BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Kansas City Power & Light Company's Application for Approval of Demand-Side Programs and for Authority to Establish a Demand-Side Programs Investment Mechanism	)))))	Case No. EO-2014-0095

NON-UNANIMOUS STIPULATION AND AGREEMENT RESOLVING KANSAS CITY POWER & LIGHT COMPANY'S MEEIA FILING

COME NOW Kansas City Power & Light Company ("KCP&L"), KCP&L Greater Missouri Operations Company ("GMO"), the Missouri Division of Energy, the Natural Resources Defense Council, and Earth Island Institute d/b/a Renew Missouri (together, the "Signatories") and present this Non-Unanimous[1] Stipulation and Agreement ("Stipulation") to the Commission for the Commission's approval, and in support thereof respectfully state as follows:

I. BACKGROUND

1. On January 7, 2014, KCP&L filed an application under the Missouri Energy Efficiency Investment Act ("MEEIA") and the Commission's MEEIA rules, along with its direct testimony. Rebuttal testimony was filed on March 28, 2014.

II. SPECIFIC TERMS AND CONDITIONS

2. Complete Settlement of Case. As a result of extensive settlement discussions among all of the Signatories, the Signatories have agreed upon the terms[2] and conditions set forth below in full and final resolution of all remaining issues in this case. Nothing in this Stipulation prevents the Signatories from filing timely Surrebuttal testimony in response to Rebuttal

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[1] Without taking any position regarding the propriety of its terms, The Empire District Electric Company ("Empire") has indicated it will not oppose this Stipulation

[2] Unless specifically defined herein, the terms used in the Stipulation are defined in the Commission's rules, 4 CSR 240-20.093(1) and 4 CSR 240-20.094(1).

testimony filed by parties to this case on Friday, March 28, 2014. This Stipulation is solely the result of compromise in the settlement process and does not serve as precedent beyond this particular 18-month Plan.

3. Approval of Plan. The Signatories agree for purposes of this Stipulation, the "Plan" the Commission should approve for KCP&L to implement consists of the 12 demand-side programs, excluding MPower, ("MEEIA Programs") described in KCP&L's January 7, 2014 MEEIA Application (modified to reflect the terms and conditions herein), and the demand-side programs investment mechanism ("DSIM") described in this Stipulation.

4. Implementation and Term of the MEEIA Programs. KCP&L agrees to make its best effort to begin implementation of its 12 MEEIA Programs by July 6, 2014. The Plan period will end December 31, 2015.

5. Savings Performance Targets. The Plan has the following targets:

	Annual Incremental Energy Savings (kWh)	Annual Incremental KW savings
2014 (July – Dec.)	36,914,089	27,757
2015 (Jan. – Dec.)	70,545,452	35,895
Total	107,459,541	63,652

The energy savings targets amount to 0.42% and 0.8% of KCP&L's retail sales in 2014 and 2015, respectively. The savings targets will be adjusted based on actual customer opt-outs to reflect the above percentage of retail sales for non-opt-out retail sales, as described in paragraph 6.

6. DSIM. The Signatories agree to the DSIM described in this Stipulation. The DSIM addresses recovery of MEEIA Programs' costs; KCP&L's Throughput Disincentive Net Shared Benefits ("TD-NSB") Share that is intended to recover actual lost revenue margins;

and KCP&L's Performance Incentive Award. The Company will initially account for the MEEIA Plan through a DSIM Tracker and then provide recovery beginning June 1, 2015, as a rider.

