

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

STATE CORPORATION COMMISSION

OCT 15 2010



In the Matter of the Application of )  
Westar Energy, Inc. and Kansas Gas )  
and Electric Company for an Order )  
Authorizing them to participate in )  
Efficiency Kansas, Approve the )  
SimpleSavings Program Rider, and )  
related cost recovery. )

Docket No. 10-WSEE-775-TAR

**CROSS ANSWERING TESTIMONY**

**OF**

**STACEY HARDEN**

**ON BEHALF OF**

**THE CITIZENS' UTILITY RATEPAYER BOARD**

**October 15, 2010**

1 **Q. Please state your name and business address.**

2 A. My name is Stacey Harden and my business address is 1500 SW Arrowhead  
3 Road, Topeka, KS 66604-4027.

4  
5 **Q. Did you previously file testimony in this proceeding?**

6 A. Yes. On October 1, 2010, I filed Direct Testimony on behalf of the Citizens'  
7 Utility Ratepayer Board.

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 testimony  
11 submitted by Mr. Michael Deupree of KCC Staff.

12  
13 **Q. What are Mr. Deupree's recommendations to the Commission?**

14 A. Mr. Deupree recommends that the Commission approve Westar's application with  
15 the conditions that Westar be required to (1) provide updated support for the  
16 proposed administrative fee during its annual Energy Efficiency Cost Recovery  
17 Rider ("EER") filing, and (2) establish an appropriate administrative charge for  
18 program applicants who use the program as a pathway for obtaining an energy  
19 audit, but do not take out a SimpleSavings loan. Mr. Deupree also recommends  
20 that the Commission approve Westar's proposed shared savings mechanism.

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1 **I. Benefit-Cost Tests**

2 **Q. Why does Mr. Deupree recommend the Commission approve Westar’s**  
3 **SimpleSavings programs?**

4 A. Mr. Deupree performed a benefit-cost analysis on Westar’s SimpleSavings  
5 program utilizing the benefit-cost framework outlined by the Commission in its  
6 June 2, 2008, *Order Setting Energy Efficiency Policy Goals* in Docket No. 08-  
7 GIMX-442-GIV (“442 Docket”). Based on his analysis, Mr. Deupree determined  
8 that the SimpleSavings program is cost-effective and therefore should be  
9 approved.

10  
11 **Q. Do you have concerns about Mr. Deupree’s benefit-cost analysis?**

12 A. Yes, I have two. First, Mr. Deupree provides two benefit-cost analyses: one based  
13 solely on the SimpleSavings program and another that includes a Commercial &  
14 Industrial lighting program with the SimpleSavings program. The Commercial &  
15 Industrial lighting program is one of three contingency plans that have been  
16 prepared by the State Energy Office in the event that the Efficiency Kansas loan  
17 program does not expend its allotted federal funds before the April 2012 deadline.  
18 It is inappropriate for the Commission to consider the benefits of the Commercial  
19 & Industrial Lighting program when it is unclear whether or not the program will  
20 ever be implemented. Further, I do not believe it is appropriate for Staff to base  
21 its approval of Westar’s application, even in part, on the benefit-cost analysis of a  
22 program for which may never be implemented.

23           Second, Mr. Deupree’s benefit-cost analysis shows that the SimpleSavings  
24 program has a Ratepayer Impact Method (“RIM”) score of only 0.34 – the RIM

1 score is designed to measure the cost-effectiveness of a program from the  
2 perspective of utility customers who do not participate in the program.

3  
4 **Q. Under what circumstances should the Commission approve a program with a  
5 RIM score of less than 1.0?**

6 A. Based upon the Commission's guidelines in the 442 Docket, I would expect the  
7 Commission to consider approval of a program that has a slight RIM failure but  
8 can achieve a high Total Resource Cost ("TRC") score. The RIM test is an  
9 indicator of how much rates will increase as a result of the program. CURB  
10 assumes the Commission would seek to minimize any rate increase attributable to  
11 these programs. A slight RIM failure with a significant TRC means rates may go  
12 up slightly, but there is a large overall benefit to the system. However, a poor  
13 RIM score coupled with a low TRC means rates will increase significantly with  
14 very little overall benefit to the system.

