

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

In the Matter of the Application of Kansas City )  
Power & Light Company for Approval to )  
Make Certain Changes in its Charges for )  
Electric Service to Implement its Regulatory )  
Plan. )

Case No. ER-2009-0089

MISSOURI DEPARTMENT OF NATURAL RESOURCES' STATEMENT OF  
POSITION

COMES NOW the Missouri Department of Natural Resources (MDNR) and states as follows:

The Missouri Department of Natural Resources (MDNR) is actively participating in one issue, only, in this case. Consequently, its Statement of Position will be confined to the Demand Side Management Issue ( including two sub-issues) appearing in paragraph 6, pages 4-5 of the MDNR's List of Issues, Order of Witnesses and Order of Cross-Examination filed April 14, 2009 in the above-styled case. However, the MDNR's silence on the other issues in the above-styled case should not be construed as agreement with the position advocated by any other party to this case.

Paragraph 6, along with its subparts, states as follows:

Demand-Site Management

- a. Should the Commission waive the requirements of KCPL's Regulatory Plan and authorize a return on DSM unamortized costs different than the allowance for funds used during construction rate specified in the Regulatory Plan?
- b. If the Commission authorizes a return on DSM unamortized costs different than the allowance for funds used during construction rate specified in KCPL's Regulatory Plan, then what return should the

Commission authorize?

- c. If the Commission authorizes a return on DSM unamortized costs different than the return specified in KCPL's Regulatory Plan, what impact will that have on KCPL's Regulatory Plan?
- d. Should the Commission require KCP&L to use a net incremental reduction in annual energy usage of at least 1% resulting from the on going implementation of demand side programs over a twenty year planning horizon as a target for KCPL's programs to meet? Should the net incremental reduction incorporate free-ridership and spill over factors?
- e. Should KCP&L add its proposed Supplemental Weatherization and Minor Home Repair Program to the Affordability, Energy Efficiency and Demand Response programs established by KCPL's Regulatory Plan?
- f. Should the weatherization program be modified so that KCPL's Call Center will refer customers to the program?
- g. Should LIHEAP recipients be directed to the weatherization program and required to participate?

MDNR does not have a position on Sub-issues 6.a. through 6.c. and 6.f through 6.g.

MDNR's position on Sub-issue 6.d. is that the Commission should require KCPL to use a net incremental reduction in annual energy usage of at least 1% resulting from the on going implementation of demand-side programs over a twenty year planning horizon as a target for KCPL's programs to meet. Further, the net incremental reduction should incorporate free-ridership and spill over factors. With the increased focus on energy costs, energy efficiency measures become an increasingly important option for meeting the state's growing energy needs. A target of 1% makes clear this Commission's expectations for the continued analysis of demand-side management on an equal basis with supply-side management when assessing the utility's future energy acquisition strategy and future spending on that strategy.

MDNR's position on Sub-issue 6.e. is that the Commission should approve KCPL's addition of the Supplemental Weatherization and Minor Home Repair Program to the Affordability, Energy Efficiency and Demand Response programs established by KCPL's Regulatory Plan. This program recognizes that many homes needing weatherization have other non-weatherization issues that make it difficult to undertake the weatherization work. KCPL's new program will address this issue by providing funding for the non-weatherization home repairs that will then make the much-needed weatherization work possible.

WHEREFORE, MDNR respectfully submits its Statement of Positions.

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 emailed to all counsel of record this 15th day of April, 2009.

/s/ Shelley A. Woods