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

In the Matter of the Application of Kansas City Power & Light Company For Approval of Its Demand-Side Management Portfolio Pursuant to the Kansas Energy Efficiency Investment Act ("KEEIA"), K.S.A. 66-1283.	)	Docket No.: 16-KCPE-446-TAR

**APPLICATION OF KANSAS CITY POWER & LIGHT COMPANY
FOR APPROVAL OF DEMAND-SIDE MANAGEMENT PROGRAM PORTFOLIO
AND RECOVERY MECHANISM**

COMES NOW Kansas City Power & Light Company ("KCP&L"), and pursuant to K.S.A. 66-117 and 66-1283, hereby requests from the State Corporation Commission of the State of Kansas ("Commission") approval of KCP&L's Demand-Side Management ("DSM") Program Portfolio and Demand-Side Investment Mechanism ("DSIM") Rider filed pursuant to the Kansas Energy Efficiency Investment Act ("KEEIA"). In furtherance of this Application, KCP&L states as follows:

I. THE APPLICANT

1. KCP&L is a vertically integrated electric public utility company under the jurisdiction of the Commission that is engaged in the generation, transmission, distribution and sale of electric energy to the public within the meaning of K.S.A. 66-104, in legally designated areas of Kansas. KCP&L holds a Certificate of Convenience and Authority issued by this Commission, authorizing KCP&L to engage in such utility business. KCP&L has previously filed with the Commission certified copies of its Articles of Incorporation under which it was organized, and its Certificate of Registration as a Foreign Corporation authorized to do business in Kansas, and all amendments thereto and restatements thereof, and the same are incorporated herein by reference.

II. BACKGROUND

2. KCP&L began implementation of DSM programs in Kansas as part of its Comprehensive Energy Plan approved by the Commission in an Order issued August 5, 2005 in Docket No. 04-KCPE-1025-GIE ("04-1025 Docket"). Recovery of the costs of the DSM programs was established in Docket No. 07-KCPE-905-RTS ("07-905 Docket") with adoption of an Energy Efficiency ("EE") Rider as part of the Commission's November 20, 2007 Order in that docket. Since 2005 KCP&L has initiated 12 DSM pilot programs but currently has only a minimal DSM portfolio including only six programs due in large part to an unsatisfactory recovery mechanism.

3. Under the EE Rider cost recovery mechanism, KCP&L recovers historical DSM program costs incurred in the prior calendar year over the following July through June time period. KCP&L files for the prior year recovery on March 31 of each year and, if approved, it becomes effective on July 1. The lag in cost recovery of up to 18 months and the lack of a mechanism to address the throughput disincentive or to provide any earnings opportunity are the Company's primary concerns with the EE Rider.

4. During the 2014 Kansas Legislative Session, KEEIA became law with the passage of House Bill 2482, now K.S.A. 66-1283. Under KEEIA, DSM investments are to be valued equal to traditional investments in supply and delivery infrastructure as much as is practicable, and recovery of all reasonable and prudent costs associated with implementing such DSM programs is to be approved so long as the program (1) results in energy or demand savings and (2) is beneficial to customers in the customer class for which the programs were implemented, whether or not the program is utilized by all customers in the class. In addition, KEEIA allows the utility company to establish a cost recovery mechanism to further encourage

investments in DSM programs and which may include, among other things, capitalization of investments in and expenditures for demand-side programs, recovery of lost revenue associated with demand-side programs; and allowing the public utility to retain a portion of the net benefits of a demand-side program for its shareholders. KEEIA also provides for timely cost recovery, financial incentives aligned with helping a utility's customers use energy more efficiently and in a manner that sustains or enhances such customers' incentives to use energy more efficiently, and timely earnings opportunities associated with cost-effective, measurable and verifiable demand-side program savings.

5. KCP&L presents its DSM program portfolio and related recovery mechanism in support of the State's goal and policy as stated in the KEEIA.

