

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

In the Matter of KCP&L Greater Missouri Operations)
Company’s Application to Discontinue Certain) Case No.
Demand-Side Management Programs.)

APPLICATION OF KCP&L GREATER MISSOURI OPERATIONS COMPANY

COMES NOW KCP&L Greater Missouri Operations Company (“GMO” or “Company”), by and through counsel, pursuant to Section 393.1075, RSMo. Cum. Supp. 2010, 4 CSR 240-20.094(5) and 4 CSR 240-3.164(5), and files this Application to Discontinue Certain Demand-Side Management Programs. In support thereof, GMO respectfully states to the Missouri Public Service Commission (“Commission”):

1. GMO is a Delaware corporation with its principal office and place of business at 1200 Main Street, Kansas City, Missouri 64105. GMO is primarily engaged in the business of providing electric and steam utility service in Missouri to the public in its certificated areas. GMO is an “electrical corporation” and “public utility” as defined in Mo. Rev. Stat. § 386.020, Mo. Rev. Stat. (2000), as amended.¹ A Certificate of Authority for a foreign corporation to do business in the State of Missouri, evidencing GMO’s authority under the law to conduct business in the State of Missouri, was filed with the Commission in Case No. EU-2002-1053 and is incorporated herein by reference in accordance with 4 CSR 240-2.060(1)(G). GMO’s fictitious name registration was filed in Case No. EN-2009-0015 and is incorporated herein by reference.

2. In addition to undersigned counsel all correspondences, pleadings, orders and communications regarding this proceeding should be sent to:

¹ All statutory references are to the 2000 Revised Statutes of Missouri as currently supplemented.

Tim Rush
Director, Regulatory Affairs
Kansas City Power & Light Company
1200 Main Street
Kansas City, Missouri 64105
Telephone: (816) 556-2344
Facsimile: (816) 556-2924
E-mail: Tim.Rush@kcpl.com

3. GMO has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates, which has occurred within three years of the date of this Application other than the following: *Ag Processing, Inc. a Cooperative v. KCP&L Greater Missouri Operations Company*, Case No. HC-2012-0259; *R & S Home Builders, Inc., and Carol and Arvel Allman v. KCP&L Greater Missouri Operations Company*, Case No. EC-2014-0343; *Danielle Mehlenbacher v. KCP&L Greater Missouri Operations Company*, Case No. EC-2015-0093; *Monty Scroggins v. KCP&L Greater Missouri Operations Company*, Case No. EC-2015-0155.

4. GMO has no annual reports or regulatory assessment fees that are overdue in Missouri.

5. While the Company does not know whether this filing is likely to become a contested case subject to the notice of filing requirement of 4 CSR 240-4.020(2), it is filing this application as soon as possible after determining that the above programs should be discontinued. Accordingly, should the Commission conclude that the filing of this application is likely to be a contested case and subject to the notice of filing requirement of 4 CSR 240-4.020(2), the Company requests a waiver of the sixty (60) day notice requirement for good cause shown pursuant to 4 CSR 240-4.020(2)(B).

6. By this Application, GMO seeks authority, pursuant to Section 393.1075, 4 CSR 240-20.094(5) and 4 CSR 240-3.164(5), for approval to discontinue two of its MEEIA demand-side programs: Multi-Family Rebate Program and Energy Star® New Homes Program.

7. Section (5) of 4 CSR 240-20.094, Applications for Approval to Discontinue Electric Utility Demand-Side Programs, provides in part:

... Pursuant to the provisions of this rule, 4 CSR 240-2.060, and section 393.1075, RSMo, an electric utility may file an application with the commission for approval to discontinue demand-side programs by filing information and documentation required by 4 CSR 240-3.164(5).
...

8. The information required by Commission Rule 4 CSR 240-3.164(5), is provided in this Application and Exhibit A. The Rule provides in part:

When an electric utility files to discontinue a demand-side program as described in 4 CSR 240-20.094(5), the electric utility shall file the following information. ...

- (A) Complete explanation for the utility's decision to request to discontinue a demand-side program.
- (B) EM&V reports for the demand-side program in question.
- (C) Date by which a final EM&V report for the demand-side program in question will be filed.

9. The decision to discontinue the Multi-Family Rebate and Energy Star® New Homes programs is based upon the following:

Multi-Family Rebate Program

The program had one participant in the 2013 program year and has received one application for participation in 2014. The Navigant Evaluation, Measurement & Verification ("EM&V") 2013 report for this program is attached as Exhibit A. Due to the lack of participant data, the evaluation contractor was limited in the scope of review and found the program is not cost effective. The final EM&V report for the program is scheduled for distribution on September 12, 2016.

