

Exhibit No.:
Issue: Respond to Rebuttal Testimony of Brightergy
Witness: Tim M. Rush
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Kansas City Power & Light Company
KCP&L Greater Missouri Operations Company
Case No.: EO-2015-0240
EO-2015-0241
Date Testimony Prepared: December 31, 2015

MISSOURI PUBLIC SERVICE COMMISSION

**CASE NO.: EO-2015-0240
EO-2015-0241**

SURREBUTTAL TESTIMONY

OF

TIM M. RUSH

ON BEHALF OF

**KANSAS CITY POWER & LIGHT COMPANY
KCP&L GREATER MISSOURI OPERATIONS COMPANY**

**Kansas City, Missouri
December 2015**

SURREBUTTAL TESTIMONY

OF

TIM M. RUSH

CASE NO.: EO-2015-0240

EO-2015-0241

1 **Q: Please state your name and business address.**

2 A: My name is Tim M. Rush. My business address is 1200 Main Street, Kansas City,
3 Missouri 64105.

4 **Q: Are you the same Tim M. Rush who filed Direct Testimony on December 11, 2015 in**
5 **Support of the Stipulation and Agreement (“Stipulation”) and who sponsored the**
6 **August 28, 2015 Missouri Energy Efficiency Investment Act (“MEEIA”) Cycle 2**
7 **2016-2018 report in this matter?**

8 A: Yes, I am.

9 **Q: On whose behalf are you submitting this testimony?**

10 A: I am submitting this Surrebuttal Testimony on behalf of Kansas City Power & Light
11 Company (“KCP&L”) and KCP&L Greater Missouri Operations Company (“GMO”).

12 **Q: What is the purpose of your Surrebuttal Testimony?**

13 A: The purpose of my testimony is respond to the Rebuttal Testimony of witness Adam
14 Blake filed on behalf of Brightergy, LLC (“Brightergy”). Brightergy filed an objection to
15 the November 23, 2015 Non-Unanimous Stipulation and Agreement Resolving MEEIA
16 Filings (“Stipulation”) filed to implement energy efficiency and demand response
17 programs under the MEEIA Cycle 2 for both KCP&L and GMO. I will respond to Mr.
18 Blake’s request that the Commission order the parties to engage in further negotiations
19 and/or revert to the existing Cycle 1 custom rebate program. I will also respond to his

1 testimony regarding the regulatory flexibility provision in the proposed MEEIA Cycle 2
2 tariffs.

3 **Q: At page 1 of his testimony, Mr. Blake requests that the Commission order the**
4 **parties to engage in further discussion as it did in the Union Electric Company d/b/a**
5 **Ameren Missouri (“Ameren”) MEEIA case. How do you respond to this request?**

6 A: The Company has already engaged in several months of discussion with eleven parties
7 representing a variety of interests. As a result of those negotiations, all of the parties
8 except Brightergy were able to agree to a compromise set forth in the Stipulation. The
9 Stipulation is the result of extensive negotiations which included detailed evaluations of
10 programs and the recovery mechanism. The MEEIA programs and recovery mechanism
11 contained in the Stipulation are very different than those originally filed by the Company
12 in August, primarily because of the extensive negotiations with the other parties. I do not
13 believe that further discussion with the parties would be fruitful.

14 **Q: At page 2 of his testimony, Mr. Blake requests that Commission either reject**
15 **KCP&L’s programs entirely or order KCP&L to continue the existing MEEIA**
16 **Cycle 1 custom rebate program. How do you respond?**

17 A: Brightergy has not presented any testimony as to why all the proposed MEEIA programs
18 besides the custom rebate program should be rejected other than to complain about the
19 regulatory flexibility provision, which I address later in my testimony. There is no basis
20 to reject the MEEIA 2 programs. Reverting back to the MEEIA Cycle 1 custom rebate
21 program is not possible as the tariffs supporting that program have expired. Moreover,
22 MEEIA programs are voluntary programs and the Company is not willing to continue the

1 Cycle 1 custom rebate program as it believes that that the incentives in the program are
2 not in line with what other utilities are offering and are excessive.

3 **Q: What is Brightergy's other objection to the Stipulation?**

4 A: Beginning on page 11, line 10, Brightergy addresses the regulatory flexibility issue that is
5 included in the Stipulation, Section 13.

6 **Q: What is Brightergy's issue with this provision?**

7 A: I believe that Brightergy's focus is in two areas:

- 8 1) Customer planning for program implementation; and
- 9 2) Potential job loss at trade allies like Brightergy if programs are terminated.

10 **Q: How do you respond to these concerns?**

11 A: The Company understands Brightergy's concern regarding customer planning and
12 potential job loss. The Company does not take the regulatory flexibility provision lightly.

13 As I previously pointed out in my Direct Testimony, the regulatory flexibility
14 provision is necessary because the MEEIA process is new and there is much that the
15 Company does not know about it. For example, the Company has not completed its first
16 MEEIA cycle and there is still uncertainty about the Clean Power Plan .

17 In order to discontinue the MEEIA programs, the Company must determine that
18 continuing the programs is no longer reasonable due to factors or circumstances that have
19 materially negatively impacted the economic viability of the programs. The Company
20 cannot discontinue its MEEIA programs on a whim or for a nonmaterial reason.
21 Additionally, the Company must notify the Commission, as well as signatories to the
22 Stipulation upon no less than 30 days. It must advise customers of discontinuance by
23 publication no less than 30 days prior to the effective date of such discontinuance in

1 newspaper(s). In its notice, the Company will (1) explain the reason(s) (e.g., changed
2 circumstances) for the discontinuance of all MEEIA Cycle 2 programs in the portfolio);
3 and (2) provide detailed work papers that support its determination that continued
4 implementation of the MEEIA Cycle 2 portfolio is unreasonable. Additionally, the
5 Company must honor commitments made to MEEIA Cycle 2 program participants prior
6 to the effective date of the discontinuance.

7 While Brightergy points to the harm that may come to customer planning and the
8 potential job loss to allies that may result for discontinuing the programs, it is also
9 important to note that if the Company terminates its MEEIA programs, the Company
10 forfeits any recovery of an earnings opportunity that may have been achieved. Thus, the
11 Company's discretion to discontinue its MEEIA programs is limited since termination of
12 the programs comes with a significant financial consequence.

13 The bottom line is that the Company fully expects to implement and deliver its
14 MEEIA Cycle 2 programs for the entirety of the 36-month term, but if developments in
15 the future materially and negatively impact the economic viability of MEEIA Cycle 2
16 programs, then the Company must have the right to terminate MEEIA Cycle 2 programs
17 upon 30 days' notice without the necessity of obtaining Commission approval because
18 that can be a lengthy, contentious and uncertain process.

19 **Q: Does that conclude your testimony?**

20 **A:** Yes, it does.

Subscribed and sworn before me this 31st day of December, 2015.

Nicole A. Wehry
Notary Public

My commission expires: Feb. 4, 2019

NICOLE A. WEHRY
Notary Public - Notary Seal
State of Missouri
Commissioned for Jackson County
My Commission Expires: February 04, 2019
Commission Number: 14391200