

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)
Demand-Side Management Portfolio Pursuant to) Docket No. 16-KCPE-446-TAR
The Kansas Energy Efficiency Investment Act)
("KEEIA"), K.S.A. 66-1283.)

CROSS-ANSWERING TESTIMONY

OF

STACEY HARDEN

ON BEHALF OF

CITIZENS' UTILITY RATEPAYER BOARD

PUBLIC VERSION

**** [REDACTED] ** *DESIGNATES CONFIDENTIAL***

INFORMATION HAS BEEN REMOVED

AUGUST 15, 2016

1 Q. Please state your name and business address.

2 A. My name is Stacey Harden and my business address is 1700 SW College Avenue,
3 Topeka, Kansas 66621.

4

5 Q. Did you previously file testimony in this proceeding?

6 A. Yes. On August 8, 2016, I filed Direct Testimony on behalf of the Citizens' Utility
7 Ratepayer Board ("CURB").

8

9 Q. What is the purpose of your Cross-Answering Testimony?

10 A. The purpose of my Cross-Answering Testimony is to respond to the testimonies
11 submitted by Staff witness Dr. Glass pertaining to KCPL's avoided costs, testimonies of
12 Staff witnesses relating to Staff's alternative cost recovery mechanism, and to address
13 statements made in the testimonies of Dorothy Barnett, Annika Brink, and Jessica
14 Oakley.

15

16 Q. Please begin with the testimony of Staff witness Dr. Glass as it relates to KCPL's
17 calculation of avoided costs.

18 A. Dr. Glass testifies that the appropriate value of KCPL's avoided costs should be **[REDACTED]**
19 per kW: **[REDACTED]** per kW for transmission and **[REDACTED]** per kW for generation capacity.
20 Dr. Glass's additionally testifies that in relation to benefit-cost testing, Staff's estimated
21 value for KCPL's avoided capacity is **[REDACTED]** per kW.

22

23

1 Q. Do you agree with Staff's estimated value of avoided costs?

2 A. No, I do not. First, KCPL did not include avoided transmission capacity costs in its
3 benefit-cost analyses. In its response to CURB Data Request 15, KCPL stated:

4 **“Transmission Avoided Cost**


5 The KCP&L transmission projects included in the Southwest Power Pool (SPP)
6 regional planning processes for reliability improvement or economic benefits
7 would not be impacted by the implementation of DSM programs. Therefore, the
8 only avoided cost for transmission facilities are the transmission equipment
9 additions associated with distribution facility expansions for new customer
10 growth.

11 **Distribution Avoided Cost**

12 As provided for in the Company's 2012 IRP submittal in Missouri, KCP&L made
13 assumptions regarding planned system expansion projects in areas that are
14 designated as “growth areas” versus areas designated as “established
15 areas”. Again, targeting was focused on capital projects associated within
16 established areas since targeted DSM programs were unlikely to be able to delay
17 the need to expand substations on the fringe of metro-area growth due to the fact
18 that these areas contained significant “green space” with large areas that remain
19 undeveloped.

20
21 The Company's distribution planning's annual review of 20-year load projections
22 concluded that loads for these “established areas” continue to flatten and more
23 commonly, decline, which has eliminated the need for expansion projects in these
24 areas.
25

26
27 Based on this discussion, the Company did not include avoided transmission or
28 distribution costs within its KEEIA filing.”
29

30 Because KCPL did not include avoided transmission costs in its benefit-cost analyses,
31 and because transmission projects would not be impacted by the implementation of DSM
32 programs, it is inappropriate to include **** per kW of avoided transmission in the
33 benefit-cost analyses.

34 Additionally, in Docket No. 10-KCPE-795-TAR (“795 Docket”), Staff performed
35 an analysis of KCPL's avoided cost structure. In that docket, Staff witness, Michael
36 Deupree, testified “(e)nergy efficiency provides many system-wide benefits, but Staff

1 does not believe avoided transmission capacity is one of these benefits. The major drivers
2 of transmission construction are the need to interconnect new generation assets and the
3 growth of new load centers. Certainly energy efficiency may reduce the growth load
4 center, postponing some transmission capacity investments, but the reality is that such
5 benefits be would negligible, and hard to measure."¹ Based upon Staff's previous
6 testimony, I would not expect Staff to support the inclusion of avoided transmission
7 costs. It is my recommendation that the Commission exclude the **█** per kW of
8 avoided transmission costs in KCPL's benefit-cost testing.

