

Attachment 3

Demand-Side Resource Analysis (4 CSR 240-22.050)

**(portions of which have been removed as
“Highly Confidential” pursuant to the terms and conditions
of the Commission’s Standard Protective Order)**

AFFORDABILITY, EFFICIENCY AND DEMAND RESPONSE PROGRAMS

1. AFFORDABILITY PROGRAMS

LOW-INCOME AFFORDABLE NEW HOMES PROGRAM

PROGRAM DESCRIPTION

The Low-Income Affordable New Homes Program will be a partnership between KCP&L and non-profit organizations, including Habitat for Humanity and local government community development organizations, to achieve energy-efficient affordable new housing for the low-income community. Incentives will be available for high efficiency CAC, heat pumps and refrigerators. Financial incentives will be set at the full incremental cost for CAC and heat pumps. A \$200 incentive will be available towards the purchase of an ENERGY STAR® rated refrigerator. Finally, up to \$100 will be available towards the purchase of ENERGY STAR® rated lighting fixtures.

The customer incentive budget is based upon 100% homes receiving refrigerator and lighting incentives and 25% of the homes will receiving high efficiency air conditioners, and 25% receiving high efficiency heat pumps.

EVALUATION

Impacts associated with this program will be estimated based upon engineering analysis. If a control group can be identified, a billing analysis may be conducted after homes that have participated in the program has been occupied for at least 1 full year.

LOW INCOME WEATHERIZATION AND HIGH EFFICIENCY PROGRAM

PROGRAM DESCRIPTION

Qualifying lower income customers can get help managing their energy use and bills through KCP&L's low income weatherization and high efficiency program. The program will work directly with local CAP agencies that already provide weatherization services to low income customers through the DOE and other state agencies. KCP&L will provide supplemental funds to the CAPs to cover the cost of weatherization measures. This program will be administered by the CAP agencies and follows the protocol under current federal and state guidelines. Participants can be a KCP&L owner-occupied residential customer in a one to four-unit structure and have an income that is up to 185% of the federal poverty guidelines. Renters will also be allowed to participate if the landlord pays 50% of

the weatherization cost and agrees not to raise the rent for pre-agreed period of time. CAP agencies will be allowed an average of \$1,500 per participant for weatherization and other electric savings measures.

This program helps low income customers reduce their energy costs at no cost to the customer. CAP agencies offer a cost effective implementation capability, which allows most of the funds allocated to this program to go directly to the purchase and installation of energy efficiency measures.

EVALUATION

Weatherization impacts for the first two years of the program will be based upon borrowed analysis from other utility programs. In the third year of the program, a billing analysis will be conducted to estimate impacts for all measures.

1. EFFICIENCY PROGRAMS

ONLINE ENERGY INFORMATION AND ANALYSIS PROGRAM USING NEXUS® RESIDENTIAL SUITE

PROGRAM DESCRIPTION

The online energy information and analysis program allows all residential customers with computers to access their billing information and comparisons of their usage on a daily, weekly, monthly or annual basis. This tool will analyze what end uses make up what percent of their usage, and provide information on ways to save energy by end use through a searchable resource center. This tool also allows the user to analyze why their bill may have changed from one month to another. A home comparison also displays a comparison of the customer's home versus an average similar home via an Energy guide label concept.

EVALUATION

Since this is an informational program and any potential savings will be difficult, if not impossible, to accurately measure, KCP&L does not propose to evaluate the program for energy savings. KCP&L will provide reports on usage.

HOME PERFORMANCE WITH ENERGY STAR® PROGRAM - TRAINING

PROGRAM DESCRIPTION

Home Performance with ENERGY STAR® is a unique program which enhances the traditional existing home energy audit service. This program uses the ENERGY STAR® brand to help encourage and facilitate whole-house energy improvements to existing housing. This program focuses on the private-sector contractors and service professionals who currently work on existing homes – replacing HVAC systems, adding insulation, installing new windows, etc. The Missouri Home Performance with ENERGY STAR® Initiative requires contractors to be accredited under Building Performance Institute (BPI) standards. Technicians must possess appropriate skills and are field-tested to obtain certification, further lending credibility to services offered.

The program strives to provide homeowners with consumer education, value and a whole-house approach. Contractors are trained to provide "one-stop" problem solving that identifies multiple improvements that, as a package, will increase the home's energy efficiency. While the program goal is saving energy, its market-based approach and message focus on addressing a variety of customer needs – comfort, energy savings, durability and health and safety. It also encourages the development of a skilled and available contractor/provider infrastructure that has an economic self-interest in providing and promoting comprehensive, building science-based, retrofit services.

EVALUATION

KCP&L will track whole-house evaluations that are performed by certified contractors in their service territory. In year 3, a billing analysis will be conducted between participants and a control group.

CHANGE A LIGHT– SAVE THE WORLD

PROGRAM DESCRIPTION

Changing the world starts with simple actions. When you replace a light bulb or fixture in your home with one that has earned the U.S. government's ENERGY STAR rating, you contribute to a cleaner environment while saving yourself energy, money and time buying and changing lights in your home. Lighting that has earned the ENERGY STAR® rating prevents greenhouse gas emissions by meeting strict energy efficiency guidelines set by the US Environmental Protection Agency and US Department of Energy. ENERGY STAR® encourages every American to change out the 5 fixtures they use most at home (or the light bulbs in them) to ENERGY STAR® qualified lighting, to save themselves more than \$60 every year in energy costs.

Every fall, ENERGY STAR® partner retailers, manufacturers, utilities, and state organizations come together to make this change even easier. These partners are working to bring more energy-efficient lighting choices to store shelves than ever before. ENERGY STAR® qualified lighting uses two thirds less energy and lasts 6 to 10 times longer than traditional lighting. When you save energy, you not only save money on your utility bills, you also help to protect our environment. KCP&L will contribute funds annually to the state agencies that are working with the EPA and Energy Star to promote this program in the KCP&L service territory. KCP&L expects most of the funds to be used for point of purchase rebates for CFLs.

EVALUATION

KCP&L will rely on evaluations conducted by the EPA and ENERGY STAR®.

COOL HOMES PROGRAM

PROGRAM DESCRIPTION

The Cool Homes Program will encourage residential customers to purchase and install energy-efficient central air conditioning and heat pumps by providing financial incentives to offset a portion of the equipment's higher initial cost. The program's long-range goal is to encourage contractors/distributors to use energy efficiency as a marketing tool, thereby stocking and selling more efficient units and moving the entire CAC and heat pump market toward greater energy efficiency. Incentives will be set at approximately 50% of incremental cost. SEER 13.0 and higher efficiency equipment will be rebated in 2005. Since federal standards are set to be increased from 10 SEER to 13 SEER in 2006, KCP&L will modify the 2006 incentives to only rebate SEER levels at 15.0 and above.

One important feature of the program that will begin immediately is to offer training in Manual J calculations and System Charging and Airflow for HVAC contractors. Manual J is the industry standard residential load calculation method. The training offers step-by-step examples of properly sizing equipment and also addresses principles of heat transfer. The training teaches HVAC contractors to accurately perform and document cooling load calculations and reduces oversizing. The System Charging and Airflow course addresses airflow and charging procedures and standards and includes hands-on training in the use of testing equipment. Once enough contractors have undergone this training, KCP&L may mandate that these calculations take place in order to qualify for the incentive.

