

Exhibit No.:  
Issue: Line Extension Policy Comparison  
Witness: Bradley D. Lutz  
Type of Exhibit: Supplemental Direct Testimony  
Sponsoring Party: Kansas City Power & Light Company  
and KCP&L Greater Missouri  
Operations Company  
Case No.: ER-2018-0145 and ER-2018-0146  
Date Testimony Prepared: September 4, 2018

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NOS.: ER-2018-0145 and ER-2018-0146**

**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**BRADLEY D. LUTZ**

**ON BEHALF OF**

**KANSAS CITY POWER & LIGHT COMPANY**

Kansas City, Missouri  
September 2018

149  
KCP&L Exhibit No. ~~150~~  
Date 9/24/18 Reporter 54  
File No. ER-2018-0145-0146

**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**BRADLEY D. LUTZ**

**Case No. ER-2018-0145**

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

2 A: My name is Bradley D. Lutz. My business address is 1200 Main, Kansas City, Missouri  
3 64105.

4 **Q: Are you the same Bradley D. Lutz who pre-filed Direct Testimony in this matter on**  
5 **behalf of Kansas City Power & Light Company (“KCP&L”)?**

6 A: Yes.

7 **Q: What is the purpose of your testimony?**

8 A: The purpose of my Supplemental Direct Testimony is to respond to the Commission’s  
9 August 8, 2018 Order Directing Filing, instructing Commission Staff, the Company, and  
10 any other parties wishing to respond, “to address how KCPL’s current line extension policy  
11 (P.S.C. MO. No 2 Original Sheet 1.30D-H) is more beneficial to customers than the one  
12 used by Ameren (See Mo. P.S.C. Schedule No. 6 Original Sheets 116-122, Section K).  
13 Additionally, the Commission directs the responding parties to provide information as to  
14 how KCP&L’s and GMO’s current line extension policies are compatible with MEEIA,  
15 specifically their heat pump rebate program.”

16 More specifically, I will address the following:

17 I. Provide background concerning the KCP&L line extension policy  
18 (“Policy”) in question, including a discussion of recent Commission action  
19 regarding the policy;

- 1 II. Offer a description of the Policy and my interpretation of the line extension  
2 policy of Ameren Missouri (“Ameren Policy”),
- 3 III. Assess benefit of the Policy relative to the Ameren Policy to customers,  
4 and;
- 5 IV. Discuss how the Policy may be compatible to MEEIA, and specifically the  
6 Heating and Cooling Rebate Program offered by KCP&L and KCP&L-  
7 Greater Missouri Operations Company (“GMO”; collectively with  
8 KCP&L, the “Company”).

9 **I. KCP&L POLICY BACKGROUND**

10 **Q: Please describe the current Policy?**

11 A: The Policy currently in place is the result of Commission action in ER-2016-0185. In the  
12 *Report and Order* of that case the Commission ordered, “KCPL shall also replace its  
13 current line extension tariff with one that is identical to or substantially similar to the line  
14 extension tariff used by GMO.”<sup>1</sup> Later, on May 9, KCP&L made a motion and received  
15 approval to delay the implementation date of the line extension tariffs to January 1, 2018.  
16 This delay provided seven months for KCP&L to make changes to Company computer  
17 systems, forms, work processes and employee training. Most importantly, to educate  
18 developers and builders about the ordered changes. The Policy went into effect on January  
19 1, 2018 as ordered.

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<sup>1</sup> Report and Order Issued May 3, 2017, page 14.

1 **Q: How did this change to the Policy come about?**

2 A: The proposal to change the Policy originated in the *Working Case to Consider Mechanisms*  
3 *to Encourage Infrastructure Efficiency*, Case No. EW-2016-0041. On December 11, 2015  
4 the Commission Staff issued an Investigation and Report. The report was used for,

5 “exploring whether existing electric utility infrastructure is  
6 detrimentally underutilized, whether that underutilization can be  
7 identified geographically and quantified, whether there are rate  
8 design mechanisms or other tariff provisions that may incentivize  
9 more efficient use of existing infrastructure to the benefit of both  
10 customers and companies, and whether there are public policy  
11 considerations the Commission should consider in weighing the  
12 value of any such mechanisms or provisions.”  
13

14 Staff completed a survey of the regulated electric utilities and conducted a workshop to  
15 receive comments. In the *Conclusion and Recommendation* section of that report, Staff  
16 stated:

17 “Staff recommends that to the extent the Commission is interested  
18 in a model extension policy that more aligns with cost-causation  
19 without restricting new growth, that consideration of a design  
20 similar to GMO’s tariff be considered in that it more fully considers  
21 the incremental costs a customer causes to a system in determining  
22 how much, if any, customer advance is required.”