III. APPLICATION

6. KCP&L is proposing a portfolio of DSM programs that would be in effect January 1, 2017 through December 31, 2019, referred to as KEEIA Cycle 1. This portfolio will build on KCP&L's existing DSM portfolio in Kansas, using knowledge and experience gained in both its Kansas and Missouri service territories over the past 10 years. KEEIA Cycle 1 broadens the Company's current DSM offerings in Kansas with a robust portfolio that provides for significant peak demand impacts and energy reduction, as well as focusing on improving customer participation and enhancing customer experience. KCP&L's proposed DSM program portfolio and DSIM Rider are described more fully in the Report attached to this Application titled *Kansas City Power & Light Company KEEIA Cycle 1 2017-2019 Report* ("Report").

7. For the most part, KCP&L's proposal is consistent with requirements still applicable post-KEEIA from Orders issued prior to the KEEIA in the following dockets:

Docket Number	Order Title	Date Issued	Referred to as:
07-GIMX-247-GIV	Final Order	October 10, 2007	07-247 Order
08-GIMX-442-GIV	Order Setting Energy Efficiency Policy Goals	June 2, 2008	08-442 Order
08-GIMX-441-GIV	Final Order	November 14, 2008	08-441 Order
08-GIMX-442-GIV	Order Following Collaborative	April 4, 2009	N/A
08-GIMX-442-GIV	Order on Reconsideration	June 6, 2009	N/A
10-GIMX-013-GIV	Order Adopting Energy Efficiency Program EM&V RFP and Procedures	October 4, 2010	10-013 Order

Because those Orders were promulgated in years prior to adoption of the KEEIA, they contain some provisions that are inconsistent with KCP&L's requested KEEIA filing and DSIM Rider. Where these Orders are inconsistent with the KEEIA, KCP&L has followed the KEEIA. To the extent KCP&L's Application may deviate from these Orders otherwise, the Company seeks variances from those requirements as listed in Appendix G of the Report.

8. Additionally, in 2011, the Commission granted KCP&L the ability to freeze the offering of the following DSM programs:

- Energy Audit and Energy Measures Rider (Schedule 9, also known as Schedule ER or the C&I Rebate Suite);
- Cool Homes Program (Schedule 13, also known as Schedule CHP);
- ENERGY STAR® New Homes Program (Schedule 14, also known as Schedule NH or ESNH).

As part of this Application, KCP&L requests these three tariffs be terminated.

9. The Report is supported by affidavits and explains the elements of KCP&L's proposed demand-side programs, Technical Resource Manual ("TRM"), and DSIM Rider. The Report includes the equivalent of testimony and schedules from the Company's subject matter

experts in support of this KEEIA filing. The requested programs, TRM and the DSIM Rider consist of the following principal elements:

a. A three-year plan for specified demand-side programs;

b. Recovery of program costs and offset of the throughput disincentive at the same time energy efficiency investments are made; and

c. An opportunity to earn an incentive amount based upon demand and energy savings achieved.

10. In addition to the above elements, the Company has filed tariffs to:

- Dissolve the current DSM program tariffs effective with their current expiration date of December 31, 2016;
- Terminate the three DSM program tariffs currently frozen as discussed above;
- Implement the new KEEIA Cycle 1 series of DSM programs;
- Implement the new DSIM Rider recovery mechanism; and
- Freeze the current EE Rider recovery mechanism effective January 1, 2017 until such time as all unrecovered DSM costs incurred through the end of 2016 are recovered, at which time the Company will request to terminate the EE Rider.