> **Tracker:** The DSIM Tracker will include actual incurred program costs and a portion of the annual net shared benefits for the TD-NSB directly attributable to the demand side programs. The weighted average cost of capital will be applied to compute associated carrying cost using KCP&L's latest approved rate of return allowed in Case No. ER-2012-0174.
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> **Rider:** The DSIM Charge will recover program costs, a portion of the annual net shared benefits that accounts for lost margins (the TD-NSB) and any earned performance incentive as defined below. This rider will become effective June 1, 2015, and would be for the MEEIA Programs covering the period of July 6, 2014 (the expected tariff effective date), through December 31, 2015. The DSIM Charge will include a rate base treatment return on the unrecovered program costs balance. In addition, carrying costs will be included on all actual program costs incurred and unrecovered prior to rate base treatment, and on the TD-NSB once it is earned. The DSIM Charge is applicable to all KCP&L Missouri Retail Rate Schedules with the exception of Lighting Schedules and customers who opt out of the requirements under the current MEEIA rules.
>
> **Program Costs:** The Plan includes program costs of $19,334,136 which are based on the planned budgets for the programs to be implemented over approximately 18 months, beginning July 6, 2014 and ending December 31, 2015. KCP&L will defer actual program costs incurred during the Plan period in a deferred account.

TD-NSB: The TD-NSB is the sum of the annual net shared benefits over the MEEIA plan period times 33.20%. The lifetime deemed energy and demand savings will be based on actual measures installed and tracked each month, and their associated energy (kWh) and demand (kw) savings and lifetimes. For purposes of calculating the actual Annual Net Shared Benefits, a net-to-gross ("NTG") ratio of 1.00 will be used, with the exception of the Home Appliance Recycling Rebate Program (a NTG of 0.52 will be used) and the Residential Lighting Program (a 2014 NTG of 0.90 and a 2015 NTG of 0.80 will be used for all CFLs). The total TD-NSB during the 18-month planning period is expected to be $11,768,861, or 33.20% of the total net shared benefits. KCP&L will track the TD-NSB in a deferred account.

The annual net shared benefits is the sum of the present value of avoided energy and demand benefit savings over the program projected measure lives as obtained by substituting demand side programs for new supply side resources, less program costs. The annual net shared benefits will be discounted using the currently approved weighted average cost of capital rate (6.91%) to represent the net present value of the net shared benefits at the time the measures are installed and savings are tracked. Carrying costs will be accrued on unrecovered TD-NSB from the time they are actually incurred.

Performance Incentive: After the MEEIA program period is completed on December 31, 2015, evaluations will be performed for all the programs that will measure net program performance and will be utilized in establishing the achieved performance of the MEEIA programs. This comparison of the achieved performance net savings to the targeted net savings goals will determine the performance incentive earned by KCP&L-MO during the MEEIA Plan period to be recovered via the MEEIA DSIM Charge. To calculate the performance incentive, the targeted savings goals will be adjusted down to reflect opt-out customers' sales during the MEEIA Plan period. This will be accomplished by accounting for the actual kWh retail sales of the opt-out customers over the portion of the program period for which they were opted out, divided by the kWh retail sales for commercial and industrial/non-residential classes less Lighting over the same program period. An example of this calculation is attached as Appendix A.

The threshold performance incentive will be based on the percent of net kWh and kW savings achieved, compared to the plan established for the demand side portfolio adjusted to reflect opt-outs of customer retail sales in the plan period. In order to determine the overall threshold, a weighting of 80% energy and 20% demand will be used.

The following is the performance incentives table.

Percent of kWh/kW Target	2 Year Total ($MM)	Percent of Net Benefits
60	$0.00	0.00%
70	$1.63	4.59%
80	$1.93	5.45%
90	$2.24	6.31%
100	$2.54	7.17%
110	$3.05	8.60%
120	$3.56	10.03%
130	$4.06	11.47%
Over 130	$4.06	11.47%

Recovery Mechanism: The initial DSIM Charge will become effective June 1, 2015 and will include:

(1) actual program costs incurred from the beginning of the MEEIA Plan period (e.g. July 6, 2014), through February 28, 2015, plus carrying costs and projected program costs from March 1, 2015 through December 31, 2015. Rate base treatment will only be applied to the program costs and carrying costs associated with program costs for the July 6, 2014 through February 28, 2015;

