

WHEREFORE Staff submits its Report and Recommendation for Commission review and consideration and for such other relief as the Commission deems just and proper.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'AF', is positioned above a horizontal line.

Andrew French, #24680  
Litigation Counsel  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, KS 66604  
Phone: (785)-271-3361  
Fax: (785)-271-3167  
Email: [a.french@kcc.ks.gov](mailto:a.french@kcc.ks.gov)  
Attorney for Commission Staff

**REPORT AND RECOMMENDATION  
UTILITIES DIVISION**

PUBLIC VERSION

**TO:** Chair Shari Feist Albrecht  
Commissioner Jay Scott Emler  
Commissioner Pat Apple

**FROM:** Katie Figgs, Auditor  
Andria Finger, Auditor  
Justin Grady, Chief of Accounting and Financial Analysis  
Jeff McClanahan, Director of Utilities

**DATE:** April 29, 2014

**SUBJECT:** 15-KCPE-448-TAR—*In the Matter of the Application of Kansas City Power & Light Company for Approval of Its 2015 Energy Efficiency Rider for Program Costs Incurred January 1 Through December 31, 2014.*

**EXECUTIVE SUMMARY:**

Kansas City Power & Light (KCPL) seeks to defer the recovery of costs through its Energy Efficiency Rider (EER), beginning July 1, 2015. This consists of \$304,972 of costs incurred during the calendar year 2014 for Commission-approved energy efficiency programs and \$253,144 to true-up over collected EER revenues from the time period July 1, 2013, through June 30, 2014. Rather than implementing an EE Rider for the resulting difference of \$51,828, KCPL is recommending that the resulting difference be deferred for recovery until next year's EER filing.

**BACKGROUND:**

On March 31, 2015, KCPL filed an Application for approval of its 2015 EER. KCPL requests a Commission Order by June 24, 2015, in order to facilitate a July 1, 2015, effective date for the EER.

KCPL's Application seeks recovery of incurred costs related to energy efficiency costs from the period January 1, 2014, through December 31, 2014. This filing was anticipated by the Stipulation and Agreement filed in Docket No. 07-KCPE-905-RTS and is consistent with the Commission's policy directives on cost recovery established in the Order on Docket No. 08-GIMX-441-GIV. The current filing is KCPL's eighth Application for an EER. All previous filings were approved by the Commission either in whole or in part after identification and correction of minor errors as recommended by Staff.<sup>1</sup>

KCPL's current Application includes unrecovered expenses for calendar year 2014 of \$304,972 and over-recovered expenses of \$253,144 for the period of July 1, 2013, through June 30, 2014. Due to the immateriality of the amount, rather than implementing an EER for the resulting difference of \$51,827, KCPL is recommending that the resulting difference be deferred for recovery until next year's EER filing. The new EER rates to each class, which have been changed to \$0.00000/kWh for each rate class, are stated in the revised tariff sheet entitled "Schedule EE".

### **ANALYSIS:**

Staff performed an audit of KCPL's EER Application, as discussed in the two sections below. Staff finds that the Commission should approve the deferral of recovery until KCPL's 2016 EER filing.

### **ACCOUNTING**

Staff requested and received work papers in support of KCPL's Application. Attached as Confidential Staff Exhibit KLF-1, is a breakdown of the costs incurred by KCPL for each Commission-approved program during calendar year 2014. Concurring with KCPL's request, Staff recommends the Commission allow KCPL to defer recovery of the charges until its 2016 EER filing.

---

<sup>1</sup> Docket Nos. 08-KCPE-802-TAR, 09-KCPE-770-TAR, 11-KCPE-665-TAR, 12-KCPL-729-TAR, and 14-KCPE-442-TAR were approved in full by the Commission after Staff review. Docket No. 10-KCPE-636-TAR was approved by the Commission after modification by Staff to remove internal labor expenses included in the surcharge calculation by KCPL. Docket No. 13-KCPE-584-TAR was approved by the Commission after modification by Staff to correct an error in the calculation of total 2012 costs related to energy efficiency programs.

Exhibit KLF-2 presents KCPL's calculation of a true-up applicable to surcharge amounts collected pursuant to KCPL's 2013 EER during the period of July 1, 2013, through June 30, 2014. This calculation results in an over-recovery of \$253,144.

Staff Exhibit KLF-3 presents the total EER amount of \$51,827, which Staff recommends be deferred for recovery until KCPL's 2016 EER filing. This amount does not include any KCPL internal labor cost in accordance with Staff's recommendations in Docket No. 10-KCPE-636-TAR.

### **RATE DESIGN**

Historically, KCPL has calculated the EER rates presented on the tariff sheet "Schedule EE" by utilizing the demand allocator and kWh consumption data from the Class Cost of Service Study from the most recent rate case. In the present Docket, since the EER amount will be deferred until KCPL's 2016 EER filing, Staff recommends accepting KCPL's proposal to set the EE factor to \$0.00000/kWh for each customer class. As with all previous EER dockets, an EER rate was developed for each customer class with the exception of the off-peak and other lighting classes.

### **RECOMMENDATION:**

Staff recommends the Commission approve KCPL's recommendation to defer the recovery of this year's EER amount until the 2016 EER filing with the following conditions:

1. KCPL shall file its next EER on or before March 31, 2016, to include costs incurred for Commission-approved programs from January 1, 2015, through December 31, 2015. In this filing, KCPL shall include a true-up calculation to true-up amounts collected from July 1, 2014, to June 30, 2015, versus the amounts intended to be collected for that time period.

Docket No. 15-KCPE-448-TAR  
Staff's Confidential Exhibit KLF-1

**\*\*Exhibit KLF-1 Redacted – Filed as Confidential\*\***

[illegible]

[illegible]

## **CERTIFICATE OF SERVICE**

15-KCPE-448-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing docket was served via electronic service this 30th day of April, 2015, to the following:

NIKI CHRISTOPHER, ATTORNEY  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
Fax: 785-271-3116  
n.christopher@curb.kansas.gov

DELLA SMITH  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
Fax: 785-271-3116  
d.smith@curb.kansas.gov

SHONDA SMITH  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
Fax: 785-271-3116  
sd.smith@curb.kansas.gov

DAVID SPRINGE, CONSUMER COUNSEL  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
Fax: 785-271-3116  
d.springe@curb.kansas.gov

ROBERT J. HACK, LEAD REGULATORY COUNSEL  
KANSAS CITY POWER & LIGHT COMPANY  
ONE KANSAS CITY PL, 1200 MAIN ST (64105)  
PO BOX 418679  
KANSAS CITY, MO 64141-9679  
Fax: 816-556-2787  
rob.hack@kcpl.com

ROGER W. STEINER, CORPORATE COUNSEL  
KANSAS CITY POWER & LIGHT COMPANY  
ONE KANSAS CITY PL, 1200 MAIN ST (64105)  
PO BOX 418679  
KANSAS CITY, MO 64141-9679  
Fax: 816-556-2787  
roger.steiner@kcpl.com

MARY TURNER, DIRECTOR, REGULATORY AFFAIR  
KANSAS CITY POWER & LIGHT COMPANY  
ONE KANSAS CITY PL, 1200 MAIN ST (64105)  
PO BOX 418679  
KANSAS CITY, MO 64141-9679  
Fax: 816-556-2110  
mary.turner@kcpl.com

ANDREW FRENCH, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604-4027  
Fax: 785-271-3314  
a.french@kcc.ks.gov

/s/ Vicki Jacobsen

---

Vicki Jacobsen