23 **Q: Did KCP&L subsequently propose to adopt the GMO Line Extension Policy (“GMO**  
24 **Policy”) in the ER-2016-0285 rate case?**

25 A: No. The rate case was filed on July 1, 2016. Following the Staff Investigation and Report  
26 there was no further Commission action until June 8, 2016 when the Case was closed. On  
27 August 8, 2016, within the ER-2016-0285 case, the Commission issued an *Order Directing*  
28 *Submittal of Infrastructure Efficiency Tariff*. This Order first introduced the EW-2016-  
29 0041 Working Docket topics into the GMO rate case. In rebuttal testimony offered on  
30 December 30, 2016 the Company responded, offering that “the KCP&L tariff and

1 processes are adequate as they are and no additional change is needed at this time.”<sup>2</sup> Later,  
2 in the *Report and Order* of the ER-2018-0285 rate case, the Commission ordered the  
3 application of the GMO Policy to KCP&L.

4 **Q: Prior to the Commission action in Case No. ER-2016-0285, when was the Policy put**  
5 **into place at KCP&L?**

6 A: According to KCP&L records, the Policy preceding the current line extension policy was  
7 implemented in 1997. Other variations of line extension policies existed before that date.

8 **Q: Prior to the Commission action in Case No. ER-2016-0285, when was the GMO Policy**  
9 **put into place?**

10 A: According to GMO records, the GMO Policy ultimately deployed at KCP&L was  
11 implemented in 1999. This predates the acquisition of Aquila by Great Plains Energy  
12 Incorporated (KCP&L’s former parent company). Other variations of line extension  
13 policies existed before that date.

## 14 II. DESCRIPTION OF POLICIES

15 **Q: What parts of the Policy and Ameren Policy are being reviewed?**

16 A: The Commission identified specific pages for the review. For the Policy, Sheets 1.30D  
17 through 1.30H are noted and contain the following sections:

- 18           ▪ Section 9.04 – Permanent Service
- 19           ▪ Section 9.05 – Indeterminant Service
- 20           ▪ Section 9.06 – Temporary Service
- 21           ▪ Section 9.07 – Extension Upgrade
- 22           ▪ Section 9.08 – Relocation of Conversion Request

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<sup>2</sup> Rebuttal Testimony of Marisol E. Miller. Page 21, line 3.

- 1           ▪       Section 9.09 – Excess Facilities Request
- 2           ▪       Section 9.10 – Applicability Limitation
- 3           ▪       Section 9.11 – Summary of Policy Administration

4       For the Ameren Policy, Sheets 116 through 122 are noted and contain the following  
5       sections:

- 6           ▪       Section K – Underground Extensions
  - 7               ○     1 – General
  - 8               ○     2 – Individual Residential Customer Extensions
  - 9               ○     3 – Residential Subdivision Extensions
  - 10              ○     4 – Non-Residential Extensions

11   **Q:    Is it possible to summarize the purpose of these sections?**

12   **A:**   Yes. For KCP&L, the sections are the terms and conditions applicable to any customer  
13       request for facilities. The sections cover permanent, indeterminant, and temporary service,  
14       provide via overhead (“OH”) or underground (“UG”) service to residential and non-  
15       residential customers. For Ameren, the section are terms and conditions applicable to a  
16       specific sub-set of customer facility requests. The sections cover permanent and temporary  
17       service provided only as UG service to residential and non-residential customers.  
18       Overhead service is addressed in other sections in the Ameren Policy. Both the Policy and  
19       the Ameren Policy identify the portions of a facility request that would be provided by the  
20       Company and that which must be provided by the customer requesting service. Both use  
21       a cost/benefit analysis to determine the respective portions. Both utilize separate Service  
22       Standards to provide detailed information concerning equipment specifications,  
23       construction standards, and requirements.

1 Q: Since the portions of the Ameren Policy quoted by the Commission in its Order are  
 2 limited to UG line extensions, do you assume that was the focus of the ordered benefit  
 3 comparison?

4 A: Yes, but I do not limit my review to that aspect of the respective policies. Each policy  
 5 makes reference to OH provisions and other terms and conditions existing in the respective  
 6 utility tariffs. Further, I note there are consistent types of facility requests accounted for in  
 7 the policies; individual residential, subdivision, and non-residential service. This review  
 8 will also compare these types.