EVALUATION

Evaluation will include random on-site inspections and engineering analysis. Spot metering and runtime data will also be collected to verify the connected load and full load hour estimates used in the engineering analysis.

ENERGY STAR® HOMES – NEW CONSTRUCTION

PROGRAM DESCRIPTION

This program will require that new homes be constructed to a standard at least 30 percent more energy efficient than the 1993 national Model Energy Code. These savings are based on heating, cooling, and hot water energy use and are typically achieved through a combination of building envelope upgrades, high performance windows, controlled air infiltration, upgraded heating and air conditioning systems, tight duct systems, and upgraded water-heating equipment.

Homes are qualified as an ENERGY STAR® with use of the Builder Option Packages (BOP). BOPs represent a set of construction specifications for a specific climate zone. BOPs specify performance levels for the thermal envelope, insulation, windows, orientation, HVAC system and water heating efficiency for a specific climate zone that meet the standard. The ENERGY STAR® Homes program will offer technical services and financial incentives to builders while marketing the homes' benefits to buyers. Scaled incentives will be provided to homes that are qualified as ENERGY STAR®.

EVALUATION

Evaluation will include random on-site inspections and engineering analysis. Billing analysis will be conducted in year 3 between participant and control groups.

ONLINE ENERGY INFORMATION AND ANALYSIS PROGRAM USING NEXUS® COMMERCIAL SUITE

PROGRAM DESCRIPTION

The online energy information and analysis program allows all business and non-profit customers with computers to access their billing information and compare their usage on a daily, weekly, monthly or annual basis, analyze what end uses make up what percent of their usage, and access ways to save energy by end use through a searchable resource center. Targeted case studies provide ideas relevant to the customer's industry. This tool also allows the user to analyze why their bill may have changed from one month to another. A business comparison also displays usage benchmarking data versus similar types of businesses.

EVALUATION

Since this is an informational program and any potential savings will be difficult, if not impossible, to accurately measure, KCP&L does not propose to evaluate the program for energy savings. KCP&L will provide reports on usage.

C&I ENERGY AUDIT

PROGRAM DESCRIPTION

KCP&L will offer rebates to customers to cover 50% of the cost of an energy audit. In order to receive the rebate, the customer must implement at least one of the audit recommendations that qualify for a KCP&L C&I custom rebate. The energy audit rebate will be set at 50% of the audit cost up to \$300 for customers with facilities less than 25,000 square feet and up to \$500 for customers with facilities over 25,000 square feet. Energy audits must be performed by certified commercial energy auditors. Customers may choose their own auditor or KCP&L can recommend one. Customers with multiple buildings will be eligible for multiple audit rebates.

EVALUATION

KCP&L will track the effectiveness of this program through the evaluations done for the C&I Custom Rebate Program.

C&I CUSTOM REBATE - RETROFIT

PROGRAM DESCRIPTION

The C&I Custom Rebate Retrofit program will provide rebates to C&I customers that install, replace or retrofit qualifying electric savings measures including HVAC systems, motors, lighting, pumps, etc. All custom rebates will be individually determined and analyzed to ensure that they pass the Societal Benefit/Cost Test. Any measure that is pre-qualified (evaluated prior to being installed) must produce a Societal Benefit/Cost test result of 1.0 or higher.

Custom rebates are calculated as the lesser of the following:

- A buydown to a two year payback
- 50% of the incremental cost

One customer may submit multiple rebate applications for different measures. Each individual measure will be evaluated on its own merits. Similar measures that are proposed in different facilities or buildings will be evaluated separately.

However, no customer, including those with multiple facilities or buildings, may receive more than \$40,000 in incentives for any program year.

As noted in the C&I Energy Audit program description, that program is designed to encourage customers to implement audit recommendations that would qualify for rebates under the C&I Custom Rebate Program.

EVALUATION

By design, the custom rebate program is self-evaluating. Impacts are based upon detailed engineering analysis.

C&I CUSTOM REBATE – NEW CONSTRUCTION

PROGRAM DESCRIPTION

The C&I Custom Rebate New Construction will provide rebates to C&I customers that install qualifying electric savings measures including HVAC systems, motors, lighting, pumps, etc. All custom rebates will be individually determined and analyzed to ensure that they pass the Societal Benefit/Cost Test. Any measure that is pre-qualified (evaluated prior to being installed) must produce a Societal Benefit/Cost test result of 1.0 or higher.

Custom rebates are calculated as the lesser of the following:

- A buydown to a two year payback
- 50% of the incremental cost

One customer may submit multiple rebate applications for different measures. Each individual measure will be evaluated on its own merits. Similar measures that are proposed in different facilities or buildings will be evaluated separately. However, no customer, including those with multiple facilities or buildings, may receive more than \$40,000 in incentives for any program year.

Another component of this program is an online new construction guide that will provide information to commercial builders and developers on energy efficiency in new construction. It first allows the builder or developer to identify the type of new construction building that is being planned, i.e. office building, community center, fire station. It then lists a variety of environmental and energy efficiency options and guides the builder or developer in prioritizing investments for the best results. A sample of this software is available for viewing at <http://seattle.bnim.com/>. KCP&L proposes to build a similar site for the Kansas City metropolitan area but enhance it with features that tie into our rates and will allow developers and builders to plan buildings that can maximize our rates.

EVALUATION

By design, the custom rebate program is self-evaluating. Impacts are based upon detailed engineering analysis.

BUILDING OPERATOR CERTIFICATION PROGRAM

PROGRAM DESCRIPTION

The Building Operator Certification (BOC) Program is a market transformation effort to train facility operators in efficient building operations and management (O&M), establish recognition of and value for certified operators, support the adoption of resource-efficient O&M as the standard in building operations, and create a self-sustaining entity for administering and marketing the training. This program requires a lot of effort and manpower. KCP&L cannot accomplish the program objectives alone. In year one of this program, KCP&L will work with the Missouri Department of Natural Resources to build a partnership with other Missouri stakeholders (sponsors). Once this has been accomplished, the program will begin to offer customers the Building Operator Training and Certification (BOC) program. The program will use a portion of its sponsor's funds (including the funds provided by KCP&L) to license the BOC curriculum from the Northwest Energy Efficiency Council (NEEC), its developer. Building operators that attend the training course will be expected to pay the cost of the course, less a \$100 rebate that will be issued upon successful completion of all course requirements. The program is expected to attract customers with large facilities (over 250,000 sq. ft.) that employ full time building operators.

EVALUATION

KCP&L will track the effectiveness of this program through the evaluations done by the Missouri Department of Natural Resources.

MARKET RESEARCH

PROGRAM DESCRIPTION

The market research component of this program will concentrate on specific opportunities to expand program offerings. Of particular interest will be expanding rebates to other ENERGY STAR® rated appliances such as washing machines; investigating the potential for a 2nd refrigerator pickup program and offering incentives to small commercial customers for ENERGY STAR® rated office equipment.