9
10 **Q. Do you agree with Dr. Glass's testimony that the appropriate value of KCPL's**
11 **avoided generation capacity cost is **█** per kW?**

12 A. Yes I do. Dr. Glass's testimony identifies that KCPL's avoided generation capacity cost
13 is appropriately valued at **█** per kW. This is the same value of avoided generation
14 capacity cost as I provided in my direct testimony.

15
16 **Q. If you exclude the avoided transmission costs from KCPL's benefit-cost testing and**
17 **value avoided generation capacity costs at **█** per kW, does KCPL's portfolio**
18 **of KEEIA programs pass the Commission-prescribed TRC?**

19 A. No it does not. If the level of KCPL's avoided cost is reduced to **█** per kW,
20 KCPL's portfolio of programs fails the TRC test and has a high degree of RIM failure.
21 This is shown in Table 1 below.

22
23

¹ October 15, 2010, KCC Docket No. 10-KCPE-795-TAR, *Direct Testimony of Michael W. Deupree*, at page 12.

1

TABLE 1

Total Program Cycle Cost Effectiveness Ratios by Program Type ²

| Program Type | TRC | UCT | RIM | RIM (Net Fuel) | SCT | PCT |
|-------------------------------|-------------|-------------|-------------|----------------|-------------|-------------|
| Residential EE | 1.15 | 1.90 | 0.43 | 0.53 | 1.48 | 3.15 |
| Residential DR | 0.59 | 0.72 | 0.39 | 0.42 | 0.61 | 1.94 |
| Residential - Income Eligible | 0.92 | 1.59 | 0.40 | 0.48 | 1.13 | 3.54 |
| Non-Residential EE | 1.10 | 1.73 | 0.61 | 0.84 | 1.29 | 1.98 |
| Non-Residential DR | 2.15 | 0.38 | 0.38 | 0.38 | 2.00 | 50.00 |
| Total Portfolio | 0.96 | 1.34 | 0.47 | 0.58 | 1.14 | 2.47 |

2

3 **Q. What does Dr. Glass testify is the appropriate net-to-gross ratio for KCPL’s**
 4 **portfolio of programs?**

5 A. Dr. Glass testifies that the appropriate net-to-gross ratio for benefit-cost analyses should
 6 be 0.8, instead of the 1.0 as used by KCPL. Dr. Glass testifies that Staff is “risk adverse
 7 because of its experience with demand side programs.”³ It is because of Staff’s risk-
 8 aversion that Dr. Glass testifies that the appropriate net-to-gross ratio for benefit-cost
 9 analyses should be 0.8, instead of the 1.0 as used by KCPL.

10

11 **Q. Do the benefit-cost test results provided in Table 1 of your Cross-Answering**
 12 **Testimony reflect Staff’s recommended net-to-gross ratio of 0.8?**

13 A. No it does not. Table 1 utilizes KCPL’s 1.0 NTG ratio. In his direct testimony Dr. Glass
 14 testified that because of Staff’s risk-aversion, 0.8 is the appropriate NTG value to use in
 15 benefit-cost testing. If avoided generation capacity is appropriately valued at **■■■■** per

² KCPL Response to CURB DR 47

³ Docket No. 16-KCPE-446-TAR, *Direct Testimony of Dr. Robert Glass*, at page 21.

1 kW and the NTG ratio is 0.8, the results of the benefit-cost tests will likely be lower than
2 reported in Figure 1.
3

4 **Q. Did Dr. Glass provide testimony expressing Staff's concern regarding KCPL's**
5 **Technical Resource Manual ("TRM")?**

6 A. Yes. Dr. Glass testified that Staff believes all the estimates dependent upon KCPL's
7 TRM should be "thought of as estimates with large error bands."⁴ Dr. Glass further
8 testifies that "Staff does not know how large the error bands are because Staff does not
9 know what the probability distribution of TRM estimated savings is. The lack of
10 sensitivity analysis done by KCPL about the effect of different variable values in its TRM
11 only heightens the sense of uncertainty."⁵
12