9 Q: Beginning with Individual Residential Extension, please describe the key features of  
 10 each policy.

11 A: To facilitate this description I will summarize the key elements of each policy in a table.  
 12 The key elements of the Individual Residential Extension policies are:

13 Table 1

Individual Residential Extension	
Policy	Ameren Policy
<ul style="list-style-type: none"> <li>• Provision for a basic, free of charge extension up to 1,320 feet in length.</li> <li>• If additional cost is needed, customer pays difference between cost and a Construction Allowance.</li> <li>• Terms provided for billing over time, through Customer Charge adjustment</li> </ul>	<ul style="list-style-type: none"> <li>• Provision for a basic, free of charge extension up to 1,000 feet in length.</li> <li>• If additional cost is needed, customer pays all additional cost beyond the basic extension.</li> <li>• Optional estimation of cost to annual net revenue. Where cost greater than revenue, customer pays the difference.</li> <li>• If UG, customer pays difference between OH and UG cost.</li> <li>• Company may provide primary and secondary facilities.</li> </ul>

14

15 Q: Concerning the Subdivision Extension, please describe the key features of each policy.

16 A: The key elements of Subdivision Extension policies are:

1

Table 2

Subdivision Extension	
Policy	Ameren Policy
<ul style="list-style-type: none"> <li>• Applies to five or more buildings.</li> <li>• Per lot, construction charges equal the estimated construction cost less a Construction Allowance.</li> <li>• Applicant responsible for costs to connect subdivision to existing energy grid.</li> <li>• Provision for refundable amount at the completion of the construction.</li> <li>• Up-front, per lot charge based on heating source with refundable provisions.</li> </ul>	<ul style="list-style-type: none"> <li>• Applies to two or more buildings.</li> <li>• Per lot, provision for a basic, free of charge extension up to 1000 feet in length.</li> <li>• Customer pays difference between OH and UG cost.</li> <li>• Optional per lot estimation of costs compared to annual net revenue. Excess revenue may be used to offset costs. Includes provision for refundable amount.</li> <li>• Costs greater than allowances to be paid though refundable deposit.</li> </ul>

2

3 **Q: Concerning Non-Residential Extension, please describe the key features of each**  
4 **policy.**

5 **A:** The key elements of the Non-Residential Extension policies are:

6

Table 3

Non-Residential Extension	
Policy	Ameren Policy
<ul style="list-style-type: none"> <li>• Construction charges equal the estimated construction cost less a construction allowance</li> </ul>	<ul style="list-style-type: none"> <li>• Provision for a basic, free of charge extension up to 1000 feet in length (with positive net annual revenue).</li> <li>• Customer pays difference between OH and UG cost.</li> </ul>

7

8 **Q: Did you note any other terms or special factors of significance in this review of the**  
9 **policies?**

10 **A:** Yes. The respective policies included a number of elements unique to the respective utility.

11 Those are noted in the following table:



1

Table 4

Notable Terms or Special Factors	
Policy	Ameren Policy
<ul style="list-style-type: none"> <li>• Includes provisions for refundable construction charges within an open extension period.</li> <li>• Will consider area growth in determining construction charges.</li> <li>• Includes provisions for additional charges related to extreme extension requests.</li> <li>• Includes provisions for temporary service, upgrade, and relocation.</li> <li>• Defines 120-day limit for validity of estimates.</li> <li>• Relies on a Construction Allowance formula which considers estimated margin and fixed carrying costs. Construction Allowance used to consider end-use. A feasibility model is used to make calculations.</li> <li>• Includes provisions for indeterminant service or questionable estimates.</li> </ul>	<ul style="list-style-type: none"> <li>• Includes provisions for advance refundable construction deposits.</li> <li>• Includes provisions for large lot subdivisions.</li> <li>• Establishes semi-annual revenue reviews.</li> <li>• Includes provisions for Lighting Service extensions.</li> <li>• Includes provisions for Supplementary Extensions.</li> <li>• Expresses expectations for Joint Utility Construction.</li> <li>• Defines Guarantee Agreement terms.</li> </ul>

2

3

III. ASSESSMENT OF BENEFIT

4

**Q:** Before exploring the benefit of the respective policies, do you wish to offer any opening thought?

5

6

**A:** Yes. I believe the Commission question concerning benefit has already been addressed.

7

Within the *Working Case to Consider Mechanisms to Encourage Infrastructure Efficiency*,

8

Case No. EW-2016-0041 and the Staff Investigation and Report issued on December 11,

9

2015, an assessment of the various line extension polices was completed and the Staff

10

recommended deployment of the GMO model.<sup>3</sup> Shortly after the issuance of that report I

11

responded to phone calls concerning the GMO process and provided copies of the

12

supporting material to representatives of the other Missouri electric utilities.

<sup>3</sup> Page 3, line 9 of this testimony.