3. DEMAND RESPONSE PROGRAMS

AIR CONDITIONING CYCLING

PROGRAM DESCRIPTION

The Air Conditioning Cycling (ACC) is a program by which KCP&L can reduce residential and small commercial air conditioning load during peak summer days. The company achieves this load reduction by sending a paging signal to a control device attached to the customer's air conditioner. The control device then turns the air conditioner off and on over a period of time depending on the control and load reduction strategy established by the company.

EVALUATION

This evaluation will contribute significantly to the decision to extend the program.

- Collect customer hourly usage data for the first three summers.
- Evaluate capacity and energy impacts at the end of the third summer season.

THE ALLIANCE, AN ENERGY PARTNERSHIP PROGRAM

PROGRAM DESCRIPTION

The Alliance, an energy partnership program, is a curtailment and distributed generation program designed to be a partnership with commercial and industrial customers. It is comprised of three coordinated programs. These are MPower, Distributed Generation and Commercial Lighting Curtailment. The program provides incentives to customers to reduce their load or add customer generation to the grid to offset the higher costs KCPL would incur without the reduced load or added customer generation.

MPower is a contracted load curtailment program for large commercial and industrial customers that provide a capacity and energy payment to participating customers to curtail their usage during summer months when high electric demand occurs. Customers are eligible for participation in the program by providing a minimum load reduction of 200 kW during KCP&L's high usage/high cost periods. The Missouri Public Service Commission and the Kansas Commerce Commission have approved the program tariff, currently known as Peak Load Curtailment Credit (PLCC). A new tariff will be filed as this two-part incentive program becomes finalized. The customer contract could extend over several years.

Distributed Generation is a program in which KCP&L contracts with a customer that has on-site generation to use their generator when needed. This program captures additional value from the customer's generator and provides support to the utility grid. The customer contract is expected to be over several years.

Commercial Lighting Curtailment is a program in which KCP&L contracts with commercial customers to reduce their lighting load when requested. This is accomplished by permanently installing control devices that either reduce the voltage to the lights or turn off perimeter lighting in office buildings. In either case new equipment will be installed to achieve this load reduction. The load curtailment contract will extend over several years.

EVALUATION

This evaluation will contribute significantly to the decision to extend the program.

- Customer research
 - Focus groups – Sept '05 and Sept '06
 - Telephone surveys – Oct '05 and Oct '06
- Process evaluation – Dec '05 and Dec '06
- Impact evaluation – Nov '05 and Nov '06

Rev 2/3/05 to separate

AA from EE

Program	Type	Segment	NC/Ret	Allocation Comments	Allocation		Year 1 Estimates								
					MO	KS	\$ Total	\$ MO	\$ KS	kW Total	kW MO	kW KS	kWh Total	kWh MO	kWh KS
ANNUAL TOTAL							\$6,441,583	\$3,520,340	\$2,921,240	53,743	30,363	23,379	9,476,868	5,360,228	4,116,637
CUMMULATIVE TOTAL							\$6,441,583	\$3,520,340	\$2,921,240	53,743	30,363	23,379	9,476,868	5,360,228	4,116,637
Annual DR Totals							\$3,366,733	\$1,718,466	\$1,648,267	49,977	28,320	21,656	1,964,327	1,137,555	826,772
Cummulative DR Totals							\$3,366,733	\$1,718,466	\$1,648,267	49,977	28,320	21,656	1,964,327	1,137,555	826,772
Annual EE Totals							\$2,591,750	\$1,414,561	\$1,177,189	3,665	1,958	1,707	7,096,000	3,873,193	3,222,807
Cummulative EE Totals							\$2,591,750	\$1,414,561	\$1,177,189	3,665	1,958	1,707	7,096,000	3,873,193	3,222,807
Annual AFF Total							\$483,100	\$387,312	\$95,784	101	85	16	416,541	349,478	67,058
Cummulative AFF Totals							\$483,100	\$387,312	\$95,784	101	85	16	416,541	349,478	67,058
Affordability															
Affordable New Homes	Dir Imp	R-Aff	NC	Currently allocated by % of low income in each state. Incentives to be by actual.	83.9%	16.1%	\$16,000	\$13,424	\$2,573	15	13	2	25,360	21,277	4,078
Low Income Weatherization (non-KCMO)	Dir Imp	R-Aff	Ret	By est. low income population without KCMO	20.4%	79.6%	\$117,100	\$23,888	\$93,212						
Low Income WX-KCMO					100%	0%	\$350,000	\$350,000	\$0	86	72	14	391,161	328,201	62,960
Allocation for total				By est. low income population	83.9%	16.1%									
Energy Efficiency															
Online EE information/analysis (Nexus)	Educ	R	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	51.5%	48.5%	\$281,750	\$144,989	\$136,761	0	0	0	0	0	0
Home Performance-Training	Dir Imp	R	Ret	Can be limited by state but with great difficulty. Crews work both states.	51.5%	48.5%	\$177,500	\$91,342	\$86,159	0	0	0	0	0	0
Change a Light-Save the World	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$152,500	\$78,477	\$74,024	1,125	579	546	2,475,000	1,273,635	1,201,365
Cool Homes Program	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$955,000	\$491,443	\$463,557	1,668	858	810	1,948,000	1,002,441	945,559
Energy Star Homes	Dir Imp	R	NC	Promotion by % Incentives to be by actual. Can be by state.	51.5%	48.5%	\$80,000	\$41,168	\$38,832	0	0	0	0	0	0
PAYS-type Concept	Dir Imp	R	Ret	MO only	100%	0%	\$25,000	\$25,000	\$0	0	0	0	0	0	0
Online EE information/analysis (Nexus)	Educ	C	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	59.8%	40.3%	\$0	\$0	\$0	0	0	0	0	0	0
C&I Energy Audits	Educ	Comm	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$0	\$0	\$0	0	0	0	0	0	0
Custom Rebates	Dir Imp	M&L C&I	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$30,000	\$17,925	\$12,075	0	0	0	0	0	0
Custom Rebates	Dir Imp	M&L C&I	NC	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$707,500	\$422,731	\$284,769	872	521	351	2,673,000	1,597,116	1,075,883
Building Operator Certification	Dir Imp	M&L C&I	Ret	Can be by state.	59.8%	40.3%	\$105,000	\$62,738	\$42,263	0	0	0	0	0	0
Market Research	0	All	0	By % only; cannot be separated	50.0%	50.0%	\$77,500	\$38,750	\$38,750	0	0	0	0	0	0
Demand Response															
Residential A/C Cycling					42.3%	57.7%	\$1,503,834	\$638,122	\$867,712	4,532	1,917	2,615	23,537	9,956	13,581
Commercial Curtailment					58.1%	41.9%	\$1,862,899	\$1,082,344	\$780,555	45,445	26,404	19,041	1,940,790	1,127,599	813,191