15  
16 **Q. Does Westar's SimpleSavings program achieve a significant TRC score?**

17 A. No. According to the benefit-cost analysis performed by Mr. Deupree, Westar's  
18 SimpleSavings program has a TRC score of 1.36.<sup>1</sup> I do not consider a TRC score  
19 of 1.36 significant enough to offset the extremely low RIM score of 0.34  
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<sup>1</sup> Docket No. 10-WSEE-775-TAR, Direct Testimony of Michael Deupree at page 10.

1 **Q. Should the Commission be concerned with the results of Mr. Deupree's**  
2 **benefit-cost analysis?**

3 A. Yes. Westar's SimpleSavings program has a RIM score of 0.34, meaning rates for  
4 all Westar customers will increase – including rates for customers who do not  
5 participate in the program. This additional rate increase is of special concern,  
6 because there will be many Westar customers who will not be allowed to  
7 participate in the SimpleSavings program, not because they choose not to  
8 participate, but because they will not be able to meet the State Energy Office's  
9 eligibility guidelines. The Commission should carefully review the benefit-cost  
10 analysis performed by Staff and determine whether it is appropriate to require  
11 customers who are barred from participation in the SimpleSavings program to pay  
12 the cost for customers that do meet the eligibility requirements.

13  
14 **Q. Do you have additional concerns regarding Mr. Deupree's benefit-cost**  
15 **analyses?**

16 A. Yes. According to Mr. Deupree's benefit-cost analysis, Westar's SimpleSavings  
17 program has a Program Administrator Cost Test ("PAC") score of 0.67. The PAC  
18 test indicates how the energy efficiency program compares with supply-side  
19 investments. That is, if the result of the Program Administrator Cost Test is less  
20 than one, utility bills will increase because the program's costs are greater than the  
21 benefits produced for the utility. In its report in the 442 Docket, Staff suggested  
22 that "it would be unlikely for a utility to propose a program that did not have a  
23 Program Administrator Cost Test value of one or more. The rational utility would

1 weed out those programs in its resource planning process.”<sup>2</sup> So the question has  
2 to be asked – why is Westar requesting approval for a program that has a failing  
3 RIM score and a failing PAC score, and will cause rates to increase without a  
4 positive benefit to the company?  
5

6 **Q. Do you agree with Mr. Deupree’s recommendation that Westar charge a**  
7 **\$125 fee to customers that apply for the SimpleSavings program but then do**  
8 **not take out a SimpleSavings loan?**

9 A. Yes I do. In fact, I made the same recommendation in my direct testimony.  
10

11 **Q. Do you agree with Mr. Deupree’s recommendation that the Commission**  
12 **approve the SimpleSavings program, with modifications?**

13 A. Yes, although I am confused by Mr. Deupree’s recommendation that the  
14 Commission require Westar to present additional data supporting the \$240  
15 administrative charge review during its annual EER filing. Mr. Deupree is  
16 concerned that, as modifications are made to the Efficiency Kansas program,  
17 Westar’s per-participant costs could change. To ensure that the \$240  
18 administrative fee remains accurate through time, Mr. Deupree made the  
19 following recommendation:  
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21  
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<sup>2</sup> KCC Docket No. 08-GIMX-442-GIV, *Notice of Filing of Staff’s Report to Commission*, December 31, 2008, at page 2.

1 “Staff recommends that the Company be required to revisit the amount of  
2 the administrative fee charged every year in a filing that coincides with the  
3 filing of the Company’s annual Energy Efficiency Cost Recovery Rider.  
4 This filing should at a minimum include updated time and cost, studies,  
5 labor costs, participant levels, and any changes in the assumptions used to  
6 calculate the charge from previous years. This process will allow Staff and  
7 other interested parties, on a regular recurring basis, the ability to review  
8 the proposed administrative charge for reasonableness.”<sup>3</sup>  
9

10 Mr. Deupree is recommending Staff be allowed to utilize the company’s annual  
11 EER filing to reassess the Company’s Commission approved and tariffed  
12 administrative fees to make a determination as to whether these fees are still  
13 accurate and appropriate.