13 **Q. Do you share Staff's concerns as testified by Dr. Glass?**

14 A. Yes I do. As demonstrated by Staff witness John Turner, there is a wide range of
15 estimates for measuring incremental cost, expected life of a measure, and savings
16 associated with each energy-efficiency measure. Without certainty that KCPL's TRM is
17 accurately estimating a measure's incremental cost, expected life, and savings, there is
18 potential that the benefit-cost test results are over-stated.
19

20 **Q. Staff witness Dr. Glass used two figures to demonstrate the total costs of KCPL's**
21 **KEEIA application. Do you agree with Dr. Glass's testimony that it is important to**
22 **list all the costs to consumers?**

⁴ Docket No. 16-KCPE-446-TAR, *Direct Testimony of Dr. Robert Glass*, at page 21.

⁵ Docket No. 16-KCPE-446-TAR, *Direct Testimony of Dr. Robert Glass*, at page 21.

1 A. Yes. I agree with Dr. Glass’s testimony that none of the benefit-cost tests contain all the
2 costs that will be passed on to ratepayers, and that it is important to illustrate the total
3 costs of KCPL’s KEEIA application that, if approved by the Commission, will be passed
4 onto ratepayers.

5
6 **Q. How does using the appropriate avoided generation costs of **[REDACTED]** per kW impact
7 Dr. Glass’s report on the total costs included in KCPL’s application?**

8 A. As demonstrated in Figure 1 below, removing **[REDACTED]** per kW of avoided transmission
9 and using **[REDACTED]** per kW for KCPL’s avoided cost decreases the net benefits of
10 KCPL’s KEEIA portfolio of programs. The total costs of KCPL’s KEEIA application do
11 not change.⁶

12 **FIGURE 1**

13
14
15 ****figure redacted****
16
17
18
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22
23

⁶ KCC Staff response to CURB Data Request 60

1 **Q. Is it still your recommendation to the Commission that KCPL's portfolio of KEEIA**
2 **programs be denied?**

3 A. Yes. As demonstrated in Figure 1, KCPL's total KEEIA application has the potential to
4 cost KCPL customers nearly ** [REDACTED] **, while only producing ** [REDACTED] ** in
5 benefits. Because the portfolio of programs is not cost-effective and customer rates will
6 increase regardless of participation in energy-efficiency programs, it remains my
7 recommendation that the Commission deny KCPL's portfolio of KEEIA programs.

8

9 **Q. Have you reviewed Staff's proposed cost recovery mechanism?**

10 A. Yes, I have. Staff proposed an alternative Demand-Side Investment Mechanism
11 ("DSIM") Rider to recover costs associated with KEEIA Cycle 1 programs that Staff
12 recommends be approved. Staff's proposed DSIM Rider would allow the Company to
13 recover costs incurred in a calendar year over a twelve month period beginning May 1 of
14 the subsequent year.

15

16 **Q: Do you have any comments or concerns regarding the Company's proposed**
17 **recovery mechanism relative to Staff's recovery mechanism?**

18 A: Yes, I do. I continue to recommend CURB's proposed cost recovery mechanism, which
19 would allow for actual program cost recovery and provide for the sharing of net benefits
20 achieved by the programs. If the Commission was to approve any of KCPL's energy
21 efficiency programs, I would like to point out that Staff's cost recovery mechanism has
22 several advantages over the KCP&L cost recovery mechanism.

23

1 **Q. What costs would Staff include in its proposed DSIM Rider?**

2 A. Staff is proposing that the DSIM Rider be used to recover four costs: a) actual program
3 costs (“APC”), b) an actual throughput disincentive (“ATD”), c) an Earnings Opportunity
4 (“EO”), and d) other Ordered Adjustments (“OA”). In each case, the Company would
5 also include a reconciliation or true-up between the actual amounts collected and the
6 amounts approved by the KCC for recovery in the prior year. Interest on over-recovered
7 or under-recovered balances would accrue monthly interest at the Company’s short-term
8 borrowing rate.