(2) actual computed TD-NSB as calculated by multiplying 33.20% times the actual net shared benefits ("net benefits") as determined from the present value of the lifetime avoided costs (i.e., avoided energy, capacity, transmission and distribution, and probable environmental compliance costs) for the Plan for the beginning of the MEEIA Plan period (e.g. July 6, 2014), through February 28, 2015, less program costs, plus carrying costs and projected TD-NSB as calculated by multiplying 33.20% times the projected net shared benefits for the period from March 1, 2015 through December 31, 2015. Rate base treatment will not be applied to the TD-NSB; and

(3) carrying costs will be applied on the unrecovered actual program costs & actually accrued TD-NSB amounts using the Company's last authorized weighted average cost of capital rate (6.91%) until the point that the program costs and TD-NSB are being recovered in the DSIM Charge. Carrying costs are applied to the program costs not reflected in the DSIM Charge or under rate base treatment and to the TD-NSB unrecovered balance.

Recovery of the program costs, including carrying costs and reflecting rate base treatment for the unrecovered balance, for residential and non-residential service shall each be recovered over a six year period by dividing the program costs for residential and non-residential by six and then dividing that amount by the projected energy (kWh retail sales) for each class. The TD-NSB will be recovered over a two year period and determined by dividing the TD-NSB, including carrying costs, amounts for residential and non-residential by two and then dividing that amount by the projected energy (kWh retail sales) for residential and non-residential. Non-residential class shall be adjusted for opt-outs.

(4) The first adjustment to the DSIM Charge will be filed on April 1, 2016,

and will become effective within 60 days and will reflect the true-up of the program costs and TD-NSB for the MEEIA Plan less the billed revenues from the DSIM Charge. Rate base treatment will be applied to the unrecovered program costs and carry costs associated with program costs. Once rate base treatment begins, no carrying costs will be calculated on the unrecovered balance used in the rate base calculation. Carrying costs will be applied to the unrecovered TD-NSB and on any unrecovered program costs not reflected through the DSIM Charge until a new rate base computation is made, at which time the carrying costs will cease for the amount receiving rate base treatment.

The second adjustment to the DSIM Charge will be filed on or before November 1, 2016, and will become effective within 60 days and will reflect any further true-up of the program costs and TD-NSB for the MEEIA Plan less the billed revenues from the DSIM Charge. This filing will also reflect the proposed recovery of the Performance Incentive Award based on the results of the Evaluation, Measurement and Verification ("EM&V") which will be performed during 2016 and after the completion of the MEEIA Plan Period. The unrecovered balance of program costs, including carrying costs associated with program costs will receive rate base treatment reflected in the DSIM Charge.

Thereafter, semi-annual filings to reflect true-up of program costs, TD-NSB, program incentive awards less billed revenues from the DSIM Charge will be made until full recovery of the Plan is completed.

Separate Item on the Bill: Charges from the MEEIA Plan that are the subject of this DSIM Charge shall be reflected as "DSIM Charge" on customers' bills.

7. It is the intent of the Signatories that KCP&L shall ultimately collect from customers an amount as close as reasonably practicable to the actual MEEIA

Programs' costs incurred, the KCP&L actual lost margins (through the TD-NSB Share), and KCP&L's Performance Incentive Award earned as provided for herein.

<u>NSB Relating to the Performance Incentive</u>. After the conclusion of the Plan period, using final EM&V results, KCP&L will be allowed to recover the performance incentive award, which is a percentage of net shared benefits ("NSB") as described on Appendix B attached hereto and incorporated herein by this reference (the "Performance Incentive Award"). The cumulative annual net megawatt-hours ("MWh") and megawatts ("MW") determined through EM&V to have been saved during the Plan period as a result of the MEEIA Programs will be used to determine the amount of KCP&L's Performance Incentive Award. The cumulative annual net MWh performance achievement level (expressed as a percentage of goal) will be equal to cumulative annual net MWh savings determined through EM&V divided by KCP&L's total targeted 107,460 MWh (which is the cumulative annual net MWh savings in the Plan period).[3] The cumulative annual net MW performance achievement level (expressed as a percentage of goal) will be equal to cumulative annual net MW savings determined through EM&V divided by KCP&L's total targeted 35.9 MW (which is the cumulative annual net MW savings expected to be captured in 2015). The MWh performance achievement level (expressed as a percentage) will be weighted 80% and the MW performance achievement level (expressed as a percentage) will be weighted 20% to determine the overall level of achievement for the Plan when determining the Performance Incentive Award amount. The targeted net