While KCP&L is committed to promoting energy efficiency in its Kansas service territory, the tariffs also provide the Company the discretion to discontinue programs and the DSIM Rider following appropriate notice to the Commission. Currently there are initiatives in the electric utility industry nationally, such as the Environmental Protection Agency's Clean Power Plan that could impact the Company's proposed plan and its ability to recover its costs. Should this or any other matters materially adversely impact KCP&L's plan or ability to recover its costs as approved, the Company reserves the right to discontinue programs and/or its plan. In such event, the Company will file a notice with the Commission indicating the extent to which it will discontinue programs and/or its plan on a date certain that is not less than 30 days after the filing of the notice. KCP&L will honor all eligible requests under the programs received prior to the effective date set forth in the notice.

11. It may take several months after this case is concluded for the Company to ramp-up the necessary infrastructure to implement the level of energy efficiency programs proposed in this KEEIA filing. While the Company will engage existing implementers in providing a scope of work for delivery of KEEIA programs during the pendency of this case, it will require time to for the Company to contract with these existing implementers for the KEEIA programs, time for implementers to achieve necessary staffing levels, time for the Company to implement the tracking mechanism for KEEIA programs and establish reporting, etc..

12. The proposed tariffs, which are filed concurrently with this Application as an Appendix to the Report, are designed to provide KCP&L with the necessary flexibility to effectively implement and operate its demand-side programs and to make improvements as necessary to adapt to evolving market conditions. The simplest example of this flexibility is the Company's ability to change the incentive level if customer participation is lower than anticipated so long as the new incentive level remains within the Commission-approved incentive range.

IV. PROCEDURAL MATTERS

13. KEEIA imposes a 180-day timeline on submittals of DSM program plans and cost-recovery mechanisms under the statute. This time period can be extended by the Commission to 240 days for good cause. KCP&L has timed its filing assuming a 180-day schedule with allowance for a three-month period to prepare for a January 1, 2017 program implementation date; however, such timing also allows for the circumstance of a procedural schedule up to 240 days but with a much shorter implementation preparation period.

14. To improve the overall understanding of our filing and to assist with the expedited procedural schedule, KCP&L proposes to hold weekly technical conferences with Staff and other parties to the docket for as long as the conferences are productive, with the first technical conference proposed to be held as early as the week of April 18, 2016. KCP&L has provided this Application to parties active in KCP&L's most recent DSM docket, including Staff, the Citizen's Utility Ratepayers Board ("CURB"), and Climate and Energy Project ("CEP").[1]

15. The information involved in this docket contains some data that is considered "Confidential" by KCP&L and it has been marked as such in accordance with K.S.A. 66-1220a and K.A.R. 82-1-221a. KCP&L anticipates discovery may be conducted in this docket that would involve the production of information deemed confidential as well. To accommodate the foregoing schedule, KCP&L requests that the Commission issue a Discovery Order and a Protective Order as soon as possible.

V. SERVICE

16. In addition to signatory counsel, communications and correspondence in regard to this Application should be addressed to:

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[1] A public version of the Application has been provided to CURB and CEP. A copy of the Confidential version will be provided to interveners once a Protective Order is issued and they have complied with its terms.

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WHEREFORE, KCP&L respectfully requests the Commission issue an Order approving KCP&L's Application as filed, including the proposed programs, TRM and the DSIM Rider as contained therein, the requested variances, and termination and freezing of existing DSM tariffs as noted, and for such further relief as the Commission deems appropriate.

Respectfully submitted,

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COUNSEL FOR
KANSAS CITY POWER & LIGHT COMPANY

VERIFICATION

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

I, Darrin R. Ives, being duly sworn, on oath state that I am Vice President – Regulatory Affairs of Kansas City Power & Light Company, that I have read the foregoing Application and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief.

KANSAS CITY POWER & LIGHT COMPANY

By: Darrin R Ives
Darrin R. Ives

The foregoing was subscribed and sworn to before me this 6th day of April, 2016.

Nicole A. Wehry
Notary Public

My Commission Expires:

Feb 4 2019

NICOLE A. WEHRY
Notary Public - Notary Seal
State of Missouri
Commissioned for Jackson County
My Commission Expires: February 04, 2019
Commission Number: 14391200