

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

In the Matter of Kansas City Power & Light)
Company’s Notice of Intent to File an)
Application for Authority to Establish a Demand-)
Side Programs Investment Mechanism)
File No. EO-2015-0240

**APPLICATION TO APPROVE DSIM FILING, REQUEST FOR VARIANCES AND
MOTION TO ADOPT PROCEDURAL SCHEDULE**

COMES NOW Kansas City Power & Light Company (“KCP&L” or “Company”), and, pursuant to 4 CSR 240-3.163(11), 4 CSR 240-20.093(2), 4 CSR 240-20.093(13) and 4 CSR 240-20.094(9), files this Application to Approve DSIM Filing, Request for Variances and Motion to Adopt Procedural Schedule (“Application”), and seeks thereby approval of certain demand-side programs, a Technical Resource Manual (“TRM”) and a Demand-Side Investment Mechanism (“DSIM”) as contemplated by the Missouri Energy Efficiency Investment Act (“MEEIA”)¹ and the Missouri Public Service Commission (“MPSC” or “Commission”) regulations implementing MEEIA.² The documents which are being filed concurrently with this Application, together with the Application, are sometimes referred to collectively herein as the Company’s MEEIA 2016-2018 filing (“KCP&L MEEIA Cycle 2 filing”).

A. The Applicant

1. KCP&L is a Missouri corporation with its principal office and place of business at 1200 Main Street, Kansas City, Missouri 64105. KCP&L is primarily engaged in the business of generating, transmitting, distributing, and selling electric energy in portions of eastern Kansas and western Missouri. KCP&L is an electric corporation and public utility as defined in Section

¹ Section 393.1075, RSMo. (Cum. Supp. 2010).

² 4 CSR 240-3.163; 4 CSR 240-3.164; 4 CSR 240-093 and 4 CSR 240-094. Under MEEIA, a demand-side program is defined to include energy efficiency measures.

386.020, Mo. Rev. Stat. (2000), as amended. KCP&L provided its Certificate of Good Standing in Case No. EF-2010-0178, which is incorporated herein by reference.

2. In addition to undersigned counsel all correspondences, pleadings, orders and communications regarding this proceeding should be sent to:

Tim Rush
Director, Regulatory Affairs
Kansas City Power & Light Company
1200 Main Street
Kansas City, Missouri 64105
Telephone: (816) 556-2344
Facsimile: (816) 556-2110
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Kimberly Winslow
Director, Energy Solutions
Kansas City Power & Light Company
1200 Main Street
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3. Data requests concerning this Application should be addressed to Regulatory.Affairs@kcpl.com.

4. KCP&L has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court that involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Application other than the following: *Staff of the Missouri Public Service Commission v. Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company*, File No. EC-2015-0309.

5. KCP&L has no annual reports or regulatory assessment fees that are overdue in Missouri.

6. 4 CSR 240-22.080(12) requires KCP&L to certify this Application as consistent with its Preferred Plan from its most recent Integrated Resource Plan (“IRP”) or to explain why it is not consistent. KCP&L hereby certifies this Application is consistent with its current IRP.

7. On March 31, 2015, KCP&L filed a Notice of Intended Case Filing (“Notice”) pursuant to 4 CSR 240-4.020(2), indicating its intent to submit a MEEIA filing no earlier than 60 days from that date. More than 60 days have expired since that Notice was filed.

B. Application

8. Attached to this Application is a report (“Report”), supported by affidavits, explaining the elements of KCP&L’s proposed demand-side programs, TRM and DSIM. The Report is similar in format to the reports the Staff has recently filed in general rate cases and includes the equivalent of testimony (and schedules thereto) from the Company’s subject matter experts in support of this MEEIA filing. Commission approval of the Company’s proposed demand-side programs, TRM and DSIM is necessary to fulfill MEEIA’s mandate that the Commission align utility financial incentives with helping customers to use energy more efficiently and in a manner that sustains or enhances utility customers’ incentives to use energy more efficiently. KCP&L asks the Commission to approve the programs, TRM and the DSIM as filed. Specifically, the requested programs, TRM and the DSIM consist of the following principal elements:

- A three-year plan for specified demand-side programs³;
- Recovery of program costs and offset of the throughput disincentive at the same time energy efficiency investments are made; and
- An opportunity to earn an incentive amount based upon demand and energy savings achieved.

³ The terms “demand-side” and “energy efficiency” are used synonymously herein. Under MEEIA, energy efficiency programs or investments are a subset of demand-side programs or investments.

