

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

In the Matter of the Application of)
Kansas City Power & Light Company for)
Approval of Its 2017 Energy Efficiency) Docket No. 17-KCPE-446-TAR
Rider for Program Costs Incurred)
January 1 Through December 31, 2016.)

**APPLICATION OF KANSAS CITY POWER & LIGHT COMPANY
FOR APPROVAL OF ITS 2017 ENERGY EFFICIENCY RIDER**

COMES NOW Kansas City Power & Light Company (“KCP&L”), and hereby requests from the State Corporation Commission of the State of Kansas (“Commission”) approval of KCP&L’s 2017 Energy Efficiency Rider (“EE Rider”). 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. On November 20, 2007 the Commission approved a Stipulation and Agreement in Docket No. 07-KCPE-905-RTS (“07-905 S&A”) that provides KCP&L the ability to recover demand-side management (“DSM”) program costs through an EE Rider. The 07-905 S&A requires KCP&L to make its EE Rider filings by March 31 of each year.

3. Since adoption of the EE Rider in 2007, KCP&L has adjusted its EE factor each year accordingly with the exception of its 2015 and 2016 filings in Docket No. 15-KCPE-448-TAR and 16-KCPE-439-TAR which addressed recovery of 2014 and 2015 DSM costs, respectively. During 2014, KCP&L's spend on DSM programs was \$304,972, and a true-up of \$253,144 was also needed for an over-recovery of its 2012 costs (recovered over the period July 1, 2013 through June 30, 2014). Rather than implementing EE Rider factors effective July 1, 2015 for recovery of the difference of \$51,828, the Commission approved KCP&L's request to set the EE Rider factors to zero effective July 1, 2015 and defer that amount for recovery in the 2016 EE Rider filing. During 2015, KCP&L's DSM program spend was \$241,182, and a true-up of \$62,037 was needed for an over-recovery of its 2013 costs (recovered over the period July 1, 2014 through June 30, 2015). In addition, KCP&L included the 2014 DSM costs to be recovered of \$51,828 previously deferred per Docket No. 15-KCPE-448-TAR. Rather than implementing an EE Rider July 1, 2016 for the total net amount of \$230,972, the Commission approved KCP&L's request to defer that total amount for recovery as part of the Company's 2017 EE Rider tariff filing.

4. KCP&L hereby files for Commission approval of the Company's 2016 DSM program costs and its proposed 2017 EE Rider tariff. KCP&L's spend on DSM programs in 2016 was \$286,456. As part of its annual EE Rider filing, KCP&L also includes its over/under-recovery of costs from two years prior – in this case 2014 costs which were recovered over the period July 1, 2015 through June 30, 2016. KCP&L determined that it under-recovered its 2014 DSM costs by \$16,018.¹ The sum of these values, 2016 DSM program costs of \$286,456 plus the approved deferred 2015 DSM program costs of \$230,972 less \$35,809 in actual recovered 2014 DSM

¹ 2014 DSM program costs were the first to be deferred for recovery in a later year. The EE Rider factors effective July 1, 2015 through June 30, 2016 were set to zero. However, as June 2015 kWh usage was subject to the EE Rider factor set for recovery of 2013 DSM program costs, and some June 2015 usage was billed/recovered in July 2015, there was an offset to the deferred 2014 DSM program costs, thereby reducing the unrecovered amount from \$51,828 to \$16,018.

program costs recovered through normal proration billing, net to a total of \$481,619 of unrecovered DSM costs. Rather than implementing an EE Rider for recovery of this amount, KCP&L again requests that this amount be deferred for recovery. KCP&L is currently seeking Commission approval of its proposed DSM portfolio and cost recovery mechanism under the Kansas Energy Efficiency and Investment Act (KEEIA), K.S.A. Supp. 66-1283 in Docket No. 16-KCPE-446-TAR (“16-446 Docket”). The outcome of that docket could potentially affect the method of recovery of the Commission-approved deferred 2014 and 2015 costs, and the 2016 DSM program costs requested in this case as well as DSM program costs currently being expended for 2017. In that KEEIA Application, KCP&L requested that all of these deferred program costs be added into the requested Demand-Side Investment Mechanism (“DSIM”) Rider for recovery. In the event the KEEIA docket does not result in a cost recovery mechanism that includes these deferred amounts, KCP&L will file to recover the deferred program costs for years 2014 through 2017 in its 2018 EE Rider filing.

