

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

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Pat Apple

In the Matter of Westar Energy, Inc. and)
Kansas Gas and Electric Company Seeking) Docket No. 15-WSEE-021-TAR
Commission Approval for Tariff Revisions to)
the Energy Efficiency Rider.)

ORDER ON OPERATING BUDGETS AND EM&V STUDIES

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the files and records, and being duly advised in the premises, the Commission makes the following findings:

1. On July 15, 2014, Westar Energy, Inc., and Kansas Gas and Electric Company (Westar) filed proposed tariff revisions relating to its Energy Efficiency Rider (EER), seeking recovery of \$5,543,112 in costs associated its various energy-efficiency programs.

2. On September 18, 2014, Commission Staff (Staff) filed its Report and Recommendation (R&R), recommending approval of Westar's Application, conditioned upon Westar filing its next Energy Efficiency Rider by July 31, 2015.

3. On September 29, 2014, the Citizens' Utility Ratepayer Board¹ (CURB) filed its Reply to Staff's Report and Recommendation. In relevant part, CURB recommended: (1) ordering Westar to file a petition for new operating budgets for each of its energy efficiency programs, consistent with the guidelines established in Docket No. 08-GIMX-441-GIV; (2) ordering Westar to conduct complete evaluation, measurement and verifications (EM&V) for

¹ On July 31, 2014, CURB was granted intervention.

each of its energy efficiency programs,² available for review by Staff, CURB and the Commission no later than September 1, 2015; and (3) requiring an EM&V of Westar's SimpleSavings program as ordered in Docket No. 10-WSEE-775-TAR, to provide invaluable information on how Kansas can reduce base load energy consumption, reduce greenhouse gas emissions, and comply with the EPA's proposed Clean Air Act, section 111(d).³

4. On October 7, 2014, Westar filed its Response to CURB's Reply to Staff's Report and Recommendation, contending the issues of necessity of Westar filing updated budgets for certain energy efficiency programs with the Commission, for a final evaluation of the SimpleSavings program, or for an additional EM&V of Westar's energy efficiency programs are beyond the scope of this docket.⁴

5. On October 9, 2014, Staff filed its Reply to CURB's Reply and Westar's Response, generally agreeing with Westar's position on the scope of the docket as the docket is essentially an audit proceeding to ensure program expenditures are within the scope of the approved programs and are appropriate for recovery.⁵ At the same time, Staff concedes that CURB raises legitimate concerns and therefore recommends the Commission develop processes to address the issues raised by CURB in a timely fashion.⁶ Specifically, Staff recommends the opening of a generic docket to investigate the effects of Westar's expired energy efficiency program budgets and whether Westar should be required to seek approval of new budgets.⁷ Staff

² The cost of the EM&V should not exceed 5% of the program's Commission-approved budget.

³ CURB's Reply, pp. 1-2.

⁴ Westar Energy, Inc. and Kansas Gas and Electric Company's Response to CURB's Reply to Staff's Report and Recommendation, Oct. 7, 2014, ¶ 4.

⁵ Commission Staff's Reply to CURB's Reply and Westar's Response, Oct. 9, 2014, ¶ 16.

⁶ *Id.*, ¶ 17.

⁷ *Id.*, ¶ 18.

makes no recommendation on the sufficiency of Westar's EM&V activities or whether Westar is obligated to conduct additional EM&V of its energy efficiency programs.⁸

6. On October 17, 2014, CURB filed its Response, clarifying its position -- that the current status of Westar's programs, as well as the status of Westar's EM&V studies, need to be addressed as part of a prudence review.⁹

7. On October 28, 2014, the Commission issued an Order Approving Energy Efficiency Rider: (1) approving Westar's request for \$5,515,148 in costs, and (2) reserving judgment on the need for Westar to file updated budgets for certain energy efficiency programs, the need for a final evaluation of the SimpleSavings program, or the need for additional EM&V of Westar's energy efficiency programs. The Commission pledged to determine the appropriate scope of this docket by March 12, 2015.

8. The Commission finds Westar shall submit operating budgets for each of its ongoing energy efficiency programs by March 16, 2015.

9. The Commission finds Westar shall conduct EM&V studies of its SimpleSavings, Watt Saver Air Conditioning Cycling, and Energy Efficiency Demand Response Rider programs. Westar may contract with a third party to perform the EM&V studies, but the third party must be approved by the Commission prior to conducting the EM&V studies. Westar shall identify any proposed third-party contractors in a filing with the Commission by March 16, 2015.

⁸ *Id.*, ¶ 19.

⁹ CURB's Response to Westar Energy, Inc. and Kansas Gas and Electric Company's Response to CURB's Reply to Staff's Report and Recommendation and the Commission Staff's Reply to CURB's Reply and Westar's Response (CURB's Response), Oct. 17, 2014, ¶ 6.

THEREFORE, THE COMMISSION ORDERS:

A. Westar shall submit new operating budgets for each of its energy-efficiency programs, in accordance with the guidelines established in Docket 08-GIMX-441-GIV, by March 16, 2015. For programs offered during an evaluation process, Westar shall petition for approval of interim program budgets during the pendency of the evaluation.

B. Westar shall conduct EM&V studies, as defined by Docket 08-GIMX-442-GIV, of each of its energy efficiency programs: SimpleSavings, Watt Saver Air Conditioning Cycling, and Energy Efficiency Demand Response Rider. The cost of the EM&V shall not exceed 5% of the program's Commission-approved budget. The EM&V shall be available for review by the Commission, Staff, and CURB by September 1, 2015.

C. Westar may contract with a third party to perform the EM&V studies, but before doing so, shall receive preapproval of the third party from the Commission.

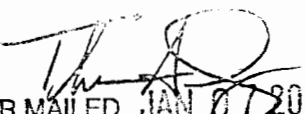
D. Parties have 15 days, from the date of service of this Order, plus three days if served by mail, to petition for reconsideration.¹⁰

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.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: JAN 06 2015


ORDER MAILED JAN 07 2015

Thomas A. Day
Acting Executive Director

BGF/mf

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

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
NIKI CHRISTOPHER, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 ***Hand Delivered***		
DAVID SPRINGE, CONSUMER COUNSEL CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 ***Hand Delivered***		
BRIAN G. FEDOTIN, ASSISTANT GENERAL COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 ***Hand Delivered***		
ANDREW FRENCH, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 ***Hand Delivered***		
JEFFREY L. MARTIN, VICE PRESIDENT, REGULATORY AFFAIRS KANSAS GAS & ELECTRIC CO. D/B/A WESTAR ENERGY 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889		
CATHRYN J. DINGES, CORPORATE COUNSEL WESTAR ENERGY, INC. 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889		
CINDY S. WILSON, DIRECTOR, RETAIL RATES WESTAR ENERGY, INC. 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889		

ORDER MAILED JAN 07 2015

The Docket Room hereby certified that on this _____ day of _____, 20____, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.