9. In addition to the above elements, the Company has filed tariffs which give it the discretion to discontinue programs and the DSIM following appropriate notice to the Commission. Currently there are several initiatives in the electric utility industry nationally and within the state, as well as initiatives specific to the Company that could impact the Company's proposed plan and its ability to recover its costs. These initiatives include, but are not limited to, EPA's Clean Power Plan, Missouri State Energy Plan, the ongoing MEEIA Rulemaking, and KCP&L Greater Missouri Operations Company's evaluation, measurement, verification ("EM&V) for Cycle 1 (as set forth in the Stipulation in Case No. EO-2012-0009), and Staff's recent complaint filing regarding avoided costs to be used in EM&V analysis (Case No. EC-2016-0012). Should these or any other matters adversely impact the Company's plan or ability to recover its costs as approved, the Company reserves to the right to discontinue programs and/or its plan. In such event, the Company will file a notice with the PSC in Case No. EC-2015-0240 indicating the extent to which it will discontinue programs and/or its plan on date certain that is not less than 30 days after the filing of the notice. The Company will honor all requests for the programs received prior to the effective date set for the in the notice.

10. KCP&L's 2014 MEEIA filing was approved by an Order Approving Stipulation and Agreement in Case No. EO-2014-0095 (effective June 15, 2014) and will conclude by year end of 2015.

11. It will take several months after this case is concluded for the Company to ramp-up the necessary infrastructure to implement the level of energy efficiency programs proposed in this MEEIA filing. While the Company intends to issue requests for proposal during the pendency of this case, it will require time to contract with implementing contractors, time for contractors to achieve necessary staffing levels, etc.

12. The proposed tariffs, which are filed concurrently with this application, have been designed to provide the Company with the necessary flexibility to effectively implement and operate its demand-side programs and to make improvements as necessary to adapt to evolving market conditions. The simplest example of this flexibility is the Company's ability to change the incentive level if customer participation is lower than anticipated.

13. Certain Commission regulations (including rules contained in Chapters 3, 14 and 20 of Part 240), were promulgated in years prior to adoption of any KCP&L MEEIA programs, and in present form, contain requirements that are inconsistent with the Company's requested MEEIA filing and DSIM. Accordingly, the Company seeks variances from those regulations listed in Appendix G of the Report.

14. KCP&L Greater Missouri Operations Company ("GMO") is filing a MEEIA application concurrently with this Application. Because the programs and issues are very similar, KCP&L and GMO propose that both cases follow the same procedural schedule (proposal outlined below).

15. To address these issues, the Company proposes a procedural schedule, as set forth in the table below. KCP&L believes the proposed schedule affords Staff and intervenors sufficient time to review yet still completes the proceeding in time for the Company to implement programs by January 1, 2016. Given these needs, the Company proposes the following procedural schedule:

Date	Description
8/28/2015	Filing Date
10/12/2015	Rebuttal Testimony
10/20/2015	Surrebuttal Testimony
11/2/2015-11/4/2015	Hearing
11/16/2016	Briefs
11/23/2016	Reply Briefs
12/14/2015	Expected Order

The Company also proposes to hold a weekly technical conference with Staff and the Office of the Public Counsel and all intervenors for as long as the conferences are productive. KCP&L proposes to hold the first technical conference on September 11, 2015. KCP&L has provided this application to all parties in Case No. EO-2014-0095. Finally, KCP&L asks the Commission to set a short intervention deadline, so the parties can participate in all of the technical conferences and that a procedural schedule can be finalized.

16. The Company seeks a variance of 4 CSR 240-20.094(3) which gives the Commission 120 days to issue an order on a MEEIA application. The Company's existing MEEIA programs expire December 31, 2015. The Company requests that the Commission issue an order by December 14, 2015 (108 days from this Application) so that Cycle 2 MEEIA tariffs can go into effect January 1, 2016. If the Commission does not issue an order before 120 days, the existing MEEIA programs will expire and there will be no new MEEIA programs to take their place. Good cause exists for the requested variance because an early Commission order ensures that the programs are continued with no gap in MEEIA program availability.

17. KCP&L will provide Staff and the Office of the Public Counsel access to all workpapers and other documentation to facilitate review of the Company's MEEIA filing.

WHEREFORE, KCP&L respectfully requests that the Commission approve the demand-side programs, TRM and the DSIM proposed in its MEEIA filing, the variances listed above and for other relief as is appropriate in this case.

Respectfully submitted,

/s/ Roger W. Steiner

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**Attorneys for Kansas City Power & Light
Company**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was served upon the parties listed below on this 28th day of August 2015, by either e-mail or U.S. Mail, postage prepaid.

Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel
P.O. Box 2230
Jefferson City, MO 65102
opc@ded.mo.gov

/s/ Roger W. Steiner

Roger W. Steiner

VERIFICATION

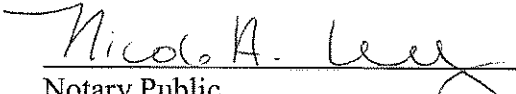
STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

I, Tim M. Rush, having been duly sworn upon my oath, state that I am the Director of Regulatory Affairs of Kansas City Power & Light Company (“KCP&L”), that I am authorized to make this verification on behalf of KCP&L, and that the matters stated in the foregoing Application are true and correct to the best of my information, knowledge, and belief.



Tim M. Rush
Director, Regulatory Affairs
Kansas City Power & Light Company

SUBSCRIBED AND SWORN TO before me this 23rd day of August, 2015.



Notary Public

My Commission Expires: Feb. 4, 2019