9

10 **Q. Do you have any comments or concerns regarding the Company’s proposed cost**
11 **recovery mechanism?**

12 A. Yes, I do. Staff’s mechanism has several advantages over the mechanism proposed by
13 KCPL. First, Staff’s proposed mechanism is based on actual program costs instead of on
14 projected program costs as proposed by KCPL. Second, Staff’s proposed decoupling
15 mechanism also has a less complex true-up process than the Company’s proposed rider.
16 Third, Staff’s decoupling mechanism appear to eliminate the potential for the Company
17 to charge for lost revenues even if it is otherwise receiving its authorized level of
18 revenues. Fourth, Staff’s net shared benefit calculation provides ratepayers with a larger
19 share of net benefits than the EO proposed by KCPL. Fifth, Staff’s net shared benefit
20 calculation recognizes that the ATD is a net cost to ratepayers and takes those costs into
21 account when determining net ratepayer benefit. These factors are all improvements over
22 the cost recovery mechanism proposed by KCPL.

1 However, Staff’s proposed mechanism is still complex, consisting of four separate
2 components and four reconciliation factors. In addition, I do not believe that Staff’s
3 testimony provided an adequate explanation of exactly how its proposed DSIM Rider
4 would be calculated.

5
6 **Q. What aspects of the proposed DSIM Rider remain unclear?**

7 A. I believe that both the ATD and the EO require further explanation.

8
9 **Q. How does Staff propose to calculate the ATD?**

10 A. Staff is proposing a decoupling mechanism to neutralize the effect of reduced energy
11 usage cause by KCPL’s demand-side programs. According to Dr. Glass’s testimony “(i)f
12 the demand-side programs result in a reduction in energy use to the point that KCP&L is
13 not recovering its approved revenue requirement, then KCP&L will recover the
14 difference between its approved revenue requirement and its actual revenue collection if
15 the EM&V shows the lost revenue was due to demand-side programs.”⁷ Sheet 3 of the
16 DSIM Rider tariff attached to Mr. Grady’s testimony states that a “detailed methodology
17 for calculating the TD” can be found on page 5, but in fact no detailed methodology
18 appears to be included in the proposed tariff.

19
20 **Q. What additional information should Staff provide?**

21 A. Staff should explain how it proposes to measure the “actual revenue collection”
22 referenced in Dr. Glass’s testimony. For example, would total annual distribution
23 revenue simply be compared with the revenue authorized in the Company’s last base rate

⁷ Docket No. 16-KCPE-446-TAR, *Direct Testimony of Dr. Robert Glass*, at page 12.

1 case? Would such a comparison be done on a total company basis or on a per customer
2 basis? Would actual revenue be normalized for weather? Are there other adjustments
3 that would be made to the actual booked revenue? How would Staff determine that any
4 variance between actual and authorized revenue was “due to demand-side programs”?
5 Accordingly, while Staff’s testimony provides a broad framework for a throughput
6 disincentive, it does not provide the details that are required in order to adequately
7 evaluate Staff’s proposal.

8
9 **Q. Has the Commission previously offered an opinion on decoupling mechanisms?**

10 A. Yes. In its Order in Docket No. 08-GIMX-441-GIV (“441 Docket”), the Commission
11 offered several statements regarding decoupling mechanisms. It is my opinion that Staff’s
12 proposed decoupling mechanism is mostly in agreement with the Commission’s
13 statements on decoupling, with the exception of providing an annual cap. In the 441
14 Docket, the Commission determined that “(o)ne of the dangers of decoupling is that rates
15 for utility customers can be more volatile between rate cases since it is the utility that has
16 the “price guarantee” and not the customers. Annual caps are a remedy for this potential
17 problem. The Commission will require any decoupling proposal to include such a safety
18 mechanism.”⁸ Based upon the Commission’s order, I would recommend that any
19 decoupling or ATD mechanism considered by the Commission, include a rate cap to
20 protect ratepayers from large degrees of fluctuation between rate cases.

21
22
23

⁸ November 14, 2008, KCC Docket No. 08-GIMX-441-GIV, *Final Order*, at ¶65.