14 Mr. Deupree apparently supports allowing Staff to reassess the  
15 appropriateness of tariffed charges for energy-efficiency programs during an EER  
16 audit. This recommendation is in direct conflict with Staff’s position in Westar’s  
17 most recent EER filing. In 11-WSEE-032-TAR (“032 Docket”), CURB requested  
18 that Staff further review the appropriateness of the charges associated with two of  
19 Westar’s energy-efficiency programs. Rather than supporting CURB’s request,  
20 Staff took the position that “it is improper for Staff to reassess, and potentially  
21 relitigate, energy efficiency programs as prudent undertakings.”<sup>4</sup> CURB’s request  
22 that Staff review the prudence of specific energy-efficiency program expenses is  
23 described as “unprecedented.”<sup>5</sup> Yet, Mr. Deupree is recommending the same type  
24 of review that CURB requested and Staff rejected in Westar’s 032 Docket. It is  
25 not clear why Staff has suddenly reversed its position on this issue, although I  
26 agree that an annual prudence review of all program costs recovered through the

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<sup>3</sup> Docket No. 10-WSEE-775-TAR, Direct Testimony of Michael Deupree, at pages 8-9.

<sup>4</sup> Docket No. 11-WSEE-032-TAR, *Staff’s Response to Comments of CURB*, September 22, 2010, at ¶14.

<sup>5</sup> Docket No. 11-WSEE-032-TAR, *Staff’s Response to Comments of CURB*, September 22, 2010, at ¶14.

1 EER is necessary.

2  
3 **Q. What was your original recommendation to the Commission regarding**  
4 **Westar's SimpleSavings program?**

5 A. I reluctantly recommended that the Commission approve Westar's SimpleSavings  
6 program. I gave a reluctant recommendation because Westar did not provide a  
7 five-year budget for the program, nor did it provide any evidence of the program's  
8 cost-effectiveness. However, I recognized that this is a new program that may  
9 simply need time to operate before we can obtain much-needed answers to  
10 questions about the costs and effectiveness of the program. I ultimately  
11 recommended that the Commission approve the program with the following  
12 conditions:

- 13 • Westar should be required to track all costs associated with the SimpleSavings  
14 program separately and individually from any other energy-efficiency  
15 programs;,
- 16 • Westar should increase the administrative fee for SimpleSavings program  
17 participants to \$250.00 and charge a one-time administrative fee of \$125.00 to  
18 customers who sign up for the SimpleSavings program, but do not complete  
19 the process and take out an Efficiency Kansas loan; and
- 20 • Westar's SimpleSavings program should be approved as a pilot program that  
21 will expire in April 2012.

1 **Q. Is it still your recommendation that the Commission approve Westar's**  
2 **SimpleSavings program?**

3 A. Yes, although I typically would not recommend the Commission approve an  
4 energy-efficiency program that has a high degree of RIM failure coupled with a  
5 marginal TRC score and a failing PAC score because the tests indicate that the  
6 costs of the program outweigh the benefits. However, I recognize that the  
7 Efficiency Kansas is a new program concept and it may simply need time to  
8 operate before we can truly gauge the cost-effectiveness of the program.

9           Additionally, I recommend the Commission closely examine the benefit-  
10 cost tests presented by Mr. Deupree, excluding the benefit-cost test that included  
11 the commercial and industrial lighting programs. It should not be utilized to judge  
12 the merits of Westar's application, because the commercial and industrial lighting  
13 programs have not yet been implemented by the SEO, and may not be.<sup>6</sup> The  
14 Commission should also carefully note the results of Mr. Deupree's RIM and  
15 PAC analyses of the SimpleSavings program. Before approving Westar's  
16 application, the Commission should be cognizant of the fact that approving this  
17 program – which does not provide a positive benefit for the utility – will raise  
18 rates for all Westar customers, many of whom will not be eligible to participate in  
19 the program. Since many of the households who will fail to meet the eligibility  
20 requirements will necessarily be either low-income or financially-troubled, the  
21 Commission must be prepared to make a decision that it is in the public interest to  
22 increase the electric bills of less financially-secure households in order to provide

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<sup>6</sup> KCC Staff Response to CURB Data Request No. 23.

1 more financially-secure households the benefits of participation in the  
2 SimpleSavings program.

