kcpl.com>
Cc: Carol Sivils <Carol.Sivils@kcpl.com>
Subject: RE: Optimizer Freeze Date Question

Kim,

The Energy Optimizer program tariff was cancelled by case 14-KCPL-042-TAR which was filed on 7-18-13 and was effective on 10-23-14. We didn't technically "freeze" the tariff. It just got renamed to the Programmable Thermostat tariff. Hope this helps.

Thanks,
Tia

From: Lana Ellis [mailto:l.ellis@kcc.ks.gov]
Sent: Tuesday, January 16, 2018 5:05 PM
To: Kimberly Winslow <Kimberly.Winslow@kcpl.com>
Subject: Optimizer Freeze Date Question

This is an EXTERNAL EMAIL. Stop and think before clicking a link, opening attachments or entering credentials.

Thanks again for all your help, Kim. I have been trying to track down the official freeze date for the optimizer program. Is that something you can provide easily?

Attachment: Q2_Verification.pdf

Verification of Response

Kansas City Power & Light Company

Docket No. 18-KCPE-124-TAR

The response to KCC Data Request# 2, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) 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 the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: Kimberly H. Wanser

Title: Director, Energy Solutions

Date: April 11, 2018

Company Name: KCP&L
Case Description: 2013 Extending Demand-Side Management Programs (DSM)
Case: 14-KCPE-042-TAR

Response to Springe David Interrogatories – Set CURB_20140807
Date of Response: 08/22/2014

Question No.: CURB-21

If the Energy Optimizer program is terminated, would KCPL be responsible for thermostat replacement costs, in the event a thermostat fails in the future? For example, the thermostat installed in the home of a customer who was enrolled in the Energy Optimizer program, fails after the Energy Optimizer program has been terminated. Would KCPL be responsible for the replacement of the failed thermostat at the customer's home? If yes, please provide an estimate of the cost to replace failed thermostats in the event the Energy Optimizer program is terminated.

RESPONSE: (do not edit or delete this line or anything above this)

As noted in KCP&L's Energy Optimizer tariff (Schedule 7) under the section titled CONTRACT TERM, initial customer agreements require a three-year commitment. The tariff also provides that the customer agreement will continue to be in force after the initial three-year term unless terminated by the customer with 90 days advance written notice to the Company.

Under the customer agreement, the customer receives a free programmable thermostat and the agreement includes free maintenance of the thermostat during the three-year initial term. Following the initial three-year term, the thermostat becomes the property of the customer; however, so long as the contract is in force, the Company agrees to continue to maintain and repair the thermostat as may be required due to normal use.

Termination of the Energy Optimizer program would require Commission approval. KCP&L anticipates that such program termination by the Commission would specifically include termination of all of the underlying customer agreements. KCP&L also anticipates that any thermostats installed under the program would become the property of the customer at the point of such Commission-approved program/contract termination. As maintenance and repair of the thermostats by the Company is only required under the tariff "so long as the contract is in force," KCP&L believes that the Company would no longer be responsible for repair or replacement of any of the thermostats on contracts that terminate as a result of Commission-approved termination of the Energy Optimizer program.

Attachment: QCURB-21_Verification.pdf

Verification of Response

Kansas City Power & Light Company

Docket No. 14-KCPE-042-TAR

The response to CURB Data Request# CURB-21, submitted by KCP&L, is covered by this Verification of Response:

I have read the foregoing Information Request(s) 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 the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request(s).

Signed: Mary Britt Turner

Title: DIRECTOR, REGULATORY AFFAIRS

Date: August 22, 2014

CERTIFICATE OF SERVICE

18-KCPE-124-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 27th day of April, 2018, to the following:

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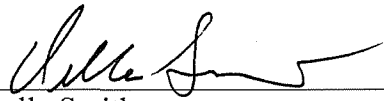
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