[3] The cumulative 107,460 MWh and 35.9 MW net (net-to-gross ratios are equal to 1.0 except for the Appliance Recycling and Residential Lighting programs which the net-to-gross ratios are reflected above) energy and demand savings are based upon KCP&L having no approved opt-out customers. None of the net-to-gross values adopted in the Stipulation are precedent setting.

energy and demand savings shall be adjusted for impacts on targeted net energy and demand savings caused by actual opt-out. Actual net energy and demand savings will be determined through the EM&V, including full retrospective application of net-to-gross ratios at the program level using EM&V results. The total evaluated cumulative annual net energy and demand savings achieved by the end of the Plan period will be used to determine the amount of the Performance Incentive Award. Recovery of the Performance Incentive Award is over two years through the DSIM rider.

8. Final Recovery/True-up. It is the Signatories' intent that KCP&L shall recover as close as reasonably practicable (separately for the residential and non-residential customer classes):

- its actual MEEIA Programs' costs;
- its actual lost margins (the KCP&L TD-NSB Share amounts); and
- the Performance Incentive Award determined in accordance with paragraph 6 and Appendix B.

a. *Final Recovery/True-up of KCP&L's TD-NSB Share*: Throughout the Plan period, KCP&L will determine the monthly energy (KWh) and demand (KW) savings and associated lifetimes achieved through the demand-side programs to determine KCP&L's TD-NSB.

KCP&L shall track the differences (separately for the residential and non-residential customer classes) between the amount billed and the dollar amount that equates to KCP&L's TD-NSB Share (determined using the actual measure energy and demand savings and lifetimes each month). EM&V shall not be utilized to calculate the actual NSB for the purposes of determining the amount of the KCP&L TD-NSB

Share.

9. In order to determine the net present value of lifetime energy and demand benefits used to calculate the monthly NSB, KCP&L will use DSMore XLS Version 6.0.1, GCG Version 6.0.6 and the applicable DSMore electronic spreadsheets, provided as electronic workpapers. The values in the DSMore electronic spreadsheets shall not be changed except as provided for in the discussion of each MEEIA program below. For each program, measures installed, estimated annual and lifetime savings, and Utility Program Costs including incentives, shall be updated to reflect actual values. Measure level savings for the purpose of calculating net benefits will be consistent with assumptions and inputs used in DSMore to develop the savings performance targets outlined in Section II.5.

10. <u>Commercial Lighting</u>. KCP&L will update the incentive range list provided for in Schedule KHW-4 to reflect that the baseline used for claiming savings for the early retirement ("retrofit") of existing T-12 linear fluorescent lighting systems to premium T-8 linear fluorescent lighting fixtures (or any equally or more efficient lighting technology) will only be allowed for program year 2014. In program year 2015, and for the remaining measure lifetime, for the purpose of calculating NSBs, lost margins, and the performance incentive, the baseline for the program year 2014 T-12 retrofits will be increased to a standard T-8 linear fluorescent lighting system. For program years beyond 2014, the energy and capacity savings from retrofits of T-12 systems to higher efficiency systems will reflect a minimum baseline of a standard T-8 system. If the replaced system is known and is more efficient than a standard T-8 system then actual replaced technology will be used as a baseline. KCP&L will not offer any rebates or promotions in any program for T-12 or standard T-8 systems.