1 **Q. How does Staff propose to calculate its proposed Earnings Opportunity?**

2 A. As described by Dr. Glass on page 12, Staff is recommending a net shared benefits
3 approach for KCPL. Staff’s proposed EO would reflect 10% of the net benefits created
4 by the demand-side programs. Net benefits would be the difference between total
5 benefits and total costs, including any costs associated with the ATD. Dr. Glass goes on
6 to state that total benefits “would be calculated using avoided energy multiplied by a
7 particular customer’s rate and capacity costs (in kilowatts saved) multiplied by” a fixed
8 capacity cost.

9
10 **Q. Do you have additional questions regarding the calculation of the EO?**

11 A. Yes, I do. While the calculation of “total costs” is relatively straightforward, I believe
12 that Staff needs to provide additional details regarding how “total benefits” would be
13 calculated. For example, it is unclear when “avoided energy” would be measured relative
14 to when the EO would be passed through to ratepayers. According to page 2 of the
15 proposed tariff, EM&V ex post gross adjustments would not be known until 24 months
16 after each Program Plan year. However, it appears from Staff’s proposed tariff that
17 collection of the EO would be included in the DSIM Rider in year 1. Staff should also
18 provide further clarification on whether avoided energy will be measured on a customer
19 specific basis (as suggested by the use of a “particular customer’s rate”) and if so, how
20 the specific energy and capacity savings will be measured. Thus, I believe that further
21 explanation is also required regarding Staff’s proposed calculation and recovery of the
22 EO.

23

1 **Q. Please summarize your discussion of Staff's cost recovery mechanism?**

2 A. While Staff's proposed mechanism is a vast improvement over the mechanism proposed
3 by KCP&L, Staff's testimony does not fully explain all aspects of how the proposed
4 DSIM would be calculated or implemented. Therefore, Staff should provide additional
5 details regarding its proposal so that its DSIM Rider can be properly evaluated by the
6 parties.

7
8 **Q. Do you have a response to the direct testimony filed by Dorothy Barnett on behalf of**
9 **the Climate and Energy Project?**

10 A. Yes. In summary, Ms. Barnett's testimony filed on behalf of the Climate and Energy
11 Project recommends that the Commission approve KCPL's proposed KEEIA programs
12 and KCPL's DSIM recovery mechanism. Ms. Barnett additionally recommends the
13 Commission make the Societal Cost Test ("SCT") the threshold for approval of energy-
14 efficiency programs, and that the Commission follow the majority of the best practice
15 recommendations from the Regulatory Assistance Project ("RAP") to determine the
16 effectiveness of KCPL's KEEIA application.

17 The SCT test, as advocated by Ms. Barnett, is a variation of the TRC test which
18 includes estimates for the value of externalities. In the 442 Docket, the Commission
19 recognized that while externalities "will add value in some degree to energy efficiency
20 programs, attempting to quantify such indirect societal environmental and health benefits
21 is difficult and the analysis may also be viewed as less closely related to the
22 Commission's policy objectives arising from its statutory duty and role as a regulatory of

1 utility rates.”⁹ In the same order, the Commission ordered that utilities may only be
2 required to provide the SCT when the Commission deems it appropriate.¹⁰

3 Ms. Barnett’s testimony does not include any analysis of KCPL’s application
4 using TRC or RIM. Likewise, her testimony does not include an analysis of whether
5 using the SCT will result in cost-effective energy-efficiency offering in Kansas. Based
6 upon the Commission’s statements regarding the SCT test, and externalities stemming
7 from societal environmental and health benefits, I recommend the Commission give Ms.
8 Barnett’s testimony the appropriate weight in this proceeding.

9
10 **Q. Do you have any comments to the direct testimony filed by Annika Brink on behalf**
11 **of the National Housing Trust?**

12 **A.** Yes. In summary, Ms. Brink testifies that she supports KCPL’s proposed suite of energy
13 efficiency programs. Ms. Brink provides testimony specifically relating to KCPL’s
14 proposed low-income programs, and how these programs should be structured to help
15 solve some challenges for low-income housing in KCPL’s Kansas territory.

