

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

Before Commissioners:                    Mark Sievers, Chairman  
   Thomas E. Wright

In the Matter of Kansas City Power & Light            )  
Company for Approval of Its 2012 Energy            )  
Efficiency Rider for Program Costs Incurred        )        Docket No. 12-KCPE-729-TAR  
January 1 Through December 31, 2011.            )

**ORDER APPROVING KCP&L'S 2012 ENERGY EFFICIENCY RIDER**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and determination. Having examined its files and records and being fully advised in the premises, the Commission finds and concludes as follows:

**I. Background**

1. On August 5, 2005, in Docket No. 04-KCPE-1025-GIE, the Commission approved the Comprehensive Energy Plan proposed by Kansas City Power & Light Company (KCP&L). The plan included energy-efficiency (EE), affordability, and various other demand side management (DSM) programs.

2. On February 29, 2008, KCP&L filed an application for approval of an Energy Efficiency Rider (2008 EE Rider) in KCC Docket No. 08-KCPE-802-TAR. This EE Rider would allow KCP&L to recover costs already incurred since the implementation of the DSM, energy efficiency, and affordability programs. The filing complied with a Stipulation and Agreement approved in KCP&L's rate case in KCC Docket No. 07-KCPE-905-RTS (07-905 Docket). In an Order filed June 13, 2008, the Commission granted the 2008 EE Rider. In a

subsequent Order issued on September 29, 2008, the Commission approved a revision to the 2008 EE Rider, correcting the omission of a KCP&L lighting schedule.

3. On March 31, 2009, KCP&L filed an application for approval of its 2009 Energy-Efficiency Rider (2009 EE Rider) in Docket No. 09-KCPE-770-TAR. In an Order filed June 22, 2009, the Commission granted the 2009 EE Rider, finding that it was reasonable, was in the public interest, and should be approved. The Commission conditioned approval of the 2009 EE Rider on KCP&L filing its next EE Rider on or before March 31, 2010, to include costs incurred for Commission-approved programs from January 1, 2009 through December 31, 2009, including a true-up calculation to true-up amounts collected in previous years versus the amounts intended to be collected in previous year's EE Rider filings.

4. On March 31, 2010, KCP&L filed an application for approval of its 2010 Energy-Efficiency Rider (2010 EE Rider) in Docket No. 10-KCPE-636-TAR. In its Memorandum, Staff recommended that KCP&L's internal labor expenses be recovered through KCP&L's base rates and that internal labor expenses included in future EE Riders be limited to those expenses that meet Staff's conditions for inclusion. In an Order filed June 21, 2010, the Commission granted the 2010 EE Rider, finding that it was reasonable, was in the public interest, and should be approved. The Commission conditioned approval of the 2010 EE Rider on KCP&L filing its next EE Rider on or before March 31, 2011, to include costs incurred for Commission-approved programs from January 1, 2010 through December 31, 2010, including a true-up calculation to true-up amounts collected in 2009 versus the amounts intended to be collected in 2009. The Commission also conditioned approval on KCP&L filing revised tariffs reflecting the rates and charges presented in Staff Exhibit SAC-3 prior to the revised EE Rider becoming effective on July 1, 2010.

5. On March 31, 2011, KCP&L filed an application for approval of its 2011 Energy-Efficiency Rider (2011 EE Rider) in Docket No. 11-KCPE-665-TAR. In an Order filed June 22, 2011, the Commission granted approval of the 2011 EE Rider, finding it to be reasonable and in the public interest. The Commission conditioned approval of the 2011 EE Rider on KCP&L filing its next EE Rider on or before March 31, 2012, to include costs incurred for Commission-approved programs from January 1, 2011 through December 31, 2011, including a true-up calculation to true-up amounts collected from July 1, 2010 through June 30, 2011, versus the amounts intended to be collected for that time period. The Commission also conditioned approval on KCP&L filing revised tariffs reflecting the rates and charges presented in Staff Exhibit SAC-3 prior to the revised EE Rider becoming effective on July 1, 2011.

## **II. 2012 KCP&L Energy-Efficiency Rider**

6. On March 30, 2012, KCP&L filed its Application for Approval of Its 2012 Energy Efficiency Rider (2012 EE Rider)(Application). KCP&L is a vertically-integrated electric public utility operating under the jurisdiction of the Commission, and is engaged in the generation, transmission, distribution, and sale of electric energy to the public. KCP&L holds a Certificate of Convenience and Authority issued by the Commission. (Application, ¶ 1.)

7. The Commission granted intervention in this docket to Citizens' Utility Ratepayer Board (CURB) on May 30, 2012. No other parties petitioned to intervene.

8. On May 23, 2012, Commission Staff (Staff) filed its Report and Recommendation (R&R), recommending approval of KCP&L's application with certain conditions. (R&R, p. 4.)