1 **Q: Are you aware of any of the other Missouri electric utilities recently changing their**  
2 **Line Extension policies?**

3 A: Yes. I believe Empire Electric changed their line extension policies in July 2015 as part of  
4 their ER-2014-0351 rate case. I don't believe the changes were made in response to the  
5 EW-2016-0041 and the Staff Investigation and Report, but I would offer the Empire line  
6 extension policy contains many of the elements found in the Policy, the GMO Policy, and  
7 the Ameren Policy.

8 More recently, I believe Ameren Missouri has proposed changes to their line  
9 extension policy in ET-2018-0132, the *Application of Union Electric Company d/b/a*  
10 *Ameren Missouri for Approval of Efficient Electrification Program*. As I understand that  
11 filing, Ameren proposes to implement a line extension policy largely consistent with the  
12 GMO design and consistent with the Staff position offered in EW-2016-0041.

13 **Q: Turning back to this effort, what guidance was offered by the Commission to**  
14 **complete this assessment?**

15 A: The detail was represented in a single sentence. The sentence states; "to address how  
16 KCPL's current line extension policy (P.S.C. MO. No 2 Original Sheet 1.30D-H) is more  
17 beneficial to customers than the one used by Ameren (See Mo. P.S.C. Schedule No. 6  
18 Original Sheets 116-122, Section K).

19 **Q: How did you interpret this guidance?**

20 A: The core portion of the guidance is to show how the Policy "is more beneficial to customers  
21 than the one used by Ameren". Parsing the guiding sentence further leads to two primary  
22 interpretations, first, what "customers" are being considered and then what is deemed  
23 "beneficial"?

1 **Q: How did you define “customers” for this assessment?**

2 A: Given the word is plural and no other limiting qualifiers were offered, I believe the word  
3 “customers” is intended to refer to all customers of the utility, requestors of the line  
4 extension as well as non-requestors.

5 **Q: How did you define “beneficial” for this assessment?**

6 A: With “customer” defined, consideration of the word “beneficial” now has a context. For  
7 this assessment, “benefit” will mean providing a fair balance between the cost covered by  
8 the utility and ultimately paid for by all utility customers and the cost borne by the  
9 requestor.

10 **Q: With these assumptions in place, please explain how you believe the Policy is more**  
11 **beneficial than the Ameren policy.**

12 A: To complete this analysis I will first provide a listing of the key considerations supporting  
13 why the Policy is more beneficial and I will then provide additional support and context. I  
14 believe the Policy is more beneficial because:

- 15 1. The use of Construction Allowance provides a better reflection of value  
16 gained from the line extension investment than the simple cost versus  
17 annual net revenue approach used in the Ameren Policy.
- 18 2. The Construction Allowance, through its use of margin, over a five-year  
19 period, provides a larger allowance to customers expected to have “better”  
20 load, such as higher load factor load.
- 21 3. The Construction Allowance provides for recognition of the end-use. For  
22 example, in the residential applications, heating can have a big impact on

1 the revenue to be expected from a home. This is reflected in the size of the  
2 Construction Allowance.

- 3 4. A secondary but important benefit is provided with the use of an up-front  
4 charge with refundable and non-refundable components to help ensure  
5 Applicants remain committed to completing the projects as designed. If  
6 the up-front charge were not used, Applicants may feel less compelled to  
7 complete the work and recover the refundable amounts.

8 I would contend that the use of the Construction Allowance approach is the single, largest  
9 factor resulting in more customer benefit than the annual net revenue approach used in the  
10 Ameren Model.

11 **Q: Why is the Construction Allowance key to providing customer benefit?**

12 **A:** It is because the Construction Allowance helps provide benefit to the Applicant seeking  
13 the line extension, but also to the existing customer and the Company. The Construction  
14 Allowance introduces economic balance, ensuring a fair cost is paid. Additional detail is  
15 gained by a closer review of the defined terms:

- 16           ▪ **Construction Allowance** = the Sum of the Estimated  
17 Margins for 5 years ÷ the Sum of the Fixed Carrying Costs  
18 for the same 5 years.  
19  
20           ▪ **Estimated Margins** = multiplying the effective rates for  
21 each customer class by the estimated incremental usage and  
22 then subtracting 1) applicable margin allocation for network  
23 and infrastructure support costs; and 2) incremental power  
24 and energy supply costs.  
25  
26           ▪ **Fixed Carrying Cost** = the Company's cost of capital to  
27 provide the requisite return on its investment as well as the  
28 costs for depreciation, property taxes and property  
29 insurance.  
30

1 Within the Estimated Margin calculation there is a reduction of the total margin. This  
2 reduction helps achieve the balance between the Applicant and existing customers. In a  
3 sense, the reduction carves out a portion of the estimated margin to cover some portion of  
4 the fixed cost required to provide the energy grid (infrastructure and energy). The  
5 Applicant retains the remainder, adjusted to reflect the utility's needed return.

