

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Low-Income Weatherization)
Tariff of Kansas City Power & Light Company) Case No. ET-2006-0194

STAFF RECOMMENDATION

Comes now the Staff of the Missouri Public Service Commission (Staff) in response to the Missouri Public Service Commission's Notice Opening Case issued on November 3, 2005 and submits the attached Staff Recommendation (Appendix A) requesting that the Missouri Public Service Commission (Commission) approve the tariff sheets filed on November 1, 2005 by Kansas City Power & Light Company (KCPL) to implement a Low Income Weatherization Program consistent with the terms of the KCPL Experimental Regulatory Plan approved by the Commission in Case No. EO-2005-0329 on July 28, 2005. The tariff sheets for which Commission approval is sought have an effective date of December 1, 2005. The program which is recommended for Commission approval was reviewed by the Customer Programs Advisory Group (CPAG) as provided for in the KCPL Experimental Regulatory Plan. The Low Income Weatherization Program is one of the Affordability programs to be addressed by KCPL relating to the KCPL Experimental Alternative Regulatory Plan.

Wherefore the Staff requests that the Commission either permit these tariff sheets with an effective date of December 1, 2005 to go into effect by operation-of-law or approve these tariff sheets filed by KCPL to effectuate a Low Income Weatherization Program.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/Steven Dottheim

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 18th day of November 2005.

/s/ Steven Dottheim

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ET-2006-0194, File No. YE-2006-0331
Kansas City Power & Light Company

FROM: James Watkins, Manager, Economic Analysis, Project Coordinator
Henry Warren, Regulatory Economist II
Mack McDuffey, Rate & Tariff Examiner II

<u>James Watkins / 11-18-05</u> Energy Department / Date	<u>Steven Dottheim 11-18-05</u> General Counsel's Office / Date
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SUBJECT: Staff Recommendation For **Approval** of Tariff Sheets Filed To Implement A Low Income Weatherization Program

DATE: November 17, 2005

On November 1, 2005, Kansas City Power & Light Company (KCPL or Company) of Kansas City, Missouri, filed with the Missouri Public Service Commission (Commission) two (2) tariff sheets titled "Low Income Weatherization Schedule LIW" with a proposed effective date of December 1, 2005 to implement a Low Income Weatherization Program (Program). This filing is made pursuant to the agreement by KCPL to file tariffs for each of the Company's Demand Response, Efficiency and Affordability Programs proposed to be implemented as a part of its Experimental Regulatory Plan approved by the Commission in its July 28, 2005 Report And Order in Case No. EO-2005-0329. The Program is one of the affordability programs described in Appendix C of the Stipulation and Agreement.

KCPL's Demand Response, Efficiency and Affordability Programs are a part of the Experimental Regulatory Plan. The Customer Programs Advisory Group (CPAG) established by the Experimental Regulatory Plan reviewed this Program. The following Signatory Parties to the Experimental Regulatory Plan participating in the CPAG regarding this program are:

1. Mo. PSC Staff
2. Office of the Public Counsel
3. Department of Natural Resources - Energy Center
4. Praxair, Inc.
5. City of Kansas City
6. The Empire District Electric Company

The objective of this Program is to assist participating residential customers (participants) to reduce their energy usage by weatherizing a participant's home. The Program will work directly with City of Kansas City, Missouri (KCMO) and community agencies that provide weatherization services to low income customers under the direction of the Missouri Department of Natural Resources, Energy

Center. The Company's participation in this Program is \$350,000 for the first year and is estimated to increase an additional \$50,000 for each of the next four years of the Program.

2005-2006	\$350,000
2006-2007	\$400,000
2007-2008	\$450,000
2008-2009	\$500,000
2009-2010	\$550,000

On a formula based on the estimated number of eligible customers, the funds will be allocated to the City of Kansas City, West Central Missouri Community Action Agency (WCMCAA), Missouri Valley Community Action Agency (MVCAA), and Central Missouri Counties Human Development Corporation (CMCHDC) (Weatherization Agencies) that serve KCPL customers

The total amount of a grant offered to a customer is determined using established criteria for low income weatherization in the Weatherization Agencies' contract and guidelines. The total amount of the KCPL grant to a customer shall not exceed \$3,000, and is expected to average \$1,500. The amount of reimbursable administrative costs per participating household shall not exceed \$350 for each participating household.

The program will be administered by KCMO and the other Missouri-based Weatherization Agencies that follow the protocol under the current federal and state guidelines and that are directly involved in qualifying and assisting customers under this program. Qualified customers will be determined by the KCMO or Weatherization Agency using the following criteria:

- 1) Participants are to be an owner-occupied KCPL residential customer in a one to four-unit structure.
- 2) Renters will also be allowed to participate if the landlord pays 50% of the weatherization cost and agrees not to raise the rent for a pre-agreed period of time.
- 3) Participant's household earnings at or below 185% of the current year federal poverty level guidelines for the number of persons in the residence.
- 4) Participant has received either energy assistance or food pantry assistance within the past 12 months from the time of application.
- 5) Participant's residence must have energy consumption greater than 3,000 kWh per year.
- 6) Participant has received electric service from KCPL for a minimum of one year prior to completion of an application.
- 7) Additional participant eligibility requirements defined in the agreement between the Company and KCMO or Weatherization Agency.

A Program report will be submitted by the Company, KCMO and other participating Weatherization Agencies on or before April 16, 2006 and each succeeding year of the Program to Staff, Office of the Public Counsel and Department of Natural Resources, Energy Center. The report will address the progress of the Program and provide an accounting of the funds received and spent during the preceding calendar year. The report will also include breakdowns for each of the participating agencies.

Any funds remaining after the Program year will be placed in the succeeding year's Program. At the termination of the Program, the amount of excess shall be available for other affordability programs.

The Commission's Energy Department Staff (Staff) has reviewed the filed tariff sheets. The Company has provided the supporting information required by 4 CSR 240-3.150 (3) for Promotional Practices tariff filings. Staff therefore recommends that the Commission issue an Order approving the following proposed tariff sheets, as filed on November 1, 2005, to become effective on December 1, 2005, as requested in KCPL's cover letter, or permit the tariff sheets to go into effect by operation of law:

P.S.C. MO. No. 7
Original Sheet No. 43H
Original Sheet No. 43I

The Staff has verified that this Company is not delinquent on any assessment or the filing of its annual report. The following electric cases involving KCPL are also before the Commission at this time:

EF-2004-0512	EO-2000-210
EF-2005-0498	EO-2004-0590
	EO-2006-0094
	EO-2006-0142
	EO-2006-0192
	EO-2006-0193