Budget includes capital & O&M

Rev 2/3/05 to separate

AA from EE

Program	Type	Segment	NC/Ret	Allocation Comments	Allocation		Year 2 Estimates								
					MO	KS	\$ Total	\$ MO	\$ KS	kW Total	kW MO	kW KS	kWh Total	kWh MO	kWh KS
ANNUAL TOTAL							\$8,935,244	\$4,952,111	\$3,983,127	25,985	14,076	11,909	15,072,964	8,553,823	6,519,131
CUMULATIVE TOTAL							\$15,376,827	\$8,472,451	\$6,904,367	79,728	44,439	35,289	24,549,832	13,914,049	10,635,768
Annual DR Totals							\$3,948,794	\$2,006,589	\$1,942,205	19,281	10,378	8,903	823,584	297,215	228,370
Cumulative DR Totals							\$7,315,527	\$3,725,055	\$3,590,472	69,258	38,699	30,559	2,487,911	1,434,770	1,065,141
Annual EE Totals							\$4,437,350	\$2,494,785	\$1,942,585	6,579	3,593	2,986	14,062,500	7,848,116	6,214,384
Cumulative EE Totals							\$7,029,109	\$3,909,347	\$3,119,753	10,244	5,551	4,693	21,158,500	11,721,306	9,437,181
Annual AFF Total							\$549,100	\$450,736	\$98,357	125	105	20	486,850	408,492	78,378
Cumulative AFF Totals							\$1,032,200	\$838,049	\$194,142	226	190	36	903,421	757,970	145,438

Affordability

Affordable New Homes	Dir Imp	R-Aff	NC	Currently allocated by % of low income in each state. Incentives to be by actual.	83.9%	16.1%	\$32,000	\$26,848	\$5,146	29	24	5	50,720	42,554	5,196
Low Income Weatherization (non-KCMO)	Dir Imp	R-Aff	Ret	By est. low income population without KCMO	20.4%	79.6%	\$117,100	\$23,888	\$93,212						
Low Income WX-KCMO					100%	0%	\$400,000	\$400,000	\$0	96	81	15	436,160	385,938	70,222
Allocation for total				By est. low income population	83.9%	16.1%									

Energy Efficiency

Online EE information/analysis (Nexus)	Educ	R	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	51.5%	48.5%	\$223,950	\$115,245	\$108,705	0	0	0	0	0	0
Home Performance-Training	Dir Imp	R	Ret	Can be limited by state but with great difficulty. Crews work both states.	51.5%	48.5%	\$127,500	\$65,612	\$61,889	0	0	0	0	0	0
Change a Light-Save the World	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$152,500	\$78,477	\$74,024	1,125	579	546	2,475,000	1,273,635	1,201,365
Cool Homes Program	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$1,355,000	\$697,283	\$657,717	2,490	1,281	1,209	2,907,000	1,495,942	1,411,058
Energy Star Homes	Dir Imp	R	NC	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$545,000	\$280,457	\$264,543	466	240	226	1,303,500	670,781	632,719
PAYS-type Concept	Dir Imp	R	Ret	MO only	100%	0%	\$125,000	\$125,000	\$0	0	0	0	0	0	0
Online EE information/analysis (Nexus)	Educ	C	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	59.8%	40.3%	\$240,900	\$143,938	\$96,962	0	0	0	0	0	0
C&I Energy Audits	Educ	Comm	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$60,000	\$35,850	\$24,150	0	0	0	0	0	0
Custom Rebates	Dir Imp	M&L C&I	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$502,500	\$300,244	\$202,256	697	418	281	2,138,000	1,277,456	860,545
Custom Rebates	Dir Imp	M&L C&I	NC	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$922,500	\$551,194	\$371,306	1,301	777	524	3,989,000	2,383,428	1,605,573
Building Operator Certification	Dir Imp	M&L C&I	Ret	Can be by state.	59.8%	40.3%	\$105,000	\$62,738	\$42,263	500	299	201	1,250,000	746,875	503,125
Market Research	0	All	0	By % only; cannot be separated	50.0%	50.0%	\$77,500	\$38,750	\$38,750	0	0	0	0	0	0

Demand Response

Residential A/C Cycling					42.3%	57.7%	\$1,820,634	\$770,128	\$1,050,506	5,215	2,206	3,009	44,226	18,706	25,519
Commercial Curtailment					58.1%	41.9%	\$2,128,160	\$1,236,461	\$891,699	14,066	8,172	5,894	479,358	278,507	200,851

Budget includes capital & O&M

Rev 2/3/05 to separate

AA from EE

Program	Type	Segment	NC/Ret	Allocation Comments	Allocation		Year 3 Estimates								
					MO	KS	\$ Total	\$ MO	\$ KS	kW Total	kW MO	kW KS	kWh Total	kWh MO	kWh KS
ANNUAL TOTAL							\$10,132,247	\$5,875,353	\$4,456,888	22,500	12,138	10,362	17,544,273	9,930,465	7,613,797
CUMMULATIVE TOTAL							\$25,509,074	\$14,147,804	\$11,361,253	102,228	56,578	45,650	42,094,104	23,844,514	18,249,585
Annual DR Totals							\$4,285,047	\$2,197,458	\$2,087,589	14,975	7,987	6,988	592,050	335,027	287,023
Cummulative DR Totals							\$11,600,574	\$5,922,513	\$5,678,060	84,233	46,886	37,547	3,079,981	1,769,797	1,310,184
Annual EE Totals							\$5,205,800	\$2,963,726	\$2,241,874	7,390	4,038	3,352	16,419,000	9,148,064	7,270,936
Cummulative EE Totals							\$12,234,700	\$6,873,073	\$5,361,627	17,634	9,589	8,045	37,577,500	20,889,374	16,708,127
Annual AFF Total							\$641,600	\$514,169	\$127,423	135	113	22	533,222	447,373	85,839
Cummulative AFF Totals							\$1,673,800	\$1,352,218	\$321,585	361	303	58	1,436,843	1,206,343	231,274

Affordability

Affordable New Homes	Dir Imp	R-Aff	NC	Currently allocated by % of low income in each state. Incentives to be by actual.	83.9%	16.1%	\$39,500	\$33,141	\$6,352	29	24	5	50,720	42,554	8,156
Low Income Weatherization (non-KCMO)	Dir Imp	R-Aff	Ret	By est. low income population without KCMO	20.4%	79.6%	\$152,100	\$31,028	\$121,072						
Low Income WX-KCMO					100%	0%	\$450,000	\$450,000	\$0	106	89	17	482,502	404,819	77,683
Allocation for total				By est. low income population	83.9%	16.1%									

Energy Efficiency

Online EE information/analysis (Nexus)	Educ	R	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	51.5%	48.5%	\$201,300	\$103,589	\$97,711	0	0	0	0	0	0
Home Performance-Training	Dir Imp	R	Ret	Can be limited by state but with great difficulty. Crews work both states.	51.5%	48.5%	\$147,500	\$75,904	\$71,597	0	0	0	0	0	0
Change a Light-Save the World	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$152,500	\$78,477	\$74,024	1,125	579	546	2,475,000	1,273,638	1,201,365
Cool Homes Program	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$1,405,000	\$723,013	\$681,987	2,490	1,281	1,209	2,907,000	1,495,942	1,411,058
Energy Star Homes	Dir Imp	R	NC	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$985,000	\$506,881	\$478,119	933	480	453	2,807,000	1,341,562	1,265,436
PAYS-type Concept	Dir Imp	R	Ret	MO only	100%	0%	\$250,000	\$250,000	\$0	0	0	0	0	0	0
Online EE information/analysis (Nexus)	Educ	C	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	59.8%	40.3%	\$171,800	\$102,651	\$69,150	0	0	0	0	0	0
C&I Energy Audits	Educ	Comm	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$80,000	\$35,850	\$24,150	0	0	0	0	0	0
Custom Rebates	Dir Imp	M&L C&I	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$727,500	\$434,881	\$292,619	1,041	622	419	3,181,000	1,908,823	1,284,378
Custom Rebates	Dir Imp	M&L C&I	NC	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$922,500	\$551,194	\$371,306	1,301	777	524	3,989,000	2,383,428	1,505,573
Building Operator Certification	Dir Imp	M&L C&I	Ret	Can be by state.	59.8%	40.3%	\$105,000	\$62,738	\$42,263	500	299	201	1,250,000	746,875	503,125
Market Research	0	All	0	By % only, cannot be separated	50.0%	50.0%	\$77,500	\$38,750	\$38,750	0	0	0	0	0	0