16 Ms. Brink supports her conclusions with data from the U.S. Census Bureau, the
17 U.S. Housing and Urban Development, and the American Council for an Energy-
18 Efficiency Economy (“ACEEE”). Some references in Ms. Brink’s testimony cite to
19 economic, income, and energy data for the Kansas City metropolitan area. While KCPL
20 provides utility service to the Kansas City metropolitan area, this area is split between
21 Kansas and Missouri. In order to give Ms. Brink’s statistics the necessary weight, it is my

⁹ June 2, 2008, KCC Docket No. 08-GIMX-442-GIV, *Order Setting Energy Efficiency Policy Goals*, at ¶36.

¹⁰ *Id.*

1 opinion that only statistics and data that provide the Commission with relevant Kansas-
2 specific information, should be used in the determination of KCPL's KEEIA application.

3
4 **Q. Has Ms. Brink reviewed KCPL's previous Commission-approved low-income**
5 **weatherization program?**

6 A. Ms. Brink does not indicate in her testimony whether she has reviewed KCPL's previous
7 Commission-approved low-income weatherization program. Similarly, Ms. Brink
8 provides no testimony relating to KEEIA or the Commission's previously-approved
9 energy-efficiency programs.

10
11 **Q. Do you have a response to the direct testimony filed by Jessica Oakley on behalf of**
12 **Brightergy?**

13 A. Yes. To summarize Ms. Oakley's testimony, she testifies that KCPL's proposal should be
14 roughly tripled in order to achieve maximum market transformation. As part of her
15 recommendation, Ms. Oakley testifies that the rebate in KCPL's proposed LED lighting
16 program be increased from ten cents to twenty-five cents per kWh. Additionally, Ms.
17 Oakley testifies that due to changes made in KCPL's MEEIA Cycle II filing, Brightergy
18 has seen a 75% drop in the number of new efficiency applications.

19 Additionally, Ms. Oakley encourages KCPL to consider adding an energy
20 management system ("EMS") pilot program, similar to a program recently proposed by
21 Ameren Missouri. Ms. Oakley provides a brief summary of the EMS program as outlined
22 by Ameren Missouri. However, this brief synopsis does not contain the required amount

1 of detail for the Commission to determine the cost-effectiveness of the program, the
2 mechanics of the program, or if the program would be beneficial in Kansas.

3 Ms. Oakley is providing testimony on behalf of Brightergy, which is a company
4 that offers energy-efficiency services. In her testimony, Ms. Oakley states that Brightergy
5 should be made a part of KCPL's Advisory Group. While not explicitly stated in her
6 testimony, it stands to reason that tripling the investment made by KCPL's Kansas
7 customers in KEEIA programs would increase the number of Brightergy's clients and
8 profits.

9 Ms. Oakley's testimony does not address KEEIA or the Commission's
10 previously-approved energy-efficiency programs. Ms. Oakley's testimony does not
11 provide any benefit-cost analysis that would support tripling a \$29.6 million three-year
12 program portfolio. While Ms. Oakley's testimony may provide testimony that supports
13 Brightergy's interests, her testimony does nothing to support KEEIA's stated goal of
14 implementing cost-effective energy-efficiency in Kansas. I recommend the Commission
15 give Ms. Oakley's testimony the appropriate weight in this proceeding.

16
17 **Q: Would you please summarize your cross-answering testimony?**

18 **A:** Yes. First, I testified that it is inappropriate to include transmission and distribution
19 capacity as avoided costs in determining whether or not the KCPL energy efficiency
20 programs are cost-effective. I noted that KCPL has not included those costs in its
21 analysis of its KEEIA portfolio. Moreover, I noted that, as testified by Staff Witness
22 Michael Deupree in the 795 Docket, the benefits associated with the postponement of
23 transmission capacity investments are negligible and difficult to measure.

1 Second, I testified that if transmission capacity is not included as avoided costs,
2 then the KCP&L energy efficiency programs are not cost-effective. The entire KCPL
3 KEEIA portfolio of programs fails to pass TRC and RIM tests. Therefore, I recommend
4 that the Commission deny the KCP&L application.

