2010.03.31 15:51:45 Kansas Corporation Commission /S/ Susan K. Duffy STATE CORPORATION COMMISSION

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

MAR 3 1 2010

Susan Taleffy

In the Matter of the Application of Kansas	)	
City Power & Light Company for Approval	)	
Of its 2010 Energy Efficiency Rider for	)	Docket No. 10-KCPE-636-TAR
Program Costs Incurred January 1, 2009	)	
Through December 31, 2009.	)	

# APPLICATION OF KANSAS CITY POWER & LIGHT COMPANY FOR APPROVAL OF ITS 2010 ENERGY EFFICIENCY RIDER

COMES NOW Kansas City Power & Light Company ("KCP&L"), and hereby requests from the Kansas Corporation Commission ("Commission") approval of KCP&L's 2010 Energy Efficiency Rider ("EE Rider"), to recover costs incurred January 1, 2009 through December 31, 2009 ("2009 Program Costs"). In furtherance of this Application, KCP&L states as follows:

1. KCP&L is a vertically integrated electric public utility company under the jurisdiction of the Commission that is engaged in the generation, transmission, distribution and sale of electric energy to the public within the meaning of K.S.A. 66-104, in legally designated areas of Kansas. KCP&L holds a Certificate of Convenience and Authority issued by this Commission, authorizing KCP&L to engage in such utility business. KCP&L has previously filed with the Commission certified copies of its Articles of Incorporation under which it was organized, and its Certificate of Registration as a Foreign Corporation authorized to do business in Kansas, and all amendments thereto and restatements thereof, and the same are incorporated herein by reference.

- 2. In the Stipulation and Agreement covering KCP&L's Comprehensive Energy
  Plan approved by the Commission in Docket No. 04-KCPE-1025-GIE ("1025 S&A"), KCP&L
  committed to implement a series of Demand Response, Efficiency and Affordability programs
  subject to Commission review and approval. [1025 S&A, Appendix C, page 6.] The1025 S&A
  also provided that KCP&L would accumulate costs for these programs in regulatory asset
  accounts as the costs are incurred through the next rate case, at which time the amortization of
  these costs, and the return thereon, would be determined.
- 3. In KCP&L's 2006 rate case, Docket No. 06-KCPE-828-RTS ("828 Docket"), KCP&L requested that its costs for developing and implementing energy efficiency programs be amortized and included in its rate base for recovery in retail rates. The Stipulation and Agreement in the 828 Docket included an overall settlement, remaining silent on the treatment of these costs. The parties agreed to defer a decision on recovery methodology pending conclusion of the Energy Efficiency Investigative Docket, Docket No. 07-GIMX-247-GIE<sup>1</sup>, which was ongoing at the time of settlement.
- 4. In KCP&L's 2007 rate case in Docket No. 07-KCPE-905-RTS ("905 Docket"), KCP&L again requested that its costs for developing and implementing energy efficiency programs be included in its rate base for recovery in its retail rates. In the 905 Docket Stipulation and Agreement ("905 S&A"), the parties agreed that, until such time as the Commission adopts rules related to EE Program cost recovery, or the Kansas Legislature implements a new statute(s) addressing treatment of these costs, KCP&L would recover these program costs through an EE Rider as an interim mechanism for recovery.

<sup>&</sup>lt;sup>1</sup> The Commission later closed Docket No. 07-GIMX-247-GIE, and opened Dockets No. 08-GIMX-441-GIV and 08-GIMX-442-GIV for purposes of continuing to investigate the same energy efficiency issues. The Commission recognized the substitution of these new dockets for the earlier one in its Order approving the 905 S&A (Footnote 1, page 8.)

- 5. On February 29, 2008, in Docket No. 08-KCPE-802-TAR, KCP&L filed an Application for approval of its first EE Rider to recover costs associated with Commission-approved programs incurred during the time period July 1, 2006 through December 31, 2007. By Order issued June 13, 2008, the Commission approved KCP&L's Application. KCP&L's EE Rider became effective for the time period covering July 1, 2008 through June 30, 2009.
- 6. On November 14, 2008, in Docket No. 08-GIMX-441-GIV, the Commission issued an Order regarding cost recovery and incentives for energy efficiency programs ("441 Order"). The 441 Order set policy for a rider mechanism as the best approach to cost recovery, at least as an initial choice while the Commission gains experience with energy efficiency programs. (Order, Paragraph 29, p. 10 and Paragraph A, p. 37.) The Commission policy also allows consideration of utility proposals for decoupling methods to address the throughput incentive issue (Order, Paragraph B, p. 37.) and shared saving performance incentive plans for some programs (Order, Paragraph D, p. 38.)
- 7. On March 31, 2009, in Docket No. 09-KCPE-770-TAR, KCP&L filed an Application for approval of its second EE Rider to recover costs associated with Commission-approved programs incurred during the time period July 1, 2008 through December 31, 2008. By Order issued June 22, 2009, the Commission approved KCP&L's Application. KCP&L's EE Rider became effective for the time period covering July 1, 2009 through June 30, 2010.
- 8. As of the date of this filing, KCP&L continues to make preparations to file an application requesting approval of an alternative recovery rider mechanism. As the exact timing of that filing and the ultimate conclusion of that docket is unknown at this time, KCP&L proposes to continue with the recovery approach as set out in the 905 S&A, as previously approved by the Commission in Docket No. 08-KCPE-802-TAR.

