

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

In the Matter of the Application of Kansas)
City Power & Light Company for Approval)
To Extend its Demand-Side Management) Docket No. 18-KCPE-124-TAR
Programs)

**KANSAS CITY POWER & LIGHT COMPANY’S RESPONSE TO
CURB’S REPLY TO STAFF’S REPORT AND RECOMMENDATION**

COMES NOW Kansas City Power & Light Company (“KCP&L” or the “Company”) and for its Response (“Response”) to the Citizens’ Utility Ratepayer Board’s (“CURB”) *Reply to Staff’s Report and Recommendation* (“Reply”), states as follows:

I. BACKGROUND

1. On September 11, 2017, KCP&L filed its Application in this docket.
2. On April 17, 2018, the Staff (“Staff”) for the Kansas Corporation Commission for the State of Kansas (“Commission”) filed its *Report and Recommendation* (“Staff Report”).
3. On April 27, 2018, CURB filed its Reply to the Staff Report.

II. RESPONSE TO CURB REPLY

4. KCP&L does not agree with CURB’s contention on p. 9 of its Reply that the current programmable thermostat (“PT”) program is essentially the same program as the Residential Programmable Thermostat program that was rejected by the Commission in the 16-KCPE-446-TAR docket. The current PT is an existing, mature program of more than 19,000 participants. The five-year budget requested in this docket is not being used to expand the program with more thermostats. As stated in its supporting Appendix A for the thermostat program, KCP&L is either removing thermostats where there is a reported issue by the customers or replacing broken thermostats with a standard non-paging thermostat. In addition, it

includes costs for the paging platform that allows KCP&L to call upon the thermostats when the resource is needed. While removing non-functioning thermostats results in eventual degradation of the program, it provides for a positive customer experience for those customers who have allowed KCP&L to call upon them for several years. The program offered in the 446 docket was for an expansion of the current program and included expansion of the existing program by nearly 16,000 smart thermostats (2 way communicating), costs for a free thermostat (\$350 value) and installation, and an incentive for participation (\$25 per year). Because of these significant differences, the Commission's determination in the 446 docket does not apply to the current program.

5. CURB's advocacy of discontinuing the current PT program is akin to tearing down a fully constructed power plant. The PT program addresses the opportunity for load reduction on KCP&L's system on peak summer days, particularly in combination with a generation unit outage. The program was called on three times last year. Just because the resource is lightly used does not mean that it is not needed as part of KCP&L's resources, nor does it mean that the PT does not have value. The five-year budget of approximately \$1.3 million is needed to maintain this asset. Discontinuing the program now means KCP&L loses this resource forever.

6. The current PT program has produced actual demand (KW) reductions. In 2015, Navigant documented that the coincident demand savings was 19,636 kW for program year 2014. Savings have occurred in other years as well.

7. CURB also takes the Company to task for not performing an EM&V for the PT program. In fact, the Company was not obligated to perform an EM&V under the terms of the

Settlement Agreement¹ that extended the PT program through December 2016. KCP&L was obligated to collect data on the PT program for 250-400 customers and submit to Staff and CURB. The Company fulfilled the terms of this settlement and submitted this data as well as answered questions concerning the data.

8. The Company also disagrees with CURB's recommendation to discontinue the EE Rider. Besides being needed to recover costs for the existing programs, the EE Rider allows the Company to propose new programs to meet changing circumstances. For example, in its current rate case, Docket No. 18-KCPE-480-RTS, the Company is requesting recovery of program costs for two new energy efficiency programs, which will assist those customers electing the Company's residential rate pilot programs. CURB's proposal inhibits innovation in offering new DSM programs.

9. These issues, as well as others, will need to be addressed by the Commission following a hearing and briefs. The parties will submit a procedural schedule for the Commission's consideration.

¹ See Joint Motion for Approval of Settlement Agreement, Docket No. 14-KCPE-042-TAR, October 14, 2014. The Settlement Agreement was approved by the Commission's October 23, 2014 *Order Approving Joint Motion for Approval of Settlement Agreement*.

WHEREFORE, Kansas City Power & Light Company respectfully submits its response to CURB's Reply to Staff's Report and Recommendation.

Respectfully submitted,

/s/ Roger W. Steiner

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**ATTORNEYS FOR
KANSAS CITY POWER & LIGHT COMPANY**

CERTIFICATE OF SERVICE

I do hereby certify that on the 7th day of May 2018, I electronically filed via the Kansas Corporation Commission's Electronic Filing System, a true and correct copy of the above and foregoing with a copy emailed to counsel for all parties of record.

/s/ Roger W. Steiner

Counsel for Kansas City Power & Light Company