5. Attached to this Application as **Exhibit A** is the proposed 2017 update of the second sheet for KCP&L’s EE Rider tariff. This tariff reflects KCP&L’s proposal to set the EE factors for each class to \$0.00000/kWh for the period July 1, 2017 through June 30, 2018.

6. In compliance with the Commission’s Order Amending Procedural Schedule filed December 15, 2016 in the 16-446 Docket, paragraph 9(b) and Ordering paragraph B, KCP&L has included an analysis of expenditures associated with its six DSM programs in this application as confidential **Exhibit B**. Consistent with KCP&L’s Motion to File Out of Time Its Response to CURB, filed December 13, 2016 in that docket, KCP&L is filing its workpapers showing the

analysis of expenditures requested for recovery.² These workpapers are consistent with the workpapers KCP&L has always provided Staff associated with its annual EE Rider filings.

7. In summary, KCP&L requests that the Commission approve EE factors effective for July 1, 2017 through June 30, 2018 of \$0.00000/kWh for all four classes. KCP&L also requests that the Commission authorize KCP&L to continue to defer its unrecovered 2014, 2015 and 2016 DSM program costs for recovery as part of either the cost recovery mechanism resulting from KCP&L's KEEIA filing, if approved, or next year's EE Rider filing.

8. Certain information included in **Exhibit B** is confidential and KCP&L requests that it be treated as such by the Commission and Staff pursuant to K.S.A. 66-1220a and K.A.R. 82-1-221a. K.S.A. 66-1220a limits the disclosure of trade secrets or confidential commercial information of regulated entities. K.A.R. 82-1-221a also provides standards for the safekeeping of a regulated entity's confidential commercial information. The information denoted as confidential contained in the **Exhibit B** and submitted to Staff is confidential because it contains information that has not be disclosed to the public and, if disclosed, could place KCP&L at a competitive disadvantage in negotiating future energy efficiency and demand-side management contracts. As such, KCP&L hereby requests that the Commission issue a Protective Order is this docket to govern the disclosure and dissemination of confidential information.

² On November 28, 2016, in the 16-446 Docket, CURB filed its CURB's Response to Kansas City Power & Light Company's Motion to Extend Existing Demand Side Management Programs and Budgets which, in part, recommended that the Commission order KCP&L to file "an analysis of expenditures associated with its six DSM programs in its March 1, 2017 Energy Efficiency Rider application". CURB did not further define such proposed "analysis of expenditures." KCP&L responded to CURB's Response on December 13, 2016 indicating that it would file the analysis of expenditures normally provided to Staff with its annual EE Rider filings and, if CURB was recommending something other than this normal expenditure analysis, then KCP&L objected. CURB did not respond to KCP&L's filing and the Commission did not address a definition of the required "analysis" in its Order. Therefore, KCP&L has interpreted CURB's silence and the Commission's Order as agreement that the normal analysis is compliant.

9. In addition to signatory counsel, communications and correspondence in regard to this Application should be addressed to:

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WHEREFORE, KCP&L respectfully requests the Commission approve the proposed Energy Efficiency Rider factors and tariff sheet to be effective July 1, 2017 through June 30, 2018 and authorize the Company to defer its 2016 DSM costs and continue to defer its unrecovered 2014 and 2015 DSM costs for recovery as set forth herein. In order for the new EE Rider to be implemented by the effective date of July 1, 2017, KCP&L respectfully requests the Commission issue an order on this Application no later than June 23, 2017.