Program Year	Actual Existing Lighting System To Be Retrofitted	Assumed Baseline used in 2014	Assumed Baseline used in 2015 and beyond for purposes of TD-NSB and Performance Incentive
2014	T-12 System	Existing system efficiency (T-12)	Standard T-8 System
2014	Standard T-8 System	Existing Standard T-8 system	Standard T-8 System
2014	Existing system more efficient than Standard T-8 System	Existing actual system baseline (if done prescriptively, and no data on existing system, then assumption is Standard T8)	Existing actual system baseline (if done prescriptively, and no data on existing system, then assumption is Standard T8)
2015	T-12 System	N/A	Standard T-8 System
2015	Standard T-8 System	N/A	Standard T-8 System
2015	Existing system more efficient than Standard T-8 System	N/A	Existing actual system baseline (if done prescriptively, and no data on existing system, then assumption is Standard T8)

11. Residential Lighting. KCP&L will target the sales points which reflect a close proximity to customers' residences in KCP&L-MO and GMO territory. GMO will inform its advisory group prior to its filing by May 1, 2014 under 4 CSR 240-20.094(4) to modify its MEEIA programs and a tariff to adopt the same residential lighting rebate program as KCP&L, to terminate December 2015. This filing will require modification of the savings target of the GMO DSIM mechanism to reflect a net increase of 27,387 MWh and 2.9 MW in savings for purposes of awarding performance incentives, but will not impact any other GMO MEEIA programs, or modify the TD-NSB share GMO receives. KCP&L and GMO will use a net-to-gross value of "0.9" for 2014 CFL measures, and "0.8" for 2015 CFL measures. KCP&L and GMO will use a net-to-gross value of 1.0 for all LED measures in 2014 and 2015. KCP&L and GMO will not offer any rebates or buy-downs for incandescent lamps. KCP&L will change the upper end of the CFL standard light incentive to $1.75 per lamp in Schedule KHW-4. KCP&L will add a footnote to Page 1 of Schedule KHW-4 to note that the high range of $1.75 applies to

food bank distribution only.

12. MPower. KCP&L will remove MPower from the KCP&L-MO MEEIA portfolio and continue to defer MPower costs for future recovery in rates as currently treated.

13. OPower. KCP&L will utilize the OPower savings assumptions for the Home Energy Reports program, presented as Scenario 4 on March 5, 2014, which result in a total resource cost ("TRC") benefit-cost ratio of 0.56 over an 18 month basis. KCP&L agrees to include low income customers. The Signatories agree that the benefits of this program include a low income, marketing and educational focus. Further, the Signatories agree that the Home Energy Reports program, to be provided by OPower, is expected to benefit all ratepayers and be a cost-effective program with a TRC benefit-cost ratio greater than 1.0 in the long term, and that the lower TRC benefit-cost ratio over 18 months reflects start-up costs and a relatively long ramp up period until full savings are being achieved. Therefore, KCP&L agrees to continue the Home Energy Reports program in the next MEEIA program period, provided that the preliminary impact evaluation is positive and indicates that the TRC benefit-cost ratio for the program will be 1.0 or greater for MEEIA Cycle 2 (expected to begin 1/1/2016).

14. Programmable Thermostat. KCP&L will not separate the EPRI project out as a pilot. KCP&L will add a description in the tariff sheets regarding the addition of the Wi-Fi thermostats and a statement that the Wi-Fi thermostats will be used for curtailment purposes like the existing thermostats in the program.

15. Adjustment to Savings, Costs and Benefits. KCP&L has adjusted total costs, savings, benefits and TD-NSB to reflect a July 2014 – December 2015 program period, the impact of off system sales, and an appropriate lost margin calculation reflecting only the marginal revenues that would be reduced through the MEEIA programs. This includes analysis

of lost margins that: omits customer charges; reflects the proper values based on a weighted average of the appropriate tariff block that customers' average bills reflect; includes proper accounting for lost margins from demand charges for C&I customers; and subtracts estimated potential earnings from off-system sales.

