

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the 2009 Resource Plan of )  
KCP&L Greater Missouri Operations Company ) Case No. EE-2009-0237  
Pursuant to 4 CSR 240-22 )

MISSOURI DEPARTMENT OF NATURAL RESOURCES'  
RESPONSE TO THE KCP&L-GREATER MISSOURI OPERATIONS COMPANY'S  
2009 UTILITY RESOURCE FILING  
WAIVER REQUESTS

COMES NOW Missouri Department of Natural Resources (MDNR) and submits the following comments in response to KCP&L Greater Missouri Operations Company's ("Company") application ("Application") for waivers concerning certain of the Commission's Integrated Resource Plan ("IRP") reporting requirements, as set forth in 4 CSR 240-22.

In brief, Company has requested variances from an array of rules regarding load analysis and forecasting (Waiver Requests 1-8); supply side resource analysis (Waiver Request 9-11); demand-side resource analysis (Waiver Request 12-14); and risk analysis and strategy selection (Waiver Request 15). Of these various requested waivers, MDNR provides comments on the following.

## Load Analysis and Forecasting

### DNR comment on Waiver Request 3

Rule 4 CSR 240-22.030 (3)(B)2 requires the utility to estimate monthly energy and demand for each end use. The Company proposes to estimate these for "major end uses," which it defines as heating, cooling and "other."

In its statement of the rationale for the proposed waiver, the Company focuses on one of the specific purposes of the requirements set out in 4 CSR 240-22.030 -- namely, development of a load forecast. The Company states its intention to use a "statistically adjusted end use" (SAE) model that relies on the "major end use" categories the Company proposes to use in its waiver requests. The statement of the rationale further elaborates on the SAE estimation methodology to be used for "residential sector" estimates and "commercial and industrial sector" estimates.

The MDNR does not question the Company's choice of SAE modeling for the purpose of load forecasting. However, the department questions the Company's implicit assumption that the sole purpose of 4 CSR 240-22.030 is to set out requirements for load forecasting. In the MDNR's view, 4 CSR 240-22.030 is also intended to set requirements for load analysis that serve additional purposes, such as developing data and projections to be used in assessing opportunities for and potential impact from DSM measures and programs. The Company does not attempt to demonstrate that the proposed SAE methodology is adequate for this purpose. In the MDNR's view, it is probably not, for the following reasons:

- Use of the three "major end use categories" proposed in the waiver request does not provide sufficient granularity for load analysis related to DSM. In 4 CSR 240-22.050(1)(C), "major end uses" are defined to include "at least lighting, refrigeration, space cooling, space heating, water heating and motive power."
- Use of two customer classes (residential and commercial/industrial) does not provide sufficient granularity for load analysis related to DSM. Use of four or more customer classes in DSM analysis is required in 4 CSR 240-22.050(1)(A).

The MDNR proposes that in its upcoming 2009 IRP filing, the Company identify DSM load analysis tasks to which the requirements of 4 CSR 240-22.030 (3) are relevant and document and justify the methods used to accomplish these tasks at an appropriate level of specificity, which provides for greater granularity than that offered by SAE modeling.

#### MDNR Comment on Waiver Requests 4 and 5

Rule 4 CSR 240-22.030 (4)(A) and (4)(B) requires the utility to develop load profiles for each end use. As in Waiver Request 3, the Company proposes to estimate these for "major end uses," which it defines as heating, cooling and "other." The Company's rationale for the proposed waivers references the rationale provided in Waiver Request 3.

MDNR's concern and suggestion parallel those stated above in comments regarding Waiver Request 3. The MDNR does not question the proposed methodology's adequacy for the purpose of load forecasting but does question its adequacy for load profile analysis related to DSM.

The MDNR proposes that in its upcoming 2009 IRP filing, the Company identify DSM load analysis tasks to which the requirements of 4 CSR 240-22.030 (4) are relevant and document and justify the methods used to accomplish these tasks at an appropriate level of specificity, which provides for greater granularity than that offered by SAE modeling.

#### Demand-Side Resource Analysis

##### MDNR comment on Waiver Requests 12 and 14

In Waiver Request 12, the Company proposes to substitute values derived from the DSMore model for the calculation of the "avoided direct running cost per kWh" as specified in 4 CSR 240-22.050 (2)(C)1. In Waiver Request 14, the Company similarly proposes to substitute values derived from the DSMore model for calculation of the "probable environmental benefits test" as specified in 4 CSR 240-22.050 (3)(F) and (G).

The MDNR does not question the Company's choice to substitute results of DSMore modeling for the calculations specified in the rule. However, the MDNR is concerned that because of the "black box" nature of the DSMore model, it is difficult to independently assess DSMore modeling results.

Approval of Waiver Requests 12 and 14 should be contingent on the Company agreeing that in its upcoming 2009 IRP filing, the utility will clearly identify and document the inputs and outputs of all DSMore modeling used to meet rule requirements and will identify and provide explanation of DSMore modeling results that fall outside expected ranges as identified by KCPL, the consultant or parties to the filing.

WHEREFORE, the Missouri Department of Natural Resources respectfully requests that the Commission require the Company to agree that in its upcoming 2009 IRP filing, it will (1) identify DSM load analysis tasks to which the requirements of 4 CSR 240-22.030(3) and (4) are relevant and document and justify the methods used to accomplish these tasks at appropriate levels of specificity, which provide for greater granularity than that offered by SAE modeling (Waiver Requests 3, 4 and 5); and (2) identify and document the inputs and outputs of all DSMore modeling used to meet rule requirements and identify and provide explanation of DSMore modeling results that fall outside expected ranges as identified by KCPL, the consultant or parties to the filing. (Waiver Requests 12 and 14). With these additional clarifications, the MDNR will not object to the Company's waiver requests.

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or e-mailed to all counsel of record this \_\_\_\_\_ day of January, 2009.

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