Respectfully submitted,

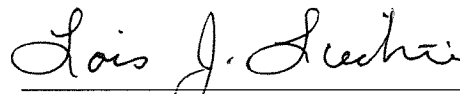
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**COUNSEL FOR KANSAS CITY
POWER & LIGHT COMPANY**

VERIFICATION

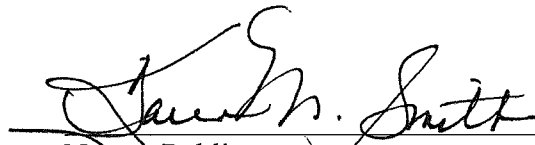
STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

The undersigned, Lois J. Liechti, upon oath first duly sworn, states that she is the Director, Regulatory Affairs of Kansas City Power & Light Company, that she has reviewed the foregoing Application, that she is familiar with the contents thereof, and that the statements contained therein are true and correct to the best of her knowledge and belief.



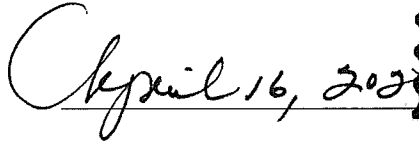
Lois J. Liechti
Director, Regulatory Affairs
Kansas City Power & Light Company

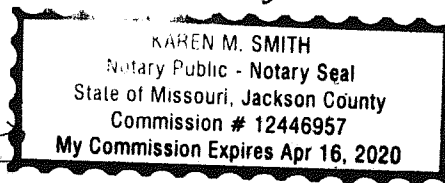
Subscribed and sworn before me this 31st day of March 2017.



Notary Public

My commission expires:





KANSAS CITY POWER & LIGHT COMPANY

(Name of Issuing Utility)

Replacing Schedule 15 Sheet 2

Rate Areas No. 2 & 4

(Territory to which schedule is applicable)

which was filed March 30, 2016

No supplement or separate understanding
shall modify the tariff as shown hereon.

Sheet 2 of 2 Sheets

**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_n) 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, 2017 THROUGH JUNE 30, 2018 USAGE:

Residential Service	\$0.00000/kWh
Small General Service	\$0.00000/kWh
Medium General Service	\$0.00000/kWh
Large General Service	\$0.00000/kWh

Issued:	March 31, 2017
	Month Day Year
Effective:	July 1, 2017
	Month Day Year
By:	/s/ Darrin R. Ives
	Vice President
	Title

KANSAS CITY POWER & LIGHT COMPANY

(Name of Issuing Utility)

Replacing Schedule 15 Sheet 2

Rate Areas No. 2 & 4

(Territory to which schedule is applicable)

which was filed ~~March 31, 2015~~ **March 30, 2016**

No supplement or separate understanding
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Sheet 2 of 2 Sheets

**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_n) 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.

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

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EE FACTORS FOR JULY 1, ~~2016-2017~~ THROUGH JUNE 30, ~~2017-2018~~ USAGE:

Residential Service	\$0.00000/kWh
Small General Service	\$0.00000/kWh
Medium General Service	\$0.00000/kWh
Large General Service	\$0.00000/kWh

Issued: ~~March 30, 2016~~ **March 31, 2017**
Month Day Year

Effective: ~~July 1, 2016~~ **July 1, 2017**
Month Day Year

By: /s/ Darrin R. Ives Vice President
Title

Kansas City Power & Light Company
Kansas Energy Efficiency Program Costs (Account 182441)
January 1, 2016 through December 31, 2016

	<u>2016</u>
2016 Program Costs, see tab 182411 Detail	\$ 286,456.50
2014 Deferred DSM Costs to be Recovered per 16-KCPE-439-TAR, see tab Actual 15-16 EER Collection	51,827.36
2015 Deferred DSM Costs to be Recovered per 16-KCPE-439-TAR, see tab Projected 16-17 EER Collection	179,144.36
2014 Vintage recovered in July 1, 2015 - June 30, 2016, see tab Actual 15-16 EER Collection	(35,809.10)
Total 2016 DSM Costs to be Recovered	<u>\$ 481,619.12</u>

Reconciliation of Account 182441 to EE Rider Filings:

2016 DSM Costs to be Recovered	\$ 286,456.50
Approved DSM Costs Deferred per Order in Docket No. 16-KCPE-439-TAR	230,971.72
2014 Vintage recovered in July 1, 2015 - June 30, 2016	<u>(35,809.10)</u>
Total Deferred Account 182441	<u>\$ 481,619.12</u>

Program Activity Detail
(Account 182441) - January 1, 2016 through December 31, 2016

<u>Project</u>	<u>Description</u>	<u>Cost Category</u>	<u>2016</u>
SI0000	Strategic Initiative Program - EMV Costs	Company Labor Company Non-Labor Contractor Costs	
	SI0000 Total		
SIA002	Low Income Weatherization	Company Labor Company Non-Labor Contractor Costs	
	SIA002 Total		
SID001	A/C Cycling	Company Labor Company Non-Labor Contractor Costs	
	SID001 Total		
SID002	C&I Curtailment	Company Labor Company Non-Labor Contractor Costs	
	SID002 Total		
SIE001	Residential On-line Analysis	Company Labor Company Non-Labor Contractor Costs	
	SIE001 Total		
SIE004	Cool Homes	Company Labor Company Non-Labor Contractor Costs	
	SIE004 Total		
SIE005	Energy Star Homes	Company Labor Company Non-Labor Contractor Costs	
	SIE005 Total		
SIE020	Commercial on-line analysis	Company Labor Company Non-Labor Contractor Costs	
	SIE020 Total		
SIE021	C&I Energy Audit	Company Labor Company Non-Labor Contractor Costs	
	SIE021 Total		
SIE022	C&I Custom Rebate - Retrofit	Company Labor Company Non-Labor Contractor Costs	
	SIE022 Total		
SIE023	C&I Custom Rebate- New Constr	Company Labor Company Non-Labor Contractor Costs	
	SIE023 Total		
SIE024	Buildng Operator Certification	Company Labor Company Non-Labor Contractor Costs	
	SIE024 Total		
		Company Labor	-
		Company Non-Labor	-
		Contractor Costs	\$ 286,456.50
		Total	\$ 286,456.50

The C&I Energy Audit and Custom Rebates, Cool Homes and ENERGY STAR® New Homes program tariffs are currently frozen.

Kansas City Power & Light Company
Kansas Energy Efficiency Program Cost Recovery (Account 182441)
July 1, 2015 through June 30, 2016

Per 2015 EER Filing (2014 vintage)	<u>\$ 51,827.36</u>
Recovered through EER:	
July 2015 ¹	\$ (35,488.74)
August 2015	(12.27)
September 2015	(348.74)
October 2015	(328.84)
November 2015	192.04
December 2015	(29.51)
January 2016	299.24
February 2016	(22.13)
March 2016	(70.45)
April 2016	0.01
May 2016	0.29
June 2016	-
	<u>\$ (35,809.10)</u>
Total under-recovered	<u><u>\$ 16,018.26</u></u>

NOTES:

1 The Kansas EE factor was set at \$0.00000/kWh, per Order in Docket No. 15-KCPE-448-TAR. Amounts collected for July 2015 relate to June 2015 usage billed at the beginning of July (proration issue) and amounts collected for August 2015 through May 2016 are related to cancel / rebills.

Kansas City Power & Light Company
Kansas Energy Efficiency Program Cost Recovery (Account 182441)
July 1, 2016 through June 30, 2017

Per 2016 EER Order
(2015 vintage) \$ 179,144.36

Per Docket No. 16-KCPE-439-TAR
2015 Program Costs \$ 241,181.65
2013 Under/(Over) (62,037.29)
 \$ 179,144.36

Recovered through EER¹

July 2016	\$	1.10	
August 2016		(6.05)	
September 2016		-	
October 2016		-	
November 2016		(2.22)	
December 2016		0.09	
January 2017		-	
February 2017		36.95	
March 2017		-	<i>no projection</i>
April 2017		-	<i>no projection</i>
May 2017		-	<i>no projection</i>
June 2017		-	<i>no projection</i>
	\$	<u>29.87</u>	

Total under-recovered (Projected) \$ 179,174.23

NOTES

- 1 The Kansas EE factor was set at \$0.00000/kWh, per Order in Docket No. 16-KCPE-439-TAR. Amounts for July 2016 through February 2017 represent prorated cancel / rebills from prior periods.