Demand Response

Residential A/C Cycling					42.3%	57.7%	\$1,849,078	\$782,159	\$1,066,917	4,518	1,911	2,607	58,689	23,971	32,698
Commercial Curtailment					58.1%	41.9%	\$2,435,971	\$1,415,299	\$1,020,672	10,457	6,078	4,382	535,381	311,056	224,325

Budget includes capital & O&M

Rev 2/3/05 to separate

AA from EE

Program	Type	Segment	NC/Ret	Allocation Comments	Allocation		Year 4 Estimates								
					MO	KS	\$ Total	\$ MO	\$ KS	KW Total	KW MO	KW KS	kWh Total	kWh MO	kWh KS
ANNUAL TOTAL							\$11,863,239	\$6,545,076	\$5,318,157	39,634	21,658	17,976	18,289,046	10,369,124	7,919,912
CUMMULATIVE TOTAL							\$37,372,313	\$20,692,880	\$16,679,410	141,862	78,236	63,628	60,383,150	34,213,838	26,189,478
Annual DR Totals							\$6,113,589	\$3,083,769	\$3,029,821	32,099	17,498	14,601	1,291,845	735,049	555,896
Cummulative DR Totals							\$17,714,163	\$9,006,282	\$8,707,881	116,332	64,183	52,149	4,371,808	2,505,748	1,866,060
Annual EE Totals							\$5,100,550	\$2,910,571	\$2,189,979	7,390	4,038	3,352	16,419,000	9,148,064	7,270,936
Cummulative EE Totals							\$17,335,250	\$9,763,644	\$7,551,606	25,024	13,628	11,396	53,996,500	30,017,438	23,979,062
Annual AFF Total							\$649,100	\$550,738	\$98,357	145	122	23	578,201	485,111	83,080
Cummulative AFF Totals							\$2,322,900	\$1,902,954	\$419,922	508	425	81	2,014,844	1,690,454	324,354
Affordability															
Affordable New Homes	Dir Imp	R-Aff	NC	Currently allocated by % of low income in each state. Incentives to be by actual.	83.9%	16.1%	\$32,000	\$26,848	\$5,146	29	24	5	50,720	42,354	8,156
Low Income Weatherization (non-KCMO)	Dir Imp	R-Aff	Ret	By est. low income population without KCMO	20.4%	79.6%	\$117,100	\$23,888	\$93,212						
Low Income WX-KCMO					100%	0%	\$500,000	\$500,000	\$0	116	97	19	527,481	442,557	84,924
Allocation for total				By est. low income population	83.9%	16.1%									
Energy Efficiency															
Online EE information/analysis (Nexus)	Educ	R	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	51.5%	48.5%	\$205,350	\$105,873	\$99,877	0	0	0	0	0	0
Home Performance-Training	Dir Imp	R	Ret	Can be limited by state but with great difficulty. Crews work both states.	51.5%	48.5%	\$127,500	\$65,812	\$61,889	0	0	0	0	0	0
Change a Light-Save the World	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$152,500	\$78,477	\$74,024	1,125	579	546	2,475,000	1,273,835	1,201,385
Cool Homes Program	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$1,355,000	\$697,283	\$657,717	2,490	1,281	1,209	2,907,000	1,495,942	1,411,058
Energy Star Homes	Dir Imp	R	NC	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$935,000	\$481,151	\$453,849	933	480	453	2,907,000	1,341,582	1,285,438
PAYS-type Concept	Dir Imp	R	Ret	MO only	100%	0%	\$250,000	\$250,000	\$0	0	0	0	0	0	0
Online EE information/analysis (Nexus)	Educ	C	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	59.8%	40.3%	\$172,700	\$103,188	\$89,512	0	0	0	0	0	0
C&I Energy Audits	Educ	Comm	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$80,000	\$35,850	\$24,150	0	0	0	0	0	0
Custom Rebates	Dir Imp	M&L C&I	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$737,500	\$440,656	\$296,844	1,041	622	419	3,191,000	1,908,623	1,284,378
Custom Rebates	Dir Imp	M&L C&I	NC	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$922,500	\$551,194	\$371,306	1,301	777	524	3,889,000	2,383,426	1,605,573
Building Operator Certification	Dir Imp	M&L C&I	Ret	Can be by state.	59.8%	40.3%	\$105,000	\$62,738	\$42,263	500	299	201	1,250,000	746,875	503,125
Market Research	0	All	0	By % only; cannot be separated	50.0%	50.0%	\$77,500	\$38,750	\$38,750	0	0	0	0	0	0
Demand Response															
Residential A/C Cycling					42.3%	57.7%	\$2,963,461	\$1,253,544	\$1,709,917	7,290	3,084	4,206	92,486	38,122	53,364
Commercial Curtailment					58.1%	41.9%	\$3,150,128	\$1,830,225	\$1,319,904	24,809	14,414	10,395	1,199,359	696,627	502,631

Budget includes capital & O&M

Rev 2/3/05 to separate

AA from EE

Program	Type	Seg- ment	NC/Ret	Allocation Comments	Allocation		Year 5								
					MO	KS	\$ Total	\$ MO	\$ KS	kW Total	kW MO	kW KS	kWh Total	kWh MO	kWh KS
ANNUAL TOTAL							\$15,409,699	\$8,301,495	\$7,108,199	61,531	33,600	27,931	19,466,069	11,059,733	8,406,326
CUMMULATIVE TOTAL							\$52,782,013	\$28,994,374	\$23,787,608	203,393	111,836	91,557	79,849,220	45,273,372	34,575,802
Annual DR Totals							\$9,605,249	\$4,787,667	\$4,817,582	53,986	29,431	24,554	2,423,888	1,388,821	1,035,066
Cummulative DR Totals							\$27,319,413	\$13,793,949	\$13,525,463	170,318	93,615	78,703	8,795,696	3,894,567	2,901,128
Annual EE Totals							\$5,105,350	\$2,913,091	\$2,192,259	7,390	4,038	3,352	16,419,660	9,146,064	7,270,936
Cummulative EE Totals							\$22,440,600	\$12,696,734	\$9,743,866	32,414	17,666	14,748	70,415,600	39,155,502	31,249,958
Annual AFF Total							\$698,100	\$600,736	\$98,357	155	130	25	623,180	522,848	100,322
Cummulative AFF Totals							\$3,022,000	\$2,503,691	\$518,279	661	555	106	2,638,024	2,213,302	424,676