16. Taxes. KCP&L will reflect an offset to program costs and associated carrying costs for the related accumulated deferred taxes in the calculation of the return on program costs and carrying costs as a component in its MEEIA rider.

17. Home & Business Energy Analyzers. KCP&L will continue to offer these programs but the programs' total combined cost will be reduced by approximately two-thirds (see table on page 8 of Kimberly H. Winslow Surrebuttal Testimony in Case No. EO-2014-0095). KCP&L will evaluate other similar industry offerings to increase participation in the online energy tool.

18. Home Energy Improvements Rebate. For this program plan, KCP&L will continue to partner with Missouri Gas Energy, a division of Laclede Gas Company, to offer a program similar to GMO's existing Home Performance with Energy Star. To increase the cost effectiveness of the program, KCP&L will establish pre-qualification criteria, which may include age of the home and a single family home restriction. This program will include blower-door-guided air sealing and insulation measures.

19. Net-to-Gross. A net-to-gross of 1.0 will be used for all programs, except for Home Appliance Recycling Rebate (0.52) and the CFL measure component of the Residential Lighting program (0.9 in 2014 and 0.8 in 2015), in calculating TD-NSB. Actual retroactive net-to-gross ratios from evaluations will be used in calculating the performance incentives. Signatories further agree that the use of 1.0 NTG values for the balance of the portfolio is a

temporary default value in this plan because of the relative lack of Missouri-specific EM&V results. Therefore, the Signatories agree that future MEEIA cycle filings may deem NTG values based on prior EM&V results and/or the best available information, with an intent that the estimates best reflect expected future NTG values.

20. EM&V. KCP&L will perform an impact evaluation for each program, excluding educational and low-income, but including the Home Energy Reports program. An additional preliminary impact evaluation will be performed for Home Energy Reports in February 2015 to assist in the development of program plans MEEIA Cycle 2 as referenced in paragraph 13 above. Process evaluations will be conducted on all programs in the portfolio. The schedule will likely be the same as the GMO schedule with initial draft results in April/May 2016, final draft report in July/August and hearings, if necessary in December 2016. EM&V results will be utilized in determining the performance incentive consistent with the method at GMO and should allow for recovery, if any, of the performance incentive to begin in January, 2017. KCP&L will follow international EM&V (IPMVP) protocols consistent with GMO.

21. Opt out. Consistent with GMO, KCP&L will adjust savings goals for opt out customers that sign up in each year, as described in paragraph 7 and shown in Appendix A.

22. Technical Resource Manual. KCP&L will continue to collaborate on the development of a statewide technical resource manual.

23. Variances. The Signatories agree that the terms and conditions in this Stipulation may be inconsistent with the following Commission rules, and that good cause exists to grant KCP&L variances from those rules:[4]

[4] All rule references are to 4 CSR Division 240.

Variances related to timing of recovery of net shared benefits

20.093(2)(H); 20.093(2)(H)3; 20.093(1)(EE); 20.093(1)(C); 20.094(1)(Z); 20.094(1)(C);

Variances related to calculation of net shared benefits (related to timing)

20.093(2)(H); 20.093(5)(A); 20.093(4);

Variances related to net shared benefits (annual)

3.163(1)(A); 20.093(2)(H); 20.093(1)(EE); 20.094(1)(C); 20.094(1)(Z);

Variances related to TRM (not statewide)

20.093(7)(E);

Variances related to Promotional Practices

14.030;

Variances related to annual reports (timing)

4 CSR 240-20.093(8).

III. GENERAL PROVISIONS

24. This Stipulation is being entered into for the purpose of disposing of the issues that are specifically addressed herein. In presenting this Stipulation, none of the Signatories shall be deemed to have approved, accepted, agreed, consented or acquiesced to any ratemaking principle or procedural principle, including, without limitation, any method of cost or revenue determination or cost allocation or revenue related methodology, and none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation (whether it is approved or not) in this or any other proceeding, other than a proceeding limited to enforce the terms of this Stipulation, except as otherwise expressly specified herein. Without limiting the foregoing, it is agreed that this Stipulation encompasses this particular eighteen-month Plan and

does not serve as a precedent for future MEEIA plans, and does not preclude a party from arguing whether the Plan has or does not have an impact on KCP&L's business risk in any pending or future proceeding.

