

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

In the Matter of the Application of Kansas City)
Power & Light Company for Approval to) Docket No. 14-KCPE-098-TAR
Modify the Original Budget for its Energy)
Optimizer Program.)

CURB'S RESPONSE TO STAFF'S REPORT AND RECOMMENDATION

The Citizens' Utility Ratepayer Board ("CURB") submits its response to Staff's March 10, 2014, report and recommendation regarding Kansas City Power & Light's amended request for approval to modify the original budget for its Energy Optimizer program. In support of its response, CURB states and alleges as follows:

1. On August 12, 2013, Kansas City Power & Light ("KCPL") filed an application seeking Commission approval to increase its two-year budget (2012-2013) on its Energy Optimizer program by 20-25%. On February 13, 2014, KCPL modified its original application to request Commission approval to increase the same budget by 30%.

2. On March 10, 2014, the Staff of the Kansas Corporation Commission ("Staff") filed an amended report and recommendation which recommended Commission approval of KCPL's request for a 30% budget increase. Staff noted that there were four primary reasons that KCPL's actual expenses exceeded its two year budget by 30%: (1) changes in contract pricing from third-party vendor, Honeywell; (2) installation costs associated with a backlog of 720 customers; (3) the increased costs of thermostat replacements and labor; and (4) KCPL's failure to include applicable taxes on labor and materials in its original budget. Staff ultimately determines that these budgets deviations

did not fall outside the scope of the Energy Optimizer program and are not unreasonable, and therefore should be approved.

3. At this time, CURB does not find reason to disagree with the conclusions and recommendations contained in Staff's amended report and recommendation. It appears Staff has conducted an accurate accounting of the numbers supporting the expenditures which exceed KCPL's approved budget.

4. However, CURB is concerned with a 30% budget overage for a program that is no longer accepting new participants. CURB understands that this docket is not the appropriate venue in which to argue the prudence of KCPL's management of this program or the benefits associated with the program. Staff has previously indicated that "(a) determination of whether the expenditures are prudent will be made within an EM&V [Evaluation, Measurement, and Verification] proceeding or within a rate case where there is sufficient data available to fairly evaluate the program."¹ Staff, KCPL, and CURB are currently performing such an analysis in Docket 14-KCPE-042-TAR. CURB anticipates a complete analysis of the benefits of KCPL's energy-efficiency programs to be made available to the Commission during that proceeding.

Respectfully submitted,



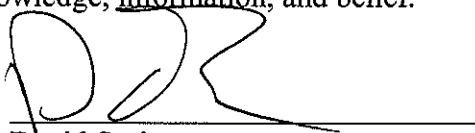
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¹ KCC Docket No. 11-WSEE-032-TAR, September 22, 2010, *Staff's Response to Comments of CURB*, at ¶6.

VERIFICATION

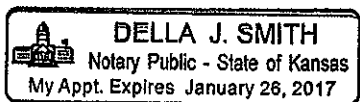
STATE OF KANSAS)
COUNTY OF SHAWNEE) ss:

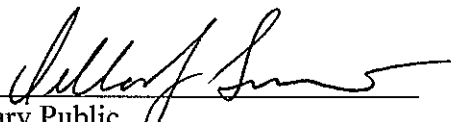
I, David Springe, of lawful age and being first duly sworn upon my oath, state that I am an attorney for the Citizens' Utility Ratepayer Board; that I have read and am familiar with the above and foregoing document and attest that the statements therein are true and correct to the best of my knowledge, information, and belief.



David Springe

SUBSCRIBED AND SWORN to before me this 19th day of March, 2014.





Notary Public

My Commission expires: 01-26-2017.

CERTIFICATE OF SERVICE

14-KCPE-098-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 19th day of March, 2014, to the following parties:

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