- 9. Accordingly, KCP&L is herewith filing this new EE Rider for Commission approval by the March 31, 2010 filing deadline set out in the 905 S&A to recover EE Program costs incurred from January 1, 2009 through December 31, 2009. This EE Rider will be effective from July 1, 2010 through June 30, 2011. In order for KCP&L to implement the new EE Rider by the effective date of July 1, 2010, we respectfully request that the Commission issue an order on this Application no later than June 21, 2010.
- 10. Attached to this Application as **Exhibit A** is the proposed 2010 update of the second sheet for KCP&L's EE Rider tariff. This tariff reflects the methodology adopted by KCP&L for allocating program costs among our various classes of customers. The allocation of costs proposed herein is consistent with the allocation approved by the Commission in Docket No. 08-KCPE-802-RTS.
- 11. In addition to signatory counsel, communications and correspondence in regard to this Application should be addressed to:

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12. WHEREFORE, KCP&L respectfully requests that the Commission approve the proposed Energy Efficiency Rider as set forth herein.

Respectfully submitted,

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ATTORNEY FOR KCP&L

#### THE STATE CORPORATION COMMISSION OF KANSAS

	SCHEDULE				15		
KANSAS CITY POWER & LIGHT COMPANY (Name of Issuing Utility)	Replacing Schedule		15		Sheet		
Rate Areas No. 2 & 4  (Territory to which schedule is applicable)	which was filed			March 31, 2009			
No supplement or separate understanding	***************************************		11141411				
shall modify the tariff as shown hereon.	Sheet	2	of	2	Sheet	ts	

# ENERGY EFFICIENCY RIDER Schedule EE

(continued)

## **ENERGY EFFICIENCY RIDER AMOUNT CALCULATION: (continued)**

 $TRUE_{n-1}$  = The annual true-up amount for an EE Rider year, to be determined prior to filing the next EE Rider and to be applied to the subsequent EE factor calculation. The true-up amount will reflect any difference between the total EE revenue collected and the actual costs (EEC<sub>n</sub>) for the previous applicable time period (n-1). Such true-up amount may be positive or negative. The true-up amount used to calculate the EEF for the first EE Rider equals zero.

 $DA_{(class)}$  = The demand allocator for the applicable non-lighting classes.

 $KWH_{n (class)}$  = The actual kWh electric sales for the Kansas jurisdiction for the applicable time period (n) for the applicable class.

#### TERM:

This EE Rider shall remain in effect until such time as the Commission-approved amount is recovered. In the event that the Commission rules on Docket No. 08-GIMX-441-GIV, or similar proceeding concerning demand side management cost recovery, or a law is passed regarding treatment of such expenses, then KCPL shall have the right to file for Commission approval of a compliant recovery methodology to replace or revise this EE Rider. KCPL shall have the right to continue recovery under this EE Rider until such time as a replacement methodology is approved and implemented or all Commission-approved amounts are recovered.

#### NOTES TO THE TARIFF:

- 1. The references to Accounts within the EE tariff are as defined in the FERC uniform system of accounts.
- 2. The EEC factor will be expressed in dollars per kilowatt-hour rounded to five decimal places.

### EE FACTORS FOR JULY 1, 2010 THROUGH JUNE 30, 2011 USAGE:

Residential Service \$0.00177/kWh

Small General Service \$0.00132/kWh

Medium General Service \$0.00133/kWh

Large General Service \$0.00108/kWh

Large Power Service \$0.00096/kWh



Issued:		March 31, 2010			FILED		
Effective	······································	Month Day Year  July 1, 2010			THE STATE CORPORATION COMMISSION OF KANSAS		
		Month	Day	Year			
By:	Curtis D. Blanc			Sr. Director	By:		