9. In its Application, KCP&L requested recovery of DSM program costs incurred from January 1, 2011, through December 31, 2011, with the EE Rider in effect from July 1, 2012, through June 30, 2013. (Application, ¶ 4.) KCP&L requested a total EE Rider surcharge

amount of \$6,191,469. This figure includes KCP&L's unrecovered expenses from calendar year 2011 of \$6,148,222 and under-recovered expenses from calendar year 2010 of \$43,246. The expenses will be recovered under a revised tariff sheet entitled "Schedule EE," which reflects new EE Rider rates for each class resulting from the new charges. (R&R, p. 2.)

10. Staff performed an audit of the Application and reviewed the cost detail provided by KCP&L, focusing on whether the cost incurred was related to the particular EE program and furthered the objectives of the program. (R&R, p. 2.) Regarding accounting issues, Staff reviewed KCP&L's work papers and the general ledger query support for costs to confirm that costs were, in fact, incurred by KCP&L for EE Programs for the calendar year 2011. Staff's R&R provided a breakdown of the costs in Exhibit JTG-1, which included company non-labor and contractor costs for the Commission-approved EE programs during the 2011 calendar year, but did not include any KCP&L internal labor costs, in accordance with Staff's recommendations in Docket 10-KCPE-636-TAR. Staff confirmed the costs were incurred by KCP&L for its EE programs. (R&R, p. 3.)

11. Staff also reviewed KCP&L's calculation of a true-up applicable to surcharge amounts collected pursuant to KCP&L's 2010 EE Rider during the period July 1, 2010, through June 30, 2011, attached to the R&R as Exhibit JTG-2. This calculation indicated an under-recovery of \$43,246, which Staff agreed with. Staff noted that, according to KCP&L work papers, KCP&L appears to be on track to over-recover its 2011 EE Rider amount by \$835,515. However, that true-up calculation will be reflected in KCP&L's 2013 EE Rider filing when actual revenue collections can be used. (R&R, p. 3.)

12. In examining the rate design, Staff noted that KCP&L calculated the EE Rider rates in tariff sheet "Schedule EE" using the demand allocator and kWh consumption data from

its Class Cost of Service Study filed in Docket 10-KCPE-415-RTS. A rate was developed for each customer class, with the exception of the off-peak and other lighting classes. Staff attached Exhibit JTG-4 to provide supporting calculations for development of rates resulting from Staff's recommended EE Rider amount. Staff found the rates to be accurate and recommended the Commission approve KCP&L's EE Rider as filed in its Application. (R&R, p. 3-4.)

13. Staff recommended the Commission approve KCP&L's EE Rider amount of \$6,191,469 with the following conditions: KCP&L shall file its next EE Rider on or before March 31, 2013, to include costs incurred for Commission-approved programs from January 1, 2012, through December 31, 2012. In this filing, KCP&L shall include a true-up calculation to true-up amounts collected from July 1, 2011, through June 30, 2012, versus the amounts intended to be collected for that time period. The second condition was for KCP&L to file revised tariffs reflecting the rates and charges presented in Exhibit JTG-3 prior to the revised EE Rider becoming effective July 1, 2012. (R&R, p. 4.)

14. On May 31, 2012, CURB filed a Response to Staff's R&R. In its Response, CURB concurred with Staff's R&R.

15. Having reviewed KCP&L's Application and Staff's R&R, the Commission finds and concludes that KCP&L's 2011 Energy-Efficiency Rider is reasonable and is in the public interest. The Commission approves KCP&L's proposed 2012 EE Rider subject to the conditions set forth by Staff, as noted above in paragraph 13.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**


A. Kansas City Power and Light Company's Application for approval of its 2012 Energy-Efficiency Rider is approved, subject to Staff's recommended conditions, as noted above in paragraph 13.

B. Parties have 15 days from the date of electronic service of this Order in which to petition the Commission for reconsideration. K.S.A. 66-118b; K.S.A. 2011 Supp. 77-529(a)(1).

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

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

Dated:           **JUN 19 2012**          

  
ORDER MAILED JUN 19 2012

Patrice Petersen-Klein  
Executive Director

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**CERTIFICATE OF SERVICE**

**JUN 19 2012**

12-KCPE-729-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Order Approving KCP&L's 2012 Energy Efficiency Rider was served by electronic mail this 19th day of June, 2012, to the following parties who have waived receipt of follow-up hard copies:

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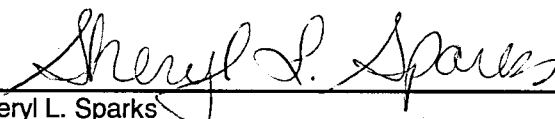
ORDER<sup>e</sup> MAILED JUN 19 2012

**CERTIFICATE OF SERVICE**

JUN 19 2012

12-KCPE-729-TAR

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