25. This Stipulation has resulted from extensive negotiations and the terms hereof are interdependent. If the Commission does not unconditionally approve this Stipulation, or approves it with modifications or conditions to which a party objects, then this Stipulation shall be void and no signatory shall be bound by any of its provisions.

26. If the Commission does not unconditionally approve this Stipulation without modification, or approves it with modifications or conditions to which a party objects, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any Signatory has for a decision in accordance with Section 536.080 RSMo 2000 or Article V, Section 18 of the Missouri Constitution, and the Signatories shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any suggestions or memoranda, testimony or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

27. If the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Signatories waive, with respect to the issues resolved herein: their respective rights (1) to call, examine and cross-examine witnesses pursuant to Section 536.070(2), RSMo 2000; (2) their respective rights to present oral argument and/or

written briefs pursuant to Section 536.080.1, RSMo 2000; (3) their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and, (4) their respective rights to judicial review pursuant to Section 386.510, RSMo Supp. 2012. These waivers apply only to a Commission order respecting this Stipulation issued in this above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation. Notwithstanding the above waivers, nothing in this Stipulation prevents the Signatories from filing Surrebuttal testimony in response to the Rebuttal testimony filed by parties in this case on March 28, 2014.

28. This Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein.

29. This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigative or other power which the Commission presently has. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

30. The Signatories agree that this Stipulation resolves all remaining issues raised in this case, and that the testimonies of all witnesses whose testimony was pre-filed in this case should be received into evidence without the necessity of the witnesses taking the witness stand.

Respectfully submitted,

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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, transmitted by e-mail, or mailed, First Class, postage prepaid, this 17th day of April, 2014, to counsel for all parties on the Commission's service list in this case.

/s/ Roger W. Steiner
Roger W. Steiner

The following represents the KCPL-MO MEEIA non res savings targets and kWh savings adjusted for approved opt outs during the 18 month (July 6, 2014 - December 31, 2015) period. 60% nonres assumption is applied.

NOTE: This example is intended for illustrative purposes only.

KCPL-MO MEEIA Savings Targets (As indicated on non-unanimous Stipulation Filed on XXX)

***Figures reflect assumption of 40/60 split for res/nonres

2014	22,148,453	
2015	42,327,271	
	64,475,725	Total Non Res kWh

2014

Total Opt Outs Received effective for 2014 as of Feb 2014**:	668,614,093
2014 Non Res Kilowatt Hour Sales (actuals)*:	5,094,146,095
Opt out customers as a percent of annual base sales in 2014:	**13.13%**

2015

Total Opt Outs Received effective for 2015 as of Feb 2015***:	750,000,000
2015 Non Res Kilowatt Hour Sales (actuals)*:	5,094,146,095
Opt out customers as a percent of annual base sales in 2014:	**14.72%**

KCPL-MO Adjusted KCPL-MO MEEIA Non Res Savings Targets

	Non Res Base Savings Goals (A)	**Annual Opt-out Non Res Adjustment Factor (B)**	**Final Non Res Savings Goals Adjusted for Opt-Outs C=A*(1-B)**
2014	22,148,453	13.13%	19,241,437
2015	42,327,271	14.72%	36,095,520
Total	64,475,725		55,336,956

This illustrative number is pulled from GPE Report 1A filed December 31, 2013, excluding Public Street Lighting and reflects actual 2013 sales. However, actual 2014 and 2015 sales will be used once they are known. 60% assumption for nonres sales has been assumed.