Affordability

Affordable New Homes	Dir Imp	R-Aff	NC	Currently allocated by % of low income in each state. Incentives to be by actual.	83.9%	16.1%	\$32,000	\$26,848	\$5,146	29	24	5	59,720	42,554	8,156
Low Income Weatherization (non-KCMO)	Dir Imp	R-Aff	Ret	By est. low income population without KCMO	20.4%	79.6%	\$117,100	\$23,888	\$93,212						
Low Income WX-KCMO					100%	0%	\$550,000	\$550,000	\$0	126	106	20	572,460	480,294	92,166
Allocation for total				By est. low income population	83.9%	16.1%									

Energy Efficiency

Online EE information/analysis (Nexus)	Educ	R	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	51.5%	48.5%	\$209,550	\$107,834	\$101,716	0	0	0	0	0	0
Home Performance-Training	Dir Imp	R	Ret	Can be limited by state but with great difficulty. Crews work both states.	51.5%	48.5%	\$127,500	\$65,612	\$61,889	0	0	0	0	0	0
Change a Light-Save the World	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$152,500	\$78,477	\$74,024	1,125	579	546	2,475,000	1,273,635	1,201,365
Cool Homes Program	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$1,355,000	\$697,283	\$657,717	2,490	1,281	1,209	2,907,000	1,495,942	1,411,058
Energy Star Homes	Dir Imp	R	NC	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	\$935,000	\$481,151	\$453,849	933	480	453	2,697,000	1,341,562	1,285,438
PAYS-type Concept	Dir Imp	R	Ret	MO only	100%	0%	\$250,000	\$250,000	\$0	0	0	0	0	0	0
Online EE information/analysis (Nexus)	Educ	C	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	59.8%	40.3%	\$173,300	\$103,547	\$69,753	0	0	0	0	0	0
C&I Energy Audits	Educ	Comm	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$60,000	\$35,850	\$24,150	0	0	0	0	0	0
Custom Rebates	Dir Imp	M&L C&I	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$737,500	\$440,656	\$296,844	1,041	622	419	3,191,000	1,906,823	1,284,376
Custom Rebates	Dir Imp	M&L C&I	NC	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	\$922,500	\$551,194	\$371,306	1,301	777	524	3,989,000	2,383,428	1,605,573
Building Operator Certification	Dir Imp	M&L C&I	Ret	Can be by state.	59.8%	40.3%	\$105,000	\$62,738	\$42,263	500	299	201	1,250,000	748,875	503,125
Market Research	0	All	0	By % only; cannot be separated	50.0%	50.0%	\$77,500	\$38,750	\$38,750	0	0	0	0	0	0

Demand Response

Residential A/C Cycling					42.3%	57.7%	\$5,018,876	\$2,122,985	\$2,895,892	12,242	5,179	7,064	123,156	52,095	71,061
Commercial Curtailment					58.1%	41.9%	\$4,586,373	\$2,664,683	\$1,921,690	41,743	24,253	17,491	2,300,733	1,336,726	964,007

Budget includes capital & O&M

Air Conditioning Cycling Pilot Program Support Materials for Tariff Filing

Program Description:

The Air Conditioning Cycling (ACC) Pilot Program is a demand response program focused on the residential and small commercial (those with residential-like centralized air conditioning) markets.

Load from air conditioning is a major contributor to the summer peak, and air conditioning load is coincident with weekday utility system peak load. As summer load continues to grow, additional generation, purchases or load reduction programs will be required. ACC allows KCP&L to reduce residential and small commercial air conditioner load during peak load summer days.

The company achieves this load reduction by sending a signal to a digital programmable thermostat in the customer's home/commercial building. There are three ways the Program can achieve its demand response goals:

- ☐ The thermostat can raise the temperature one degree per hour for a few hours.
- ☐ The thermostat can cycle the outdoor compressor on and off at a level set by the company; or,
- ☐ The thermostat can adjust the temperature by immediately raising the temperature several degrees at the beginning of an event.

ACC can also improve overall customer comfort by pre-cooling the home, lowering the temperature a few degrees before initiating the load reduction cycle.

The ACC Program is designed to run from May 1 to September 30. It will run up to five (5) days a week, Monday through Friday. The program can provide for daily curtailments, but the total number of curtailments or number of consecutive days curtailed will be limited by the balance between curtailment benefits and customer satisfaction. The Program is currently designed to provide curtailment for a maximum of four (4) hours per day per participant. The overall curtailment period can be lengthened by strategically and sequentially curtailing load across the service territory (although this will reduce the maximum reduction available for any one event). Program participants will be permitted to override the system once per month and will communicate their override request via the Internet or by phone.

Customers will be incented to join ACC with a free programmable thermostat that they can use to help control all their energy use, gas and electric, throughout the year.

ACC Target:

- ☐ Single family residential customers with central air conditioning
- ☐ Multi-family housing units with central air conditioning

- Small commercial with single split coil unit air conditioning and a single thermostat control, i.e., barbershops, realty firms, etc.,

Within these groups the market is further refined to include customers that have central air conditioners of at least two tons. Each air conditioner will have its own thermostat control.

Since the thermostat is controlled through a 900 MHz paging signal, the customer must be in areas covered by the paging signal.

ACC Market Assessment:

The ACC Pilot will be a three-year program to assess market, technology and load curtailment potential. It is designed to test the potential marketing penetration. This information is important to determine the potential of the full rollout of the program.

All qualifying customers will be welcomed to participate in the program throughout the pilot. This will increase awareness of the program and provide recognition for KCP&L among our entire customer base. If the customer is not qualified for the ACC program, they will be referred to other energy efficiency programs.

KCP&L plans to implement a test market focusing on six zip codes, three in Missouri and three in Kansas. To achieve optimal value from load reduction, five distribution circuits were identified that would need capital improvements due to load growth within three years. Focusing the initial target on these six zip codes will permit an impact analysis of ACC on the distribution circuit loading and capital deferrals. The six zip codes encompass these five distribution circuits. The six zip codes were also selected because they are adjacent to each other, have a broad spectrum of demographics that will be tested and are equally in Missouri and Kansas.

Economics of the program will be a major factor in the long and short-run success. Estimates of program costs indicate it is cost effective. The Pilot Program is designed to determine the actual long-run costs. In the long-term, the cost to acquire customers will need to be closely reviewed to determine whether it is possible to sustain the needed participation rates without increasing incentives. Changes in long-run avoided generation and delivery costs will also be considered.

The utility shall provide the following supporting information for each promotional practice:

(A) A description of the advertising or publicity to be employed with respect to the promotional practice:

The overall ACC Program advertising, publicity and communication is based on a multi-channel touch point strategy, customized by market, i.e. small commercial versus residential.

The focus of general external communications is on creating awareness and stimulating participation through mass media such as news releases, testimonials, bill inserts, bill messages, and the KCP&L Internet.