#### 6 IV. MEEIA COMPATABILITY

7 **Q: The Order Directing Filing provides the instruction "to provide information as to**  
8 **how KCP&L's and GMO's current line extension policies are compatible with**  
9 **MEEIA, specifically their heat pump rebate program." Are you familiar with the heat**  
10 **pump rebate program mentioned?**

11 **A:** Yes, I am. The program is referred to as the Heating and Cooling Rebate Program ("Rebate  
12 Program") offered by KCP&L and GMO under Missouri Energy Efficiency Investment  
13 Act ("MEEIA") as part of the Whole House Efficiency program. The program may be  
14 found in the KCP&L tariffs in Section 23.18 on Sheet 2.26 within the Rules and  
15 Regulations. For GMO, the tariff is Section 15.17 found on Sheet R-102. As the program  
16 details are identical, I will refer to the programs collectively. According to the tariff, the  
17 program is designed to "encourage residential Customers to implement whole-house  
18 improvements by promoting home energy assessments, comprehensive retrofit services  
19 and high efficiency mechanical equipment".

20 **Q: How does the Rebate Program work?**

21 **A:** The image below was taken from the KCPL.com website<sup>4</sup> and details the Rebate Program  
22 steps:

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<sup>4</sup> <https://www.kcpl.com/save-energy-and-money/home/rebates/heating-and-cooling>

**How it Works**

To participate in our rebate program, you must be a Missouri KCP&L residential customer. To get started:

- ① [Find an authorized contractor](#) and schedule an appointment with them.
- ② Your authorized contractor will check your current system to see how you can benefit from various available [upgrades and rebates](#).
- ③ Once your upgrades are installed, your authorized contractor will submit the rebate application on your behalf. You will then receive a rebate check in the mail in 6-8 weeks.
- ④ See additional information about [program terms and condition](#)

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**Figure 1**

Figure 1 includes hyperlinks to other materials. This are included with this testimony. First is the “Find an authorized contractor” link. The resulting webpage is Schedule BDL-9. Next, in the “upgrades and rebates” link. The resulting file is Schedule BDL-10. Lastly is the “program terms and condition” link. The resulting webpage is Schedule BDL-11. In general, if a Customer purchases and installs a qualifying HVAC or heat pump system through a Company-authorized contractor, the customer may receive a rebate.

**Q: Are there any formal dependencies between MEEIA and the Policy?**

A: No. The Policy does not address or provide for demand-side energy management. The Policy does not “modify the net consumption of electricity on the retail customer’s side of the electric meter, including, but not limited to, energy efficiency measures, load management, demand response, and interruptible or curtailable load, but not including deprivation of service or low income weatherization.”<sup>5</sup>

**Q: Are there any formal dependencies between the Rebate Program and the Policy?**

A: No. The Rebate Program and the Policy are independent.

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<sup>5</sup> 4 CSR 240-20.092(1)(M)

1 **Q: Can the Rebate Program and the Policy be compatible in any manner?**

2 A: Yes. The residential line extension portions of the Policy consider heating source in  
3 establishing the Construction Allowance. A customer building a new home could utilize  
4 the Rebate Program to receive a rebate on the installation of a new Ground Source Heat  
5 Pump. This is the only option supported for new installations. Otherwise, the Rebate  
6 Program is designed to replace operating or failed heating and cooling equipment in an  
7 existing home. To utilize the Policy for this situation, it may be limited to upgrade,  
8 conversion, or relocation requests where an existing home might be present. Situations  
9 may vary and all respective terms will need to be met to qualify for both the Rebate  
10 Program and the Policy.

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

12 A: Yes, it does.

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

In the Matter of Kansas City Power & Light Company's Request for Authority to Implement A General Rate Increase for Electric Service )  
Case No. ER-2018-0145

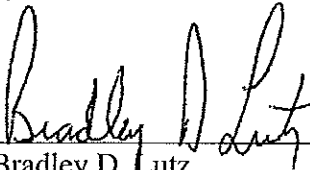
In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement A General Rate Increase for Electric Service )  
Case No. ER-2018-0146

**AFFIDAVIT OF BRADLEY D. LUTZ**

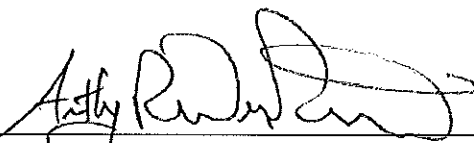
**STATE OF MISSOURI** )  
  ) ss  
**COUNTY OF JACKSON** )

Bradley D. Lutz, being first duly sworn on his oath, states:

- 1. My name is Bradley D. Lutz. I work in Kansas City, Missouri, and I am employed by Kansas City Power & Light Company as Manager – Regulatory Affairs.
  
