

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of                    )  
Westar Energy, Inc. and Kansas Gas and        )  
Electric Company for Approval of                )     Docket No. \_\_\_\_\_  
Energy Efficiency Programs                        )

**APPLICATION**

COME NOW Westar Energy, Inc. (Westar North) and Kansas Gas and Electric Company (Westar South) (collectively referred to as “Westar”) and file this Application for approval of the implementation of its Small Business Lighting program, Home Energy Analysis program, and its Targeted Energy Efficiency program and for the approval of its proposal to move its WattSaver program into sunset mode. In support of its Application, Westar states:

1. Westar North and Westar South are corporations duly organized under the laws of the State of Kansas engaged, among other things, in the business of electric public utilities, as defined by K.S.A. 66-104, in legally designated areas within the State of Kansas. Westar holds certificates of convenience and authority issued by this Commission authorizing it to engage in such utility business.

2. Westar is proposing to implement three new energy efficiency programs – a Small Business Lighting (SBL) program, a Home Energy Analysis (HEA) program, and a Targeted Energy Efficiency (Targeted EE) program. Westar is also proposing to transition its WattSaver program into sunset mode.

3. Westar is providing the testimony of three witnesses in support of this Application:

Hal Jensen	Overview of Application, support for SBL and HEA programs, support for WattSaver proposal
Scott Unekis	Support for Targeted EE program

Ralph Nigro

Expert testimony regarding the SBL program, the benefit cost analysis for all three programs, and the proposal for recovery of lost margins for SBL and Targeted EE programs

4. Westar is proposing to implement three new energy efficiency programs for residential and small business customers as we transition our WattSaver program into sunset mode. Together, these programs will reach nearly all of our residential and small business customers.

5. The SBL program will extend Westar's energy efficiency offerings to the small business market segment as a natural progression from the WattSaver programmable thermostat program, which has been primarily for residential customers. As Mr. Jensen explains in his Direct Testimony, WattSaver has been a tremendously successful program, with over 58,000 installations, but has reached a point of market saturation at which it makes sense to look at another customer segment to serve with an energy efficiency program. Focusing on small business customers is a natural evolution complementary to the residential program. This program will serve the estimated 85,000 Small General Service customers in Westar's service territory. Westar will also provide new energy efficiency options to its residential customers both through the HEA program and through the Targeted EE program, both of which will allow residential customers to identify and install measures that will improve the efficiency of their homes.

6. The proposed SBL program includes an energy assessment for small business customers that evaluates the customer's needs on a customized basis and provides energy efficiency recommendations. The customer also receives up to \$500 of energy efficiency measures installed during the energy assessment and has the option for installation of additional

improvements found to be cost effective with a 40% co-pay (where the customer pays 40% of the total cost of the improvements).

7. The proposed HEA program will be offered to residential customers and will allow them to select from two different levels of energy analyses to be performed on their home for a co-pay of \$50 or \$198, depending on the level selected. The customer will also receive up to \$50 of energy efficiency measures installed during the on-site Level 1 energy analysis process.

8. The proposed Targeted EE program will provide energy audits and cost effective weatherization improvements at no cost to income qualified residential customers.

9. Westar's proposal for its WattSaver program is to discontinue both new and replacement installations of the current WattSaver thermostat but continue to utilize the demand respond capability of the thermostats already installed. Westar is proposing to continue to maintain current service levels in regards to answering the toll-free WattSaver hotline and providing service in the field. However, if the thermostat is determined to be faulty, no replacement would be made.

10. Westar is providing documents containing the answers to the eight questions as required by the Commission in Appendix A of its Final Order in Docket No. 08-GIMX-441-GIV for the three proposed energy efficiency programs. These documents are included for the SBL program and the Home Energy Analysis program as Exhibits HJ-1 and HJ-2 to Mr. Jensen's Direct Testimony and for the Targeted EE program as Exhibit SU-1 to Mr. Unekis' Direct Testimony.

11. Westar requests Commission approval of recovery of the costs associated with these new energy efficiency programs through the Energy Efficiency Rider and also requests recovery of lost margins associated with the SBL and Targeted EE programs through a shared

savings mechanism similar to the one approved by the Commission for Westar's Simple Savings program. *See Order Approving Partnership between Efficiency Kansas and Westar's Simple Savings Program*, Docket No. 10-WSEE-775-TAR (Simple Savings Order), ¶¶ 26-32.

12. As Mr. Jensen and Mr. Nigro explain, application of a lost margins recovery mechanism to the SBL program is appropriate because the SBL program involves customized assessments of energy efficiency improvements for each customer on a case-by-case basis, allowing the savings that result from those improvements to be directly measured.

13. Mr. Unekis explains that the Targeted EE program should qualify for the application of a lost margins recovery mechanism because it is a "whole-house" program and because it benefits low or fixed-income customers or renters. In its Final Order in Docket No. 08-GIMX-441-GIV, the Commission found that programs fitting within the "whole house concept" and/or programs that benefitted low or fixed-income customers or renters would be most likely to qualify for a shared savings mechanism, such as the lost margins recovery mechanism Westar is proposing. Final Order, Docket No. 08-GIMX-441-GIV, at ¶¶ 97-99.

WHEREFORE, Westar respectfully requests that the Commission issue an order approving its proposed energy efficiency programs and its proposal to transition its WattSaver program to sunset mode and approving its proposal for cost recovery for all three new energy efficiency programs through the Energy Efficiency Rider, including the recovery of lost margins for the SBL and Targeted EE programs.

Respectfully submitted,

WESTAR ENERGY, INC.  
KANSAS GAS AND ELECTRIC COMPANY

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**VERIFICATION**

STATE OF KANSAS                    )  
  )  
COUNTY OF SHAWNEE            )        ss:

Cathryn J. Dinges, being duly sworn upon her oath deposes and says that she is the attorney for Westar Energy, Inc. and Kansas Gas and Electric Company; that she is familiar with the foregoing **Application** that the statements therein are true and correct to the best of her knowledge and belief.

Cathryn Dinges

Cathryn J. Dinges

SUBSCRIBED AND SWORN to before me this 28<sup>th</sup> day of October, 2014.



Debbielee A. Papps

Notary Public

My Appointment Expires: June 26, 2017