The current multi-family program design has measure overlap with the Business Energy Efficiency Rebate Program, and only applies to retrofits in existing facilities. In general, the multi-family market segment is very hard to reach and it is difficult to overcome owner apathy to making energy efficiency investments when they are not responsible for

renters' energy costs and perceive they do not directly benefit from the investment. As agreed to in the Stipulation and Agreement for Case No. EO-2014-0095, the Company will work with the Demand Side Management Advisory Group (DSMAG) to address multi-family dwellings in its next MEEIA filing and review best practice programs with an intent to offer a multi-family program if it is expected to be cost effective.

The program has one project currently pending. The Company requests the Commission allow it to follow an appropriate exit strategy and honor obligations to customers with pre-approved projects.

Energy Star® New Homes Program

Although the housing market appears to be on an upswing, this upswing has not translated into participation in this program. The GMO service territory has a large number of small builders rather than a few large builders as seen in other markets. These small builders have not fully recognized the value in the incremental cost for ENERGY STAR® certification.

The transition from Version 2 to 3 ENERGY STAR® requirements resulted in more rigorous building requirements, which has made it difficult for builders to meet the standards in contrast to the rebate level that is being offered. In the GMO territory, there is also a lack of consistent building codes which makes it difficult to ascertain the standards builders are using, resulting in added builder education. Additionally, the small network of Home Energy Rating System (“HERS”) raters in the territory is a barrier. Based on analysis performed most recently for our KCP&L-Missouri jurisdiction MEEIA program filing, we did not include Energy Star® New Homes Program in our filing as we found that the program did not pass the total resource (TRC) benefit cost test. The driving factors for not passing are low avoided cost in earlier years and the high cost to implement and/or qualify for the program.

The Navigant EM&V report for this program is attached as Exhibit A. The final EM&V report for the program is scheduled for distribution on September 12, 2016.

Again, due to the lack of participant data, the evaluation contractor was limited in the scope of review and found the program is not cost effective.

The program has a few projects currently pending. The Company requests the Commission allow it to follow an appropriate exit strategy and honor obligations to customers with pre-approved projects.

The foregoing has been discussed with the DSMAG on November 19, 2014 and was not met with any resistance.

10. While GMO requests that the aforementioned programs be discontinued, GMO does not propose to change its cumulative annual energy and demand savings targets.

11. GMO has filed tariff sheet revisions contemporaneously with this Application.

WHEREFORE, GMO respectfully requests that the Commission approve the discontinuance of its Multi-Family Rebate Program and Energy Star® New Homes Program as set forth herein and for such other and further relief as the Commission deems appropriate in the circumstances.

Respectfully submitted,

/s/ Roger W. Steiner

Robert J. Hack, MBN 36496

Phone: (816) 556-2791

E-mail: rob.hack@kcpl.com

Roger W. Steiner, MBN 39586

Phone: (816) 556-2314

E-mail: roger.steiner@kcpl.com

Kansas City Power & Light Company

1200 Main – 16th Floor

Kansas City, Missouri 64105

Fax: (816) 556-2787

**Attorneys for KCP&L Greater Missouri
Operations Company**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was served upon the parties listed below on this 12th day of January, 2015, by either e-mail or U.S. Mail, postage prepaid.

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel
P.O. Box 2230
Jefferson City, MO 65102
opc@ded.mo.gov

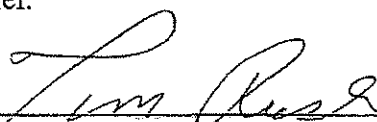
/s/ Roger W. Steiner

Roger W. Steiner

VERIFICATION

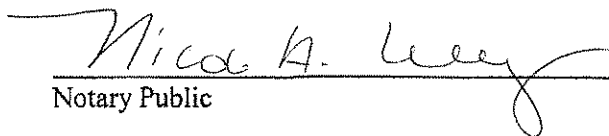
STATE OF MISSOURI)
)SS.
COUNTY OF JACKSON)

I, Tim Rush, being duly sworn according to the law, depose and state that I am Director - Regulatory Affairs of Kansas City Power & Light Company, that I am authorized to make this verification on behalf of KCP&L Greater Missouri Operations Company, and that the facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief.



Tim Rush
Director - Regulatory Affairs

Subscribed and sworn to before me this 2nd of January, 2015.



Notary Public

My Commission Expires:

Feb. 4, 2015