- 2. Attached hereto and made a part hereof for all purposes is my Supplemental Direct Testimony on behalf of Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company consisting of fourteen (14) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.
  
- 3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Bradley D. Lutz

Subscribed and sworn before me this 4<sup>th</sup> day of September 2018.

  
\_\_\_\_\_  
Notary Public

My commission expires: 4/26/2021

**ANTHONY R. WESTENKIRCHNER**  
Notary Public, Notary Seal  
State of Missouri  
Platte County  
Commission # 17279952  
My Commission Expires April 26, 2021





## Find a KCP&L-Authorized Contractor

Find a KCP&L-authorized contractor by entering your city or zip code, or by entering a contractor's name.

City, Zip, or Address  in

25 mi

Services Provided

OR

Authorized Contractor Name

[Clear Search](#)



Take advantage of the [KCP&L Heating and Cooling Rebate or Insulation and Air Sealing Rebate](#) when you make energy-efficient upgrades to your home. Rebates up to \$800 are available on upgrades such as air sealing and insulation. Rebates up to \$475 are also available when you upgrade to a new, energy-efficient heating or cooling system.



To find a KCP&L-authorized contractor, please enter your location information to the left. In order to take advantage of rebates, your contractor must be authorized in the program before your upgrades are installed. If your preferred contractor is not authorized, they can register at [kcp@tradeably.com](http://kcp@tradeably.com).

**NO ENDORSEMENT:** KCP&L does not endorse any particular manufacturer, product, system design, claim, or authorized contractor in promoting this Rebate.

# Rebate Incentive Chart

Rebates available to customers making residential efficiency improvements



Rebates valid for measures installed on or after April 1, 2018.

## RESIDENTIAL HEATING AND COOLING REBATES

Central Air Conditioner <sup>1</sup>	
SEER 15' – Replacing Failed Equipment	\$125
SEER 15' – Replacing Operating Equipment	\$250
SEER 16' – Replacing Failed Equipment	\$200
SEER 16' – Replacing Operating Equipment	\$400
SEER 17' – Replacing Failed Equipment	\$200
SEER 17' – Replacing Operating Equipment	\$400

Ground Source Heat Pump (GSHP) <sup>2</sup>	
EER 23+ – Replace Failed or Operating GSHP	\$800
EER 23+ – Replace Failed or Operating Air Conditioner and Electric Resistance Furnace	\$1,000
EER 23+ – Replace Failed or Operating ASHP	\$1,000
EER 23+ – New Installation (no previous equipment)	\$1,000

Electronically Commutated Motor (ECM) – Blower Fan Motor	
ECM (Blower Fan Motor)	\$75 (per ECM)

Heat Pump Ductless Mini-Split <sup>3</sup>	
Heat Pump Ductless Mini-Split	\$150

Heat Pump <sup>4</sup>	
SEER 15' – Replacing Failed Equipment	\$125
SEER 15' – Replacing Operating Equipment	\$250
SEER 15' – Replacing Failed Central Air Conditioner with Electric Furnace or Electric Baseboard Heating	\$125
SEER 15' – Replacing Operating Central Air Conditioner with Electric Furnace or Electric Baseboard Heating	\$250
SEER 16' – Replacing Failed Equipment	\$200
SEER 16' – Replacing Operating Equipment	\$400
SEER 16' – Replacing Failed Central Air Conditioner with Electric Furnace or Electric Baseboard Heating	\$200
SEER 16' – Replacing Operating Central Air Conditioner with Electric Furnace or Electric Baseboard Heating	\$400
SEER 17' – Replacing Failed Equipment	\$200
SEER 17' – Replacing Operating Equipment	\$400
SEER 17' – Replacing Failed Central Air Conditioner with Electric Furnace or Electric Baseboard Heating	\$200
SEER 17' – Replacing Operating Central Air Conditioner with Electric Furnace or Electric Baseboard Heating	\$400

## RESIDENTIAL INSULATION AND AIR SEALING REBATES

		KCP&L Maximum Incentive <sup>5</sup>	Spire Maximum Incentive <sup>4</sup>
Air Sealing	\$0.04 per sq. ft.	\$300	\$300
Ceiling Insulation, R-38	\$0.15 per sq. ft.	\$500	\$500

## RESIDENTIAL BONUS INCENTIVES<sup>6</sup>

	Maximum Incentive <sup>5</sup>
Insulation and Air Sealing Rebate Plus Replacing Failed Central Air Conditioner/Heat Pump	\$100
Insulation and Air Sealing Rebate Plus Replacing Operating Central Air Conditioner/Heat Pump	\$150
Insulation and Air Sealing Rebate Plus Replacing Failed or Operating Electric Resistance Heat	\$200

<sup>1</sup> All heating and cooling equipment is required to be Air-Conditioning, Heating and Refrigeration Institute (AHRI) rated.