3

4 **II. Lost Revenue Recovery Mechanism**

5 **Q. Do you agree with Mr. Deupree's recommendation that the Commission**  
6 **approve Westar's shared savings mechanism?**

7 A. No. I disagree with Mr. Deupree's recommendations for the following reasons:

- 8 • Westar's so-called "shared savings" mechanism is not a performance  
9 incentive mechanism at all – it is quite simply a lost revenue recovery  
10 mechanism.
- 11 • Mr. Deupree's recommendations do not meet the Commission's guidelines as  
12 stated in its final order in 08-GIMX-441-GIV ("441 Docket"), and
- 13 • Mr. Deupree's recommendations are in direct conflict with Staff's most recent  
14 position rejecting lost revenue recovery mechanisms.

15

16 **Q. Even though Mr. Deupree calls Westar's shared savings mechanism a**  
17 **performance incentive, does Mr. Deupree admit that it is simple a lost**  
18 **revenue recovery mechanism?**

19 A. Yes. Mr. Deupree admits that the company's shared savings mechanism is "more  
20 closely aligned with what is usually called a lost margin recovery mechanism ..."<sup>7</sup>  
21 But despite this admission, Mr. Deupree spends four pages of testimony  
22 discussing the mechanism as if it were a performance incentive mechanism.

23 However, Mr. Deupree ultimately recommends that the Commission approve a

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<sup>7</sup> Docket No. 10-WSEE-775-TAR, Direct Testimony of Michael Deupree, at pages 16.

1 lost revenue recovery mechanism, but denies the company an opportunity to earn  
2 a performance incentive on its SimpleSavings program because doing so would  
3 “essentially reward or potential penalize the managing utility for the (Kansas  
4 Energy Office) KEO’s prudent or imprudent administration of the program.”<sup>8</sup>  
5

6 **Q. Please discuss why Mr. Deupree’s recommendations do not meet the**  
7 **Commission’s guidelines in the 441 Docket.**

8 A. In the 441 Docket, the Commission rejected lost revenue recovery mechanisms,  
9 stating that “(a) lost margin recovery mechanism is too administratively  
10 burdensome especially in light of the fact that the Commission has currently  
11 limited the evaluation, measurement and verification budget associated with a  
12 particular energy program to 5% of the project costs.”<sup>9</sup> The Commission stated  
13 in its order that it would not favor a lost revenue recovery mechanism because of  
14 “the high premium this method places on accurate evaluation of program impacts  
15 and the increased potential for expensive and time-consuming litigation arising  
16 from disputes. Furthermore, while Commission staff expertise is growing in this  
17 highly-technical field, at this time the Commission does not have the depth of  
18 experience available to consider this method without reliance on outside firms.”<sup>10</sup>  
19 Thus, Mr. Deupree’s recommendation is inconsistent with the Commission’s  
20 findings that lost revenue recovery mechanisms are costly and administratively  
21 burdensome, and he offers nothing in the way of supportive evidence to justify  
22 ignoring stated Commission policy rejecting such a “costly and administratively

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<sup>8</sup> Docket No. 10-WSEE-775-TAR, Direct Testimony of Michael Deupree, at page 15.

<sup>9</sup> Docket No. 08-GIMX-441-GIV, *Notice of Filing Staff’s Report to the Commission*, October 10, 2008, at page 28.

<sup>10</sup> Docket No. 08-GIMX-441-GIV, *Final Order*, November 14, 2008, at ¶ 66.

1 burdensome” mechanism. He simply indicates that “Staff feels it has sufficient  
2 experience analyzing programs of this type ...”<sup>11</sup> He offers no insight into how  
3 Staff’s “depth of experience” in analyzing lost revenue mechanisms could have  
4 been augmented since the 441 Order was issued, given that no utility in Kansas  
5 has a lost revenue mechanism in place.