*****Compiled from Data received from Energy Solutions on 2/14/14. Represents 2013 annual base sales for approved opt out customers. Actual 2014 annual non res base sales will be used.***

****** Illustrative example. Actual 2015 opt outs and non res annual base sales will be used.***

APPENDIX A

Energy/Demand Performance Incentive Plan Calculation Example- *For llustrative purposes only*
KCP&L-MO MEEIA Filing EO-2014-0095
80/20 Weighting Example
Period Covered 2014-2015

EXAMPLE 1

	Net Benefit (PV)	$33.30		
	Percent of Savings earned	6.83%		
	Initial Sharing Amount (PV	$2.27		
	Class	RES	BUS	
	Percent Allocation*	32.6%	67.4%	
	Before-Tax Rev. Req (PV)	$0.74	$1.53	
6.96%	Revenue Requirement (2-Year Recovery)	$0.38	$0.79	$1.18 +

+This amount will be recovered over 2 years (i.e. 1.02+1.02=2.04)

**Allocation based on kWh levels established at the conclusion of the ER-2012-0174 case.*

EXAMPLE 1-Detailed Calculation

	Savings Targets***	Savings Results from EM&V **	Ratio - Results to Target	Weighting	Incentive Threshold
	Kwh	Kwh			
Annual Energy 80 % weighted	107,459,541	100,000,000	0.93	80%	0.74
	Kw	Kw			
Annual Demand* 20 % weighted	35,895	35,000	0.98	20%	0.20
Overall Performance					0.94

6.31+((100-94)/10)*(7.17-6.31) = 6.83 % of actual net benefits
0.6 0.9

****Note-Demand Savings include all demand savings associated with both EE and DR programs for 2nd year only.***

*****Savings results reflect actual savings achieved with adjustments made for actual NTG factors realized.***

******No adjustments for opt outs were made to savings targets. Savings targets would be adjusted down to reflect actual customers opting out for 2014-2015.***

Assumes Net Benefits $33.30

Actual energy savings from EM&V of 100,000,000 KWh

Actual demand savings from EM&V of 35,000 KW

Net to gross from EM&V .95

Weighted performance incentive award 94 percent of KWh/KW target

Results in 6.83% award of Net Benefits of $35.44M or $2.42 million awarc

EXAMPLE 2

	Net Benefit (PV)	$36.93		
	Percent of Savings earned	7.74%		
	Initial Sharing Amount (PV	$2.86		
	Class	RES	BUS	
	Percent Allocation*	32.6%	67.4%	
	Before-Tax Rev. Req (PV)	$0.93	$1.93	
6.96%	Revenue Requirement (2-Year Recovery)	$0.48	$1.00	$1.477

**Allocation based on kWh levels established at the conclusion of the ER-2012-0174 case.*

EXAMPLE 2

	Savings Targets	Savings Results from EM&V **	Ratio - Results to Target	Weighting	Incentive Threshold				
	Kwh	Kwh							
Annual Energy 80 % weighted	107,459,541	110,000,000	1.02	80%	0.82				
	Kw	Kw							
Annual Demand* 20 % weighted	35,895	40,000	1.11	20%	0.22				
Overall Performance					1.04	7.17+((104-100)/10*(8.60-7.17) 0.4 1.43	=	7.74	% of actual net benefits

****Note-Demand Savings include all demand savings associated with both EE and DR programs for 2nd year only.***

*****Savings results reflect actual savings achieved with adjustments made for actual NTG factors realized.***

Assumes Net Benefits $36.93

Actual energy savings from EM&V of 110,000,000 KWh

Actual demand savings from EM&V of 40000 KW

Net to gross from EM&V 1.05

Weighted performance incentive award 104 percent of KWh/KW target

Results in 7.74% award of Net Benefits of $36.93M or $2.86 million award

Percent of KWh/Kw Target	2 Year Total ($MM)	Percent of Net Benefits
60	$0.00	0.00%
70	$1.63	4.59%
80	$1.93	5.45%
90	$2.24	6.31%
100	$2.54	7.17%
110	$3.05	8.60%
120	$3.56	10.03%
130	$4.06	11.47%
140	$4.06	11.47%