

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

Before Commissioners: Mark Sievers, Chairman
 Thomas E. Wright
 Shari Feist Albrecht

In the Matter of Westar Energy, Inc. and)
Kansas Gas and Electric Company Seeking) Docket No. 14-WSEE-030-TAR
Commission Approval for Tariff Revisions)
to the Energy Efficiency Rider.)

AMENDED ORDER APPROVING WESTAR'S ENERGY EFFICIENCY RIDER

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission finds and concludes as follows:

1. On July 11, 2013, Westar Energy, Inc. and Kansas Gas and Electric Company (Westar) filed an application seeking Commission approval for tariff revisions to its Energy Efficiency Rider (Application). Westar's Application requested recovery of \$10,522,147 in costs associated with Westar's various energy efficiency programs.

2. On September 10, 2013, Staff filed its Report and Recommendation (R&R). In the R&R, Staff found \$10,420,179 in expenditures from July 2012 through June 2013 associated with Westar's energy-efficiency and demand response programs.¹ Additionally, Staff's analysis found \$101,968 in approved program costs that were under-recovered from Westar's previous Energy Efficiency Rider (EER).² Since Westar's energy-efficiency and demand response programs were Commission approved and their expenses are accurate, Staff recommended approval of Westar's Application.³ However, that approval is conditioned upon Westar filing its

¹ Staff's R&R, p. 2 (September 10, 2013).

² *Id.*

³ *Id.* at pp. 2-3.

next EER in July 2014 to be effective for the first billing cycle of November 2014 through the last billing cycle in October 2015. This filing should include costs incurred for Commission-approved programs. Also in this filing, Westar shall include a true-up calculation to true-up amounts collected in the previous year versus the amounts intended to be collected in the previous year's EER filings.⁴

3. On September 20, 2013, the Citizen's Utility Ratepayer Board (CURB) filed its Response to Staff's Report and Recommendation (Response). In its Response, CURB stated it does not dispute the accuracy of Staff's audit, and that it supports Staff's conclusion as to the accounting and audit of Westar's EER.⁵ However, CURB requested the Commission order a prudence review of Westar's energy efficiency and demand response programs.⁶

4. On September 26, 2013, Staff filed its Response to CURB's Response to Staff's Report and Recommendation (Staff's Response). In Staff's Response, Staff emphasized that they have long maintained annual EER proceedings, such as this one, are not the appropriate dockets in which to review prudence.⁷ However, to address CURB's prudence review request, Staff notes it is currently investigating its Evaluation, Measurement, and Verification (EM&V) process in another docket.⁸

5. The Commission approves Westar's EER for four reasons. First, the Commission has already approved Westar's energy efficiency program. Second, Staff audited Westar's expense records and found them to be true and accurate. Third, CURB agrees that Staff's audit is accurate and supports Staff's conclusion as to the accounting and audit of Westar's EER.

⁴ See *id.* at pp. 3-4 (The condition language from the R&R was modified here to improve clarity).

⁵ CURB's Response to Staff's Report and Recommendation, ¶¶ 8-9 (September 20, 2013).

⁶ *Id.* at ¶¶ 9-10.

⁷ Staff's Response to CURB's Response to Staff's Report and Recommendation, ¶¶ 4-5 (September 26, 2013).

⁸ *Id.* at ¶ 5 (EM&V processes are being investigated in Docket No. 14-KCPE-074-GIE).

Lastly, approval of this EER will decrease an average residential customer bill by \$0.06 per month or \$0.74 annually.⁹

6. The Commission also approves the condition requested by Staff in its R&R because it appears to be a reasonable request with minimal burden upon Westar. Also, Westar and CURB have not objected to this condition.

7. The Commission agrees with CURB that an EM&V review on the prudence of Westar's energy-efficiency and demand response programs should be done. However, Staff needs time to fully investigate and develop its EM&V processes in Docket No. 14-KCPE-074-GIE. Because of this, ordering a separate EM&V docket to be opened now would be fruitless. Also, to order an EM&V review in this docket would be inappropriate, as is advanced by Staff and is not rebutted by CURB or Westar. Thus, Staff shall file a motion with the Commission to open an EM&V docket on Westar's energy-efficiency and demand response programs once EM&V processes are in place to administer such a review, presumably after Docket No. 14-KCPE-074-GIE is closed.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Westar's Application for an EER to recover costs of \$10,522,147 is approved, subject to the condition imposed in paragraph two of this Order.

B. Westar shall file its next EER in July 2014 to be effective for the first billing cycle of November 2014 through the last billing cycle in October 2015. This filing should include costs incurred for Commission-approved programs. Also in this filing, Westar shall include a true-up calculation to true-up amounts collected in the previous year versus the amounts intended to be collected in the previous year's EER filings.

⁹ Staff's R&R, p. 1.

C. Staff shall file a motion with the Commission to open a separate EM&V docket to evaluate the prudence of Westar's energy-efficiency and demand response programs once EM&V processes are in place.


D. The parties have 15 days from the date this Order was electronically served to petition the Commission for reconsideration.¹⁰

E. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it deems necessary.

BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chairman; Wright, Commissioner; Albrecht, Commissioner

Dated: **OCT 29 2013**


ORDER MAILED OCT 29 2013

Kim Christiansen
Executive Director

MLS

¹⁰ K.S.A. 66-118b; K.S.A. 2013 Supp. 77-529(a)(1).

CERTIFICATE OF SERVICE

OCT 29 2013

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I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Amended Order Approving Westar's Energy Efficiency Rider was served by electronic mail this 29th day of October, 2013, to the following parties who have waived receipt of follow-up hard copies:

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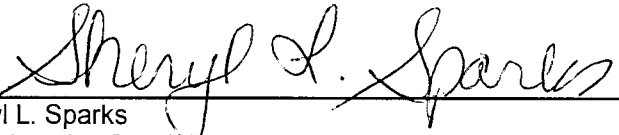
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Sheryl L. Sparks
Administrative Specialist

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