<sup>2</sup> Maximum nominal SEER for operational equipment rebate is 10, and the system must be at least 5 years old.

<sup>3</sup> Spire natural gas customers are eligible for both the KCP&L and Spire rebates.

<sup>4</sup> Maximum Incentive = Maximum payout per measure for 3-year MEEIA 2 term.

<sup>5</sup> In order to receive the bonus incentive, multiple update measures must be completed within 6 months.



## A/C or Heat Pump Efficiency Analysis Terms and Conditions

See below for important legal and eligibility information.

*These terms and conditions are only valid for installation or service completed on or after April 1, 2016. Only authorized contractors may submit applications for rebate consideration.*

**REBATE OVERVIEW:** The Heating and Cooling Rebate (the "Rebate") offered by Kansas City Power and Light Company (KCP&L) provides rebates to KCP&L customers (the "Customer(s)") who purchase and have installed qualifying HVAC and heat pump systems ("Heating and Cooling Services") through a KCP&L authorized contractor (a "Trade Ally"). This Rebate is only valid for Heating and Cooling Services completed on or after April 1, 2016, and is subject to the terms and conditions contained herein.

**APPLICATION:** Upon completion of the Heating and Cooling Services, the Trade Ally may submit applications for Rebate consideration. Customers may not submit applications directly to KCP&L or to KCF (the "Implementer"). The application and any required additional documentation, including invoices, permit information and the commissioning report, must be filled out completely and accurately and must be submitted electronically to the Implementer by the Trade Ally via the online portal supported by the Implementer or by electronic mobile device application. Customers are advised to obtain and retain a copy of the application from the Trade Ally and any accompanying documentation submitted to KCP&L under this Rebate. KCP&L will not be responsible for lost documentation pertaining to an application request. This Rebate only applies to equipment purchased and installed on or after April 1, 2016. Please check kcp.com for updates. Details of this Rebate, including Rebate levels, are subject to change or cancellation without prior notice. The application, with required documentation, must be received within 30 days of the completion of the Heating and Cooling Services. Only one Rebate is allowed for each qualifying measure purchased or service received. Rebate amounts are valid through March 31, 2019, but are subject to change without notice.

**ELIGIBILITY:** Funds available for Rebates are limited. This Rebate is valid for Customers in the KCP&L – MO and KCP&L – GMO territories on a first-come, first-served basis. To be eligible to participate in the Rebate, Customers must receive services under any generally available residential rate schedule offered by KCP&L. In order to qualify for the Rebate, all Heating and Cooling Services must be performed by an authorized Trade Ally. Please visit kcp.com to locate authorized Trade Allies in your area. The application must be submitted by the Trade Ally via the online portal supported by the Implementer or by electronic mobile device application. Equipment must be installed. All Heating and Cooling Services must be performed in KCP&L – MO and KCP&L – GMO service territories. Rebate amounts and eligible HVAC/heat pump systems can be found at kcp.com.

**APPROVAL, VERIFICATION AND INSPECTION:** Prior to any payment of a Rebate, KCP&L reserves the right to verify sales transactions. The Trade Ally will verify that the Heating and Cooling Services meet all applicable building codes, zoning laws, local, state and federal requirements, and other relevant requirements. The Trade Ally is responsible for any applicable permits as required by law. Outdoor temperatures and other weather conditions may affect this verification process. Customer's home may also be selected for a quality control, post-installation inspection by KCP&L or its Implementer. No warranty is implied by this inspection.

**REQUIRED DOCUMENTATION:** The Trade Ally's invoice itemizing the purchased materials, products and/or services performed must accompany each Rebate request. The invoice copy must indicate the equipment type, make, model, serial numbers (coil and condenser model/serial numbers listed separately) and date of purchase or the date on which the Heating and Cooling Services were performed.

**PAYMENT:** Please allow up to eight weeks for processing. Payment processing may be delayed if required documentation or information on the application is incomplete or missing. Please call us toll-free at (858) 872-8203 if you have any questions about your Rebate.