This level of marketing will also be targeted to other stakeholders, such as HVAC dealers, community leaders, regulators, legislators, and investors. We will also develop a direct notification process for HVAC dealers to inform them of when we are curtailing. This may help avoid service calls if customers feel discomfort and think there is something wrong with their cooling system.

Promotional/communication channels for the target market in the six zip codes include the general awareness channels, plus direct mail followed by a phone call.

For the initial employee introduction, additional channels will include Intranet email and messages, pay envelope inserts and departmental meetings. The internal effort will utilize meetings to allow for active discussion, permit questions to be answered directly, and gain feedback from the employee audience. Employees will provide important installation and operational feedback, give the program a ready list for installations and provide for a test group from which results will be obtained for future program design and implementation.

The contractor will honor our commitment to not call customers on the "Do Not Call List."

So the contractor can have data on any customer that might want to participate, KCP&L will provide data on all customers in our entire service territory. The contractor will use this data to effectively canvass the initial six zip code area of 43,000 customers (accounts). In the second year the program the contractor will target new market areas as required to meet production goals. The contractor will segment the customer list into single family, multi-family and small commercial markets in order to effectively market to each group. Under the direction of the KCP&L Product Manager, the contractor will analyze the billing usage history for all customers in the target market areas to identify the greatest opportunity for load reduction.

A sample timeline of target market multi-channel touch point promotion and communication activities is described below. Outreach methods will be modified based upon market response.

Week	Activity	66208 (KS)	64112 (MO)	64113 (MO)	64111 (MO)	66206 (KS)	66207 (KS)
	Projected number of homes	9,575	5,563	4,778	10,626	3,978	5,451
1	Direct Mail #1 Group 1	X					
2	Telemarket	X					
3	Telemarket	X					
4	Direct Mail #1 Group 2, plus Telemarket		X	X			
5	Bill Stuffer (KCP&L), plus	X	X	X			

	Telemarket						
6	Telemarket		X	X			
7	Telemarket	X	X	X			
8	Telemarket	X	X	X			
9	Telemarket	X	X	X			
10	Bill Stuffer (KCP&L), plus Telemarket				X	X	X
11	Telemarket				X	X	X
12	Direct Mail #1 Group 3, plus Telemarket				X		
13	Telemarket				X	X	X
14	Telemarket				X	X	X
15	Direct Mail #1 Group 4, plus Telemarket					X	X
16	Telemarket				X	X	X
17	Telemarket				X	X	X
18	Telemarket				X		
19	Telemarket	X					
20	Telemarket		X	X			
21	Direct Mail #2 Group 1, plus Telemarket	X					
22	Direct Mail #2 Group 2, Plus Telemarket		X	X			
23	Direct Mail #2 Group 3, plus Telemarket				X		
24	Direct Mail #2 Group 4, plus Telemarket					X	X
25-37	Telemarket	X	X	X	X	X	X

Collateral materials will be developed to support this initiative, promote customer satisfaction and meet program objectives. All collateral materials will be developed under KCP&L direction, control and approval. The actual production of the collateral materials will be the contractor's responsibility.

(B) For promotional practices that are designed to evaluate the cost-effectiveness of potential demand-side resources, a description of the evaluation criteria, the evaluation plan and the schedule for completing the evaluation:

As stated in Appendix C to the Stipulation and Agreement, MPSC Case No. EO-2005-0329, KCP&L will collect customer interval usage data from a random sample of participants and non-participants during the first two summers. Data from the sample will be used to evaluate the capacity and energy impacts and

applied to all customers participating in the program. The evaluation will be completed at the end of the second summer season.

The evaluation plans will attempt to measure the following:

Load reduction:

Load reduction from duty cycle versus various forms of temperature offset, with and without pre-cooling

Load reduction at various outdoor temperatures and humidity levels

Load reduction for different lengths of curtailments.

Measure load reduced during each hour of the curtailment

Load reduction at site with one AC unit versus multiple units

Single family versus multi-family versus small commercial

Load reduction by site square footage

Load reduction by AC size

Energy reduction:

Peak energy reduction relative to non-participants

Net energy reduction relative to non-participants

Show the increases and decreases in energy use in each hour of the day of curtailment for the different control strategies.

Customer satisfaction/behavior:

Satisfaction on duty cycle versus various forms of temperature offset

Satisfaction with and without curtailment announcement on the thermostat

Customer satisfaction with varying frequency of curtailment days

Customer preference for duty cycling versus temperature offset

Override rates with duty cycling and temperature offset

Override rates with and without notification

General program satisfaction

Installation satisfaction

Impact on home

Indoor air temperature on duty cycle (versus known temperatures on temp offset)

(C) For promotional practices that are designed to acquire demand-side resources, documentation of the criteria used and the analysis performed to determine that the demand-side resources are cost-effective.

KCP&L reviewed demand response programs from other utilities.

Utility demand response programs reviewed

Ameren	Indianapolis Power and Light Company
Austin Energy	ISO-New England
CILCO	Louisville Gas & Electric

Cinergy	MidAmerican Energy
Colorado Springs Utilities	NY State Gas & Electric
Commonwealth Edison	Oklahoma Gas & Electric
Duquesne Light	Pacific Gas & Electric
Florida Power Corp	Southern California Edison
Florida Power & Light	San Diego Gas & Electric
Georgia Power	Sacramento Municipal Utility District
Gulf Power	Xcel (Minnesota)

KCP&L's estimated costs for program delivery, administration, marketing, and thermostat installations are from the selected contractor, and program administration costs are from KPC&L.

The original plan called for the ACC Pilot to be implemented over three years, in 2005 through 2007, with the final installation of the pilot to be completed by June 1, 2007. Because there is need for installation of cost effective load reduction, the final date of the pilot has not change. But, since the pilot did not start when originally planned, the thermostat installations will be compressed and the installation rate per month will increase.

The proposed turnkey contract is a variable contract and is primarily based on installation performance. Listed below are the key components of the contract.

2005	Unit Cost	Units Installed	Cost
Software Implementation			\$7,699
Thermostat device	\$189.00	829	\$156,696
Radio paging communication costs	\$878.99	3 months	\$2,637
Installation	\$179.00	829	\$148,405
Total Estimated Costs for 2005			\$315,437
2006			
Thermostat device	\$189.00	3833	\$724,400
Radio paging communication costs	\$878.99	12 months	\$10,548
Installation	\$179.00	3833	\$686,072
Total Estimated Costs for 2006			\$1,421,019
			\$0
2007			\$0
Thermostat device	\$189.00	766	\$144,864
Radio paging communication costs	\$878.99	10 months	\$8,790
Installation	\$179.00	766	\$137,199

Total Estimated Costs for 2007			\$290,853
Participant web access	\$.52/customer/mo		\$28,230
Total Contractor Cost			\$2,055,539
KCP&L Administration Cost (3 years)			\$132,870
Total ACC Pilot Cost			\$2,188,409

KCP&L Administrative costs include labor (\$69,420), IT (\$21,150) and evaluation (\$42,300).

Work included in the above installations costs includes program planning, implementation planning, appointment scheduling, trouble calls, temporary removals, permanent removals, data management and reporting, monitoring and evaluation, field installation and office personnel, training, office and warehouse space, cars and trucks, office equipment, promotional materials development and production, all other marketing materials and all other program costs.