6  
7 **Q. Please discuss Staff’s position on lost revenue recovery mechanisms.**

8 A. In the 441 Docket, Staff recommended the Commission should not consider a lost  
9 revenue recover mechanism “without evidence a utility will experience loss of  
10 margin.”<sup>12</sup> Staff later provided testimony in Docket No. 10-EPDE-497-TAR  
11 (“497 Docket”), recommending the Commission reject the Empire District  
12 Electric Company’s (“Empire”) lost revenue recovery mechanism because:

- 13 • “Empire has not provided sufficient support and detail to recommend  
14 approving its proposal.”<sup>13</sup>
- 15 • Empire’s “lost revenues do not meet the Commission's criterion for  
16 significance and it is not clearly apparent that lost revenues serve as a strong  
17 deterrent to implementation of energy efficiency programs in this instance.”<sup>14</sup>
- 18 • Empire’s lost revenues are not “significant enough to make a credible claim  
19 that it will deter the utility from pursuing energy efficiency programs. The  
20 cost associated with EMV and the potential for additional regulatory  
21 proceedings to arbitrate EMV findings that could potentially modify the lost

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<sup>11</sup> Docket No. 10-WSEE-775-TAR, Direct Testimony of Michael Deupree, at pages 19-20.

<sup>12</sup> Docket No. 08-GIMX-441-GIV, *Final Order*, November 14, 2008, at ¶ 47.

<sup>13</sup> Docket No. 10-EPDE-497-TAR, Direct Testimony of Janet Buchanan, at page 15.

<sup>14</sup> Docket No. 10-EPDE-497-TAR, Direct Testimony of Janet Buchanan, at page 18.

1 revenue recovery make it even less likely that a lost revenue recovery  
2 mechanism is in the public interest.”<sup>15</sup>

3  
4 **Q. Are Mr. Deupree’s recommendations consistent with Staff’s prior position on**  
5 **lost revenue recovery mechanisms?**

6 A. No. Mr. Deupree’s recommendations are substantially different from Staff’s  
7 position in the 441 Docket and as stated in Staff’s May 5, 2010, filing in the 497  
8 Docket.

9  
10 **Q. How are Mr. Deupree’s recommendations different from Staff’s**  
11 **recommendations in the 441 and 497 dockets?**

12 A. In his direct testimony, Mr. Deupree recommends that the Commission approve  
13 Westar’s lost revenue recovery mechanism, despite the fact that Westar did not  
14 provide any evidence showing the need for the mechanism. In fact, Westar did not  
15 provide a financial calculation or any other data that would support approval of its  
16 lost revenue recovery mechanism under the criteria proposed by Staff in previous  
17 dockets. Staff recently rejected a lost revenue recovery mechanism for Empire  
18 because it did not provide “sufficient support and detail to recommend approving  
19 its proposal.”<sup>16</sup> Given that Westar provided no support or detail whatsoever, it is  
20 unclear why Mr. Deupree would recommend the Commission approve Westar’s  
21 lost revenue recovery mechanism in this case.

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<sup>15</sup> Docket No. 10-EPDE-497-TAR, Direct Testimony of Janet Buchanan, at page 22.

<sup>16</sup> Docket No. 10-EPDE-497-TAR, Direct Testimony of Janet Buchanan, at page 15.

1 Further, as I pointed out in my direct testimony, it was during one of two  
2 public hearings that Westar’s Jim Ludwig stated that \$22,200 in margins would  
3 be lost as a result of Westar’s participation in Efficiency Kansas.<sup>17</sup> Assuming Mr.  
4 Ludwig’s estimate is accurate, such losses only amount to .0002% of the  
5 company’s annual base revenues. By contrast, in the Empire case, Staff  
6 recommended that the Commission deny Empire’s lost revenue recovery  
7 mechanism because the estimated .09% in “lost revenues do not meet the  
8 Commission's criterion for significance.”<sup>18</sup> However, Mr. Deupree is now  
9 recommending approval of Westar’s lost revenue recovery mechanism, despite  
10 his own calculations that show Westar will experience lost revenues of only  
11 \$15,364 during the first year of its SimpleSavings program.<sup>19</sup> Given that Staff  
12 rejected Empire’s request for lack of “significance,” Mr. Deupree’s  
13 recommendation that the Commission approve Westar’s lost revenue recovery  
14 mechanism is puzzling.

15  
16 **Q. Do you know of any Commission orders that would direct the Commission’s**  
17 **Staff to change its position on these basic policy questions?**

18 **A. No.**  
19  
20  
21

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<sup>17</sup> Docket No. 10-WSEE-775-TAR, Direct Testimony of Stacey Harden, at page 24.

<sup>18</sup> Docket No. 10-EPDE-497-TAR, Direct Testimony of Janet Buchanan, at page 18.

