

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

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

**KANSAS CITY POWER & LIGHT COMPANY'S APPLICATION FOR APPROVAL OF
DEMAND-SIDE PROGRAMS BUDGET MODIFICATIONS**

COMES NOW Kansas City Power & Light Company ("KCP&L" or the "Company") and for this Application For Approval of Demand-Side Programs Budget Modifications ("Budget Modification Application") pursuant to 4 CSR 240-20.094(4) respectfully states as follows:

1. On November 13, 2015, KCP&L filed an Application for Approval of Modifications to its Demand-Side Programs ("Program Modification Application") which included a report detailing the level of its Missouri Energy Efficiency Investment Act ("MEEIA") cycle 1 program expenditures through October 31, 2015 became available. The report, showed that KCP&L's MEEIA cycle 1 expenditures reached and exceeded 120% of KCP&L's MEEIA cycle 1 budget during the month of October 2015.

2. On December 2, 2015, the Commission approved KCP&L's Program Modification Application noting that Commission Staff did not object and that no other party responded to the Program Modification Application. The Commission also found that the Company's MEEIA programs have been successful at attracting participants and have been determined to be cost effective.

3. The MEEIA programs continue to be cost effective. However, the estimated total costs of the MEEIA programs will exceed the cycle 1 budget by an estimated total of up to approximately \$30.7 million which will result in total expenditures of approximately 260% of KCP&L's MEEIA cycle 1 budget. A summary of the estimated total budget overage, after all

costs are incurred, along with a brief explanation is attached hereto as Appendix A (HC). Pursuant to the provisions of 4 CSR 240-20.094(4), KCP&L therefore files this Budget Modification Application to inform the Commission of the budget overage. The Company stopped accepting applications for new cycle 1 projects for its Business Energy Efficiency Rebates-Custom program as of December 15, 2015. Thus, while the cycle 1 programs do not need to be modified, the budget for those programs needs to be increased. As its specific request for relief, KCP&L asks that the Commission take any action the Commission deems necessary to permit KCP&L to continue paying for completion of Business Energy Efficiency Rebates-Custom program applications received by December 15, 2015 and paying for completion of all other cycle 1 program applications by December 31, 2015. This result is just, reasonable, in the public interest because:

- a. Under a December 11, 2015 *Non-Unanimous Stipulation and Agreement Resolving MEEIA Cycle 1 Transition Period* filed by KCP&L and Staff the end of year wind-up of the cycle 1 Business Energy Efficiency Rebates-Custom program (which makes up the majority of the budget exceedance) has been approved by the Commission and is reflected in KCP&L's tariffs. The last day to submit an application for the Business Energy Efficiency Rebates-Custom program was December 15, 2015. The last day for approval of an application was January 31, 2016. The last day for completion of customer projects and submission of complete paperwork by customers is June 30, 2016. The final payment by KCP&L of rebates for all cycle 1 projects is July 31, 2016. The Commission approved this stipulation on December 22, 2015. KCP&L modified its tariffs to reflect the dates above on November 12, 2015. Those tariffs are now in effect.

- b. Continuation of rebate payments for KCP&L's MEEIA cycle 1 programs as currently planned is consistent with the expectations of KCP&L customers and trade allies to whom KCP&L has communicated and reasonably made commitments in the course of administering its MEEIA cycle 1 programs. As in the case of KCP&L's Business Energy Efficiency Rebates-Custom program, applications for rebates have already been approved (but not yet completed by the customer) and need to be fully processed and honored by KCP&L. This program has up to a six month lead time between approval of customer application and project completion, and denying payment on an already approved project would be unreasonable.
- c. KCP&L's MEEIA cycle 1 programs have been determined to be cost-effective. As such, program expenditures – whether below, at, or above budgeted levels – will produce benefits in excess of costs. Budgets are simply estimates and the mere fact that program expenditures have exceeded budget levels is no reasonable basis to terminate KCP&L's MEEIA cycle 1 programs earlier than currently planned.

WHEREFORE, KCP&L respectfully requests that the Commission permit KCP&L's MEEIA cycle 1 program payments to continue so that all valid applications that were received can be processed and take any other action deemed necessary to approve modifications to KCP&L's MEEIA cycle 1 program budget.

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 8th day of March, 2016, to all parties of record.

/s/ Roger W. Steiner

Roger W. Steiner

APPENDIX A

**THIS DOCUMENT CONTAINS
HIGHLY CONFIDENTIAL
INFORMATION NOT AVAILABLE
TO THE PUBLIC**