**TAX LIABILITY:** KCP&L will not be responsible for any tax liability that may be imposed on the Customer as a result of the payment of a Rebate. Please contact your tax adviser for more information.

**NO ENDORSEMENT:** KCP&L does not endorse any particular manufacturer, product, system design, claim or Trade Ally in promoting this Rebate.

**INFORMATION RELEASE:** Customer agrees that KCP&L may include Customer's name, address, KCP&L account number, the Heating and Cooling Services performed by the Trade Ally and resulting energy savings to Customer in a database hosted by the Implementer, and that such information may be included in reports or other documentation submitted to KCP&L and/or the Missouri Public Service Commission. KCP&L will treat such information as confidential and report such information only in the aggregate.

**LIMITATION OF LIABILITY:** NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, CUSTOMER AGREES THAT REGARDLESS OF THE LEGAL THEORY ASSERTED (INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, WARRANTY, NEGLIGENCE OR TORT), KOP&L'S LIABILITY RESULTING FROM THE REBATE OR ANY PARTY ASSERTING CLAIMS ON BEHALF OF OR IN THE NAME OF CUSTOMER WILL NOT EXCEED COLLECTIVELY AND IN THE AGGREGATE, FOR ALL CLAIMS, LIABILITIES, LOSSES, DAMAGES OR EXPENSES, THE VALUE OF THE REBATE RECEIVED BY THE CUSTOMER. FURTHER, IN NO EVENT WILL KOP&L BE LIABLE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY OR OTHERWISE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES CONNECTED WITH OR RESULTING FROM PARTICIPATION IN THE REBATE. KOP&L RESERVES THE RIGHT TO NOT PAY ANY REBATE IF THE APPLICATION FORM AND ALL REQUIRED ADDITIONAL INFORMATION ARE NOT COMPLETE AND ACCURATE.

**WARRANTIES:** KOP&L DOES NOT WARRANT THE PROPER COMPLETION OF WORK OR PERFORMANCE OF INSTALLED PRODUCTS, EXPRESSLY OR IMPLICITLY. KOP&L MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY KIND, WHETHER STATUTORY, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE REGARDING THE CENTRAL AIR CONDITIONING OR HEAT PUMP EQUIPMENT PROVIDED BY A TRADE ALLY OR ANY MANUFACTURER OR VENDOR. KOP&L MAKES NO PROMISE OR GUARANTEE THAT THE HEATING AND COOLING SERVICES WILL RESULT IN ENERGY COST SAVINGS. THE TRADE ALLY SHALL BE RESPONSIBLE FOR DELIVERING DETAILS REGARDING WARRANTIES (IF ANY) FOR SERVICES PROVIDED AND PRODUCTS INSTALLED IN CONNECTION WITH THE REBATE.

**PROPERTY RIGHTS:** Customer represents that he/she has the right to complete and/or install the Heating and Cooling Services on the property on which those measures were completed and/or installed and that any required consents from landlords, tenants, etc., to permit the Heating and Cooling Services to be performed on Customer's property, as the case may be, have been obtained by Customer.

**OWNER'S CERTIFICATION:** Customer who rents and does not own the property on which the Heating and Cooling Services will be performed hereby certifies that he/she has received consent from the landlord or homeowner for the Heating and Cooling Services and associated duct installation measures. To the extent Customer has not received prior consent from the landlord or homeowner, as appropriate under the terms of this provision, Customer agrees to indemnify, defend and hold harmless KOP&L from any claims, losses, damages, liabilities or expenses incurred by KOP&L as a result of Customer's failure to obtain such consent.

**CUSTOMER'S CERTIFICATION:** Customer certifies that he/she has purchased and installed the products listed on the application of the rebate program. Customer agrees that all information provided and that he/she has conformed to all Rebate and product requirements listed.

**RIGHT TO REFUSE:** In the sole discretion of the Trade Ally to refuse service or end the Heating and Cooling Services if not authorized by a Customer during the period of when he/she is on-site. "Unauthorized" includes but is not limited to the following: unreasonable demands for service, personality (insulting or offensive language), threatening or hostile behavior and inappropriate personal conduct. The Trade Ally reserves the right to make any promises, or clarify them, deemed by the Trade Ally to be necessary to satisfy its obligations.

**USE OF EMAIL ADDRESS:** Customer acknowledges and agrees that KOP&L or its employees may contact Customers via email in connection with the Rebate. These emails and certificates are only valid for installation or service completed on or after April 1, 2010. Only a limited number of emails may submit applications for rebate consideration.

Some restrictions may apply. Visit [www.kopandl.com](http://www.kopandl.com) for full details on eligibility and rebate and cooling Rebate Terms and Conditions.