BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of a Working Case to Review The Commission's Missouri Energy Efficiency Investment Act (MEEIA) Rules 4 CSR 240-3.163, 4 CSR 240-3.164, 4 CSR 240-20.093, and 4 CSR 240-20.094.	)))))	File No. EW-2015-0105

COMMENTS OF KANSAS CITY POWER & LIGHT COMPANY AND KCP&L GREATER MISSOURI OPERATIONS COMPANY

COME NOW Kansas City Power & Light Company ("KCP&L") and KCP&L Greater Missouri Operations Company's ("GMO") (collectively, the "Company") and for its comments in response to the Missouri Public Service Commission's ("Commission") October 29, 2014 Order Opening a Working Case to Review the Effectiveness of the Commission's Rules Implementing the Missouri Energy Efficiency Investment Act ("MEEIA") state:

I. Effectiveness of the MEEIA Rules

1. The current MEEIA rules were enacted in 2011 and have assisted the Company in its efforts to offer a complete suite of energy efficiency and demand response programs. While some parts of the rules are cumbersome and administratively burdensome (as explained below), the rules have generally encouraged investment in energy efficiency and demand response programs. However, because the Company's demand-side investment mechanisms ("DSIM") are relatively new, the Company cannot ascertain whether the current MEEIA rules are effective. The proposed changes outlined below would improve the MEEIA rules but additional changes may be needed once the results of the current MEEIA programs are known.

II. Proposed Changes/Amendments to MEEIA Rules

2. **Lost revenues.** The Company believes that the rule needs to be more explicit regarding the recovery of lost revenues. Currently, the rule provides for the recovery of lost margins with a performance incentive mechanism (240-20.093(2)(G)(4)). While the Company is

employing this recovery method in its current MEEIA DSIM plans, it believes that improvements are necessary to ensure adequate recovery. The Company believes that lost revenues should be redefined and viewed as a cost to be recovered as a matter of course closer to the time when revenues are lost instead of an incentive which only has the potential to be recovered some years after the revenues have been lost.

3. **Market effects**. Market effects take into account the overall impact of energy efficiency and demand response programs and therefore should be reflected in the evaluation of net-to-gross factors. The Company recommends that language be added to 240-3.163(7) so that market effects are considered in the evaluation of net-to-gross factors.

4. **Reporting Requirements**. The rule needs to be amended so that reporting requirements are streamlined as the Commission gains experience with MEEIA programs. Reporting under the rule is administratively burdensome. For example, 240-20.093 requires an annual report, surveillance monitoring reports, quarterly DSM advisory group reporting and EM&V reports. Certain elements of these reports are duplicative and should be consolidated.

5. **Definition of Demand-side Program.** The Company asserts the definition in 240-20.093(1)(L) is too narrow as it is limited to programs that modify the net consumption on the *customer's* side of the meter. The Company believes that this definition should be expanded to include programs, such as dynamic voltage control, that modify consumption on the utility side of the meter.

6. **"Opt out" Process.** The Company disagrees with the operation of the opt out process under the current rules. Certain customers that have opted out and are not paying for MEEIA programs are still able to participate in the MPower program. The Company offers other curtailable or interruptible rate schedules which an opt out customer can utilize instead of the MPower program which is subsidized by customers that do not opt out.

7. **Ease of Modification.** The Company believes that it needs greater flexibility when changing its energy efficiency offerings. The existing rule (240-20.094(4)) requires a utility to file a complete explanation for a modification when there is a variance of 20% or more in the approved three year budget or any program design modification which is no longer covered by the tariff. The Company believes that the 20% figure should be adjusted upward. In addition, the rule should specify what documentation is needed in order to streamline the modification process.

8. **Market Potential Study is a Guideline**. The Company believes that the rule (240-20.094(2)) needs clarity regarding what potential study results mean. The Company believes that this is a goal and not a target that must be met by the Company.

Respectfully submitted,

/s/ Roger W. Steiner

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand delivered, emailed or mailed, postage prepaid, this 14th day of November, 2014, to all parties of record.

/s/ Roger W. Steiner

Roger W. Steiner