<sup>19</sup> KCC Staff Response to CURB Data Request Nos. 25 and 27.

1 **Q. So why does Mr. Deupree recommend that the Commission approve**  
2 **Westar’s lost revenue recovery mechanism?**

3 A. Mr. Deupree recommends that the Commission approve Westar’s lost revenue  
4 recovery mechanism in order to encourage participation in the Efficiency Kansas  
5 program. Mr. Deupree states that the Commission could award Westar an  
6 incentive mechanism “not just to reward good performance, but also a means to  
7 promote programs the Commission views as especially in the public interest.”<sup>20</sup>  
8 Mr. Deupree further elaborates that “the need to encourage utility participation  
9 within the (Efficiency Kansas) program, or adoption of programs similar to it,  
10 may still remain. A limited decoupling or lost revenue recovery mechanism would  
11 be an appropriate mechanism to encourage adoption and active promotion of  
12 (Efficiency Kansas) programs by removing the inherent disincentive associated  
13 with such activity.”<sup>21</sup>

14  
15 **Q. Do you agree with Mr. Deupree’s recommendation that a lost revenue**  
16 **recovery mechanism should be approved to encourage participation in the**  
17 **Efficiency Kansas program?**

18 A. Absolutely not. The Commission clearly rejected the use of lost revenue recovery  
19 mechanisms in its final order in the 441 Docket. Furthermore, the program at  
20 issue in this case is the Efficiency Kansas loan program, which was created,  
21 established and is administered by the Commission through its State Energy  
22 Office. Staff’s 180-degree policy shift gives the appearance of the Commission

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<sup>20</sup> Docket No. 10-WSEE-775-TAR, Direct Testimony of Michael Deupree, at page 15.

<sup>21</sup> Docket No. 10-WSEE-775-TAR, Direct Testimony of Michael Deupree, at page 17.

1 ignoring its own policy guidance for the purpose of paying Westar to support the  
2 Commission's own program, when the Commission has not supported this  
3 mechanism under any other circumstance. It appears that the Staff wants to use  
4 ratepayer money to pay off Westar for playing along with the Commission's  
5 program.

6

7 **Q. In your direct testimony, what was your recommendation to the Commission**  
8 **concerning Westar's proposed shared savings mechanism?**

9 A. I recommended that the Commission deny Westar's shared savings mechanism  
10 for the following reasons:

- 11 • The Commission previously rejected the use of lost revenue recovery  
12 mechanisms,
- 13 • Westar's lost revenue recovery mechanism does not comply with the  
14 Commission guidelines in the 442 Docket, and
- 15 • The projected margins to be lost through Westar's participation in the  
16 Efficiency Kansas program cannot meet the Commission's ½% of base  
17 revenue requirement for significance.

18

19 **Q. Is it still your recommendation that the Commission reject Westar's**  
20 **proposed shared savings mechanism?**

21 A. Yes.

22

23 **Q. Does this conclude your testimony?**

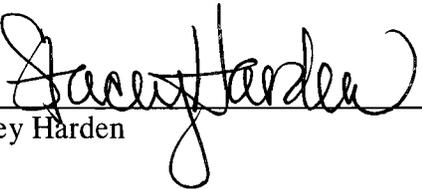
24 A. Yes.

VERIFICATION

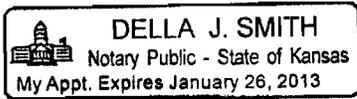
STATE OF KANSAS                    )  
COUNTY OF SHAWNEE            )     ss:

I, Stacey Harden, of lawful age, being first duly sworn upon her oath states:

That she is a regulatory analyst for the Citizens' Utility Ratepayer Board, that she has read the above and foregoing document, and, upon information and belief, states that the matters therein appearing are true and correct.

  
\_\_\_\_\_  
Stacey Harden

SUBSCRIBED AND SWORN to before me this 15<sup>th</sup> day of October 2010.



  
\_\_\_\_\_  
Notary Public

My Commission expires: 01-26-2013.

STAFF RESPONSE TO DATA REQUESTS TO KCC STAFF  
FROM THE CITIZENS' UTILITY RATEPAYER BOARD  
DOCKET NO. 10-WSEE-775-TAR

**CURB-21.** Please provide a copy of the Memorandum of Agreement ("MOA") negotiated between Westar Energy and the State Energy Office.