Kansas Energy Efficiency Rider Calculation and Impact Workpaper

March 31, 2017

Inputs

Kansas 2016 DSM Expense \$ 481,619.12

Demand Allocation of DSM Expenses and Calculation of Class EER Rate

	Residential	Small General	Medium General	Large General	Total
Demand Allocator (Blended Method) ¹	52.8225%	5.4958%	11.1938%	30.4879%	100.0000%
Allocated DSM Expense	\$ 254,403.20	\$ 26,468.84	\$ 53,911.50	\$ 146,835.59	\$ 481,619.12
Total kWh ²	2,822,790,000	345,702,000	758,795,000	2,365,893,000	6,293,180,000
EER Rate	\$ 0.00009	\$ 0.00008	\$ 0.00007	\$ 0.00006	

Typical Monthly Charge

	Residential	Small General	Medium General	Large General
Typical Usage (kWh) ³	1,087	1,307	15,407	176,969
Typical Monthly EER Charge	\$ 0.10	\$ 0.10	\$ 1.08	\$ 10.62

Typical Monthly Bill Impact

	Residential	Small General	Medium General	Large General
Typical Monthly Bill before ECA and EER ⁴	\$ 113.15	\$ 152.68	\$ 1,428.61	\$ 12,327.37
Typical Monthly EER Charge	\$ 0.10	\$ 0.10	\$ 1.08	\$ 10.62
% of Base Usage Charge	0.09%	0.07%	0.08%	0.09%

Notes:

- 1 "Base-Intermediate-Peak" and "Average and Peak 4 CP" combined Demand allocator utilized by KCP&L for its Class Cost of Service Study (Docket No. 15-KCPE-116-RTS), recalculated to remove lighting classes.
- 2 Class Base MWh - KCP&L Revenue Summary MFR Section 2 (15-KCPE-116-RTS) (Converted to kWh)
- 3 Average Monthly kWh Usage per Customer - KCP&L Revenue Summary MFR Section 2 (15-KCPE-116-RTS)
- 4 Total class revenue divided by number of customers divided by 12 - KCP&L Revenue Summary - Final Order (15-KCPE-116-RTS)

Kansas City Power & Light Company

Docket No.: 17-KCPE-____-TAR

Date: March 31, 2017

CONFIDENTIAL INFORMATION

The following information is provided to the Kansas Corporation Commission under
CONFIDENTIAL SEAL:

Document/Page	Reason for Confidentiality from List Below
Exhibit B, Tab "182441 Detail"	2, 5 and 6

Rationale for the "confidential" designation is documented below:

- "1" Confidential financial information/budget projections, the disclosure of which could affect the Company's standing in the capital markets and/or affect the Company's stock price and/or facilitate insider trading in violation of SEC rules and/or disadvantage the Company in its contract negotiations.
- "2" Contract terms or specifics, or contract information that could be used by existing or future vendors to the disadvantage of KCP&L.
- "3" Sensitive information that could impact pending or threatened litigation.
- "4" Advice of counsel or other paid experts, advisors or consultants falling under the attorney/client communication or work product privilege or information prepared in anticipation of hearing or other administrative proceedings.
- "5" Trade Secret or Commercially Sensitive Information, the disclosure of which would harm the Company competitively and prevent the Company from protecting such information as allowed under Kansas law.
- "6" Information which is contractually obligated to be kept private, which failure to do so could open the Company up to damages.
- "7" Critical Infrastructure Information which poses a security risk if made public.
- "8" Other (specify) _____.

Should any party challenge KCP&L's assertion of confidentiality with respect to the above information, KCP&L reserves the right to supplement the rationale contained herein with additional factual or legal information.