5 Third, I testified that, if the Commission was to approve one or more of the
6 KEEIA programs offered by KCPL, Staff's proposed cost recovery mechanism is
7 superior to the KCP&L's proposed cost recovery mechanism. However, I testified that
8 there were still a number of concerns that I had with Staff's proposed recovery
9 mechanism. I testified that Staff should explain how it proposes to measure the "actual
10 revenue collection" referenced in Dr. Glass's testimony and provide further clarification
11 on whether avoided energy will be measured on a customer specific basis (and if so, how
12 the specific energy and capacity savings will be measured). I continue to recommend
13 CURB's proposed cost recovery mechanism over Staff's proposed cost recovery
14 mechanism, if the Commission were to approve any of KCPL's energy efficiency
15 programs. However, if the Commission chooses to adopt Staff's cost recovery
16 mechanism, then, in addition to the concerns which I discussed above, I recommend that
17 an annual cap be included to protect ratepayers from large degrees of fluctuations
18 between rate cases.

19 Lastly, I identified potential concerns and recommend the Commission give the
20 appropriate weight to the testimonies filed on behalf of Brightergy, Climate and Energy
21 Project, and the National Housing Trust.

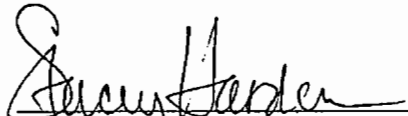
1 Q. Does this conclude your testimony?

2 A. Yes.

VERIFICATION

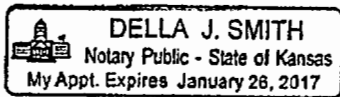
STATE OF KANSAS)
COUNTY OF SHAWNEE) ss:

I, Stacey Harden, of lawful age and being first duly sworn upon my oath, state that I am a consultant 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 15th day of August, 2016.





Notary Public

My Commission expires: 01-26-2017.

APPENDIX A

Referenced Data Requests

**CURB-15
CURB-60***

***Confidential Data Not Included**

KCPL KS
Case Name: 2016 KEEIA
Case Number: 16-KCPE-446-TAR

Response to Nickel David Interrogatories - CURB_20160628
Date of Response: 7/13/2016

Question:CURB-15

Please explain the fluctuation in KCPL's use of avoided kW costs since 2010.

Response:

The primary reason for the change in KCP&L's avoided cost since 2010 is the inclusion of a firm gas cost component, which is reflected in the fixed operation and maintenance (O&M) (\$/kW-year) component. Because natural gas usage is increasing in the electric power sector and because the cost of firm natural gas covers the infrastructure required to deliver natural gas to the generators, it is prudent to include the natural gas cost in the avoided cost calculation.

Also, along with the inclusion of a firm gas component in the avoided cost calculation, KCP&L has changed combustion turbine technologies from the General Electric (GE) 7EA model to the GE 7FA model. The newer 7FA model is more efficient and more compatible for use in a combined cycle configuration, while the impact on the technology cost (\$/kW) is minimal.

As discussed in the Company's 2015 Integrated Resource Plan (IRP) filed in Missouri, there were no transmission and distribution avoided costs included in the avoided cost calculation for the reasons discussed below:

Transmission Avoided Cost

The KCP&L transmission projects included in the Southwest Power Pool (SPP) regional planning processes for reliability improvement or economic benefits would not be impacted by the implementation of DSM programs. Therefore, the only avoided cost for transmission facilities are the transmission equipment additions associated with distribution facility expansions for new customer growth.

Distribution Avoided Cost

As provided for in the Company's 2012 IRP submittal in Missouri, KCP&L made assumptions regarding planned system expansion projects in areas that are designated as "growth areas" versus areas designated as "established areas". Again, targeting was focused on capital projects associated within established areas since targeted DSM programs were unlikely to be able to delay the need to expand substations on the fringe of metro-area growth due to the fact that these areas contained significant "green space" with large areas that remain undeveloped.

The Company's distribution planning's annual review of 20-year load projections concluded that loads for these "established areas" continue to flatten and more commonly, decline, which has eliminated the need for expansion projects in these areas.

Based on this discussion, the Company did not include avoided transmission or distribution costs within its KEEIA filing.

Attachment: QCURB-15_Verification.pdf

Verification of Response

Kansas City Power & Light Company

Docket No. 16-KCPE-446-TAR

The response to CURB Data Request# QCURB-15, 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: Kim Andersen

Title: Director, Energy Solutions

Date: 7/9/2016

Data Requests to KCC Staff Dr. Robert Glass
From the Citizens' Utility Ratepayer Board
KCC Docket No. 16-KCPE-446-TAR

CURB-60. Please provide in electronic format, Figure 1 (page 18) and Figure 2 (page 25) which are illustrated in Staff witness Dr. Robert Glass's direct testimony. Additionally, please provide the Excel worksheet that contains the data used to create these two figures.

Submitted By: David W. Nickel
Submitted To: Michael Duenes

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the 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 Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: Robert H. Glass
Name: Bob Glass
Position: Chief of Economics + Rates
Dated: Aug. 11, 2016

CERTIFICATE OF SERVICE

16-KCPE-446-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Cross-Answering Testimony of Stacey Harden (Public Version) was served by electronic service on this 15th day of August, 2016, to the following parties:

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067
jflaherty@andersonbyrd.com

ANDREW J. ZELLERS, GEN COUNSEL/VP
REGULATORY AFFAIRS
BRIGHTERGY, LLC
1712 MAIN ST 6TH FLR
KANSAS CITY, MO 64108
andy.zellers@brightergy.com

GLENDA CAFER, ATTORNEY
CAFER PEMBERTON LLC
3321 SW 6TH ST
TOPEKA, KS 66606
glenda@caferlaw.com

TERRI PEMBERTON, ATTORNEY
CAFER PEMBERTON LLC
3321 SW 6TH ST
TOPEKA, KS 66606
terri@caferlaw.com

DOROTHY BARNETT
CLIMATE & ENERGY PROJECT
PO BOX 1858
HUTCHINSON, KS 67504-1858
barnett@climateandenergy.org

ERIN BESSON
ERIN BESSON ATTORNEY AT LAW
1535 NEW HAMPSHIRE
LAWRENCE, KS 66044
besson.law@email.com

ROBERT J. HACK, LEAD REGULATORY
COUNSEL
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST 19th
FLOOR (64105)
PO BOX 418679
KANSAS CITY, MO 64141-9679
ROB.HACK@KCPL.COM

DARRIN R. IVES, VICE PRESIDENT,
REGULATORY AFFAIRS
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST 19th
FLOOR (64105)
PO BOX 418679
KANSAS CITY, MO 64141-9679
darrin.ives@kcpl.com

ROGER W. STEINER, CORPORATE COUNSEL
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST 19th
FLOOR (64105)
PO BOX 418679
KANSAS CITY, MO 64141-9679
roger.steiner@kcpl.com

MARY TURNER, DIRECTOR, REGULATORY
AFFAIR
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST 19th
FLOOR (64105)
PO BOX 418679
KANSAS CITY, MO 64141-9679
MARY.TURNER@KCPL.COM

ANTHONY WESTENKIRCHNER, SENIOR
PARALEGAL
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST 19th
FLOOR (64105)
PO BOX 418679
KANSAS CITY, MO 64141-9679
anthony.westenkirchner@kcpl.com

MICHAEL DUENES, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
m.duenes@kcc.ks.gov

SAMUEL FEATHER, OFFICE OF GENERAL
COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027.
s.feather@kcc.ks.gov

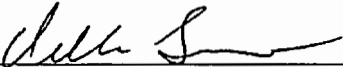
ROBERT VINCENT, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
r.vincent@kcc.ks.gov

CATHRYN J. DINGES, CORPORATE COUNSEL
KANSAS GAS & ELECTRIC CO. D/B/A WESTAR
ENERGY
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
cathv.dinges@westarenergy.com

DAVID N. DITTEMORE, MANAGER OF RATES &
ANALYSIS
KANSAS GAS SERVICE, A DIVISION OF ONE
GAS, INC.
7421 W 129TH ST
OVERLAND PARK, KS 66213-2634
david.dittmore@onegas.com

ROBERT V. EYE, ATTORNEY AT LAW
KAUFFMAN & EYE
4840 Bob Billings Pkwy, Ste. 1000
Lawrence, KS 66049-3862
BOB@KAUFFMANEYE.COM

JUDY JENKINS
KANSAS GAS SERVICE, A DIVISION OF ONE
GAS, INC.
7421 W 129TH ST
OVERLAND PARK, KS 66213-2634
judy.jenkins@onegas.com



Della Smith
Administrative Specialist