**RESPONSE:** The Memorandum of Agreement (MOA) has been negotiated, but not signed between the parties. The Energy Office will make this available immediately upon signature by both parties.

**CURB-22.** Mr. Freed testifies that an estimated 200 to 300 projects could be made each month through Westar's participation in Efficiency Kansas. Is Mr. Freed estimating that 200 to 300 Westar customers will apply for the Efficiency Kansas program each month, or that 200 to 300 Westar customers will take out an Efficiency Kansas loan each month?

**RESPONSE:** This estimate refers to the number of loans we expect to approve through Westar's SimpleSavings program each month. The projection was made using the number of loans Midwest Energy reported, approximately 20 each month. That number, as a percentage of Midwest's total customer base, is approximately .04%. Applying that to Westar's customer base results in between 200 and 300 loans each month at full capacity.

**CURB-23.** On September 9, 2010, the Commercial and Industrial Lighting program was presented to the Commission as an Efficiency Kansas contingency plan. Has the Commercial and Industrial lighting program been implemented by the State Energy Office?

**RESPONSE:** The Energy Office has not implemented this program at this time. It is the intention of the Energy Office to pilot this program using the already-approved lighting program operated by Midwest Energy.

**CURB-24.** To date, how many energy audits have taken place under the Efficiency Kansas \$100 Energy Audit program? How many of these energy audits resulted in an Efficiency Kansas loan?

**RESPONSE:** As of October 5, 2010, The Energy Office had released payment for 31 audits. However, based on comments from energy auditors, the Energy Office believes that many audits have been performed, but have not had paperwork completed and submitted to the Energy Office. There is no way to quantify this.

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: Ryan Freed

Name: Ryan Freed

Position: Energy Efficiency Programs Manager

Dated: 10-7-10

**Kansas Corporation Commission**  
Response to Information Request

Request No. CURB – 25  
Docket Number 10-WSEE-775-TAR  
Request Date October 1, 2010  
Date Information Needed October 8, 2010

**Request:**

Please provide a copy of Mr. Deupree's workpapers supporting the benefit-cost supporting the benefit-cost analyses performed in MWD-1. Please include all supporting assumptions and calculations used in the analysis.

**Response**

See attached files 'CURB-25 SimpleSavings BC with C&I.xls' and 'CURB-25 SimpleSavings BC.xls'. Supporting assumptions with references, where relevant, are provided in the tab labeled 'Input tab'

Submitted By Michael Deupree

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: Michael Deupree  
Name: Michael Deupree  
Position: Research Analyst  
Dated: 10/05/2010

**Kansas Corporation Commission**  
**Response to Information Request**

Request No. CURB – 27  
Docket Number 10-WSEE-775-TAR  
Request Date October 1, 2010  
Date Information Needed October 8, 2010

**Request:**

Did Staff estimate what the amount of margins lost by Westar as a result of its SimpleSavings program will be?

**Response**

Yes. See Staff's response to CURB-25. Estimates of lost margins are presented within Staff's RIM calculations as column P minus column G.

Submitted By Michael Deupree

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: Michael Deupree  
Name: Michael Deupree  
Position: Research Analyst  
Dated: 10/05/2010

**Kansas Corporation Commission**  
Response to Information Request

Request No. CURB – 28  
Docket Number 10-WSEE-775-TAR  
Request Date October 1, 2010  
Date Information Needed October 8, 2010

**Request:**

Did Staff analyze the amount of revenues to be collected through Westar's shared savings mechanism for significance, as defined in the Commission's Final Order in 08-GIMX-441-GIV?

**Response**

No.

Submitted By Michael Deupree

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: Michael Deupree  
Name: Michael Deupree  
Position: Research Analyst  
Dated: 10/05/2010

CERTIFICATE OF SERVICE

10-WSEE-775-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was placed in the United States mail, postage prepaid, electronic service, or hand-delivered this 15th day of October, 2010, to the following:

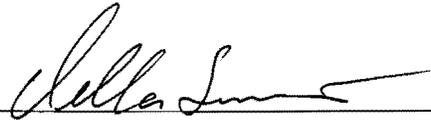
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Della Smith