Results of this pre-implementation screening provided the following benefit-cost ratios:

Ratepayer Impact Measure Test	1.42
Utility Cost Test	1.44
Societal Test:	1.65
Participant Test:	Infinity

Regulatory Filing

MPower Rider

The Plan

KCP&L offers a load curtailment program, called MPower, which will offer load curtailment through voluntary customer contracts. These contracts will be one-year, three-year and five-year contracts. Longer-term contracts offer greater value, to both the customer and the company, than shorter-term contracts.

The plan is to contract with commercial and industrial customers to reduce KCP&L's Capacity Load Serving Responsibility. The method by which the customer reduces their load is up to the customer, but the most typical option is to reduce their loads during curtailments or turn on their self-generation. Any environmental permitting is the responsibility of the customer.

The MPower Rider is a commercial and industrial load curtailment program. MPower is designed to improve curtailment program customer features based on customer surveys. The program offers customers capacity and curtailment event payments, limits curtailments to three consecutive days, provides the opportunity to opt-out one time per curtailment season and, for economic load curtailments, buy energy at a price determined by KCP&L on the day of the curtailment event. Multi-year contracts provide KCP&L greater value and the greater value is reflected in additional benefits to the customer with multi-year commitments.

MPower Features

Attributes	MPower
Minimum load curtailment	200 kW
Curtailment days	Monday-Friday
Curtailment hours	12:00 p.m. – 10:00 p.m.
Maximum curtailment hours per year	120 hours
Maximum duration per curtailment event	8 hours
Maximum number of consecutive curtailment days	3 days
Reasons for curtailment	Operational or Economic
Curtailment opt-out	1 day per season
Curtailment event payment	\$0.36/kW/event
Energy purchase option	Available at KCP&L determined price*
Excess curtailment	Energy from excess curtailment will be deducted from monthly energy bill
Non-compliance penalty	\$1.25/kWh above Firm Power Level

**Available during economic curtailments only.*

MPower Contract Term Options

Attributes	MPower		
	1-Year	3-Year	5-Year
Term	1-Year	3-Year	5-Year
Curtailment season	5 months (May-September)	5 months (May-September)	12 months (January-December)
Notification period	4 hours	2 hours	1 hour
Number of events per year	25	25	30
Participation payment	About 30% of curtailment value	About 40% of curtailment value	About 50% of curtailment value
Payment types	Participation payment Event incentive	Initial payment Annual participation payment Event payment	Initial payment Annual participation payment Event payment

Contract value

The contract value is determined by the load curtailed and energy not delivered during curtailments.

- Capacity value is derived from the avoided long-term capacity purchases or new construction of gas combustion turbines.
- Energy value is derived from the marginal energy market price during curtailment hours.

Customer benefits

- Customers receive participation payments based on their curtailable load.
- Curtailment event payments provide customers value for each curtailment event.
- During a curtailment, the customer will purchase less energy from KCP&L, thus lowering their monthly energy purchase.
- During economic curtailments customers can purchase energy at a price determined by KCP&L on the curtailment day. The price will include the market energy cost plus a delivery charge and administrative fee.

Contract term and value

Customers can contract for load curtailment in one, three and five-year terms.

The three- and five-year term provides additional value to the customer and the customer provides additional curtailment opportunities to KCP&L.

- Under the one-year contract, the customer receives \$16 per kW per season for the contracted curtailment and \$.36 per kW for each curtailment event.
- Under a three-year contract, 40% of KCP&L's net present value of the curtailment is provided as incentive to the customer.
- Under a five-year contract, 50% of KCP&L's NPV is used for customer payments.
- KCP&L's NPV parameters are determined at the beginning of each year. These parameters include annual capacity value and energy cost.
- For each year, all customers are treated the same under each contract term.
- The annual participation payment calculated for multi-year contracts can be reduced to provide the customer with an initial payment that can be used to help offset the customer's investment required to participate in the program.

Payments and penalties

- Participation payments will be applied as bill credits equally for each month of the curtailment season.
- All event payments will be paid in the month of October.
- Penalties would be applied to the October bill.
- If mutually agreed, load curtailment can increase during the contract and the customer will receive additional payments.
- If load curtailment is reduced during the contract term, the value of the curtailment will be recalculated and the customer will be required to refund part or all of the payments received.
- If a customer through self-generation provides more curtailment than their load during Company requested curtailments and with Company approval and some of the energy flows from the customer to the utility system, the energy coming back to the utility system will be measured and deducted from the customer's monthly usage.
- If the customer elects to receive a check instead of bill credits, the check will be issued in October.

Curtailment

- The Estimated Peak Demand will be the average of the customer's maximum actual demand in the months of May through September from the summer preceding the start of the contract. The EPD may be adjusted based on evidence that the Customer's actual peak demand has or is likely to change.
- The customer will determine their Firm Power Level as the usage below which they will remain during all hours of a curtailment event.
- The difference between the EPD and FPL will be the contracted Curtailable Load.

Program promotion

The program will be marketed to customers with 200 kW or more of load curtailment potential. Direct marketing will be by assigned Energy Consultants to the largest 330 customers. The program will also be marketed to smaller customers that have participated in past load curtailment programs. Any customer who can curtail 200 kW is eligible.

Program evaluation

The program will be evaluated for market, process and impact. These three areas will be evaluated and reported on following each summer curtailment season.

Special notes

- No energy is to be purchased or sold by the customer to the wholesale market.
- As it relates to incentive calculations, all customers will be treated the same. Payments will be based solely on the customer's capability to provide load curtailment when curtailments are called during the term of the contract.
- All evaluations and analysis for each contract will be retained for confidential regulatory review.

C&I Energy Audit and Custom Rebate Plan-MO

KCP&L will offer a rebate program to encourage commercial and industrial customers to install energy efficient equipment to reduce their energy use and lower demand. The program has three components: 1) an energy audit program, 2) a rebate program for existing customers and 3) a rebate program for new construction. The program is available to all commercial and industrial customers.

Product/Service Description/Provisioning

The C&I Rebate program consists of three individual components:

1. C&I Energy Audit Program

This program will offer rebates to help customers cover the cost of an energy audit. In order to receive the rebate, the customer must implement at least one of the audit recommendations that qualify under the Custom Rebate Retrofit Program. The energy audit rebate will be set at 50% of the audit cost up to \$300 for customers with facilities less than 25,000 square feet and up to \$500 for customers with facilities over 25,000 square feet. Approved commercial energy auditors must perform energy audits. Customers may choose their own auditor from an approved contractor list. Customers with multiple buildings will be eligible for multiple rebates up to the limits shown in Table 1.

2. C&I Custom Rebate Retrofit Program

This program provides rebates to C&I customers that install, replace or retrofit qualifying electric savings measures including HVAC systems, motors, lighting, pumps, etc. All custom rebates will be individually determined and analyzed to ensure that they pass the Societal Benefit/Cost Test. To be pre-qualified a measure must produce a Societal Benefit/Cost Test result of 1.0 or higher.

Custom rebates are calculated as the lesser of the following:

- A buy down to a two year payback
- 50% of the incremental cost

One customer may submit multiple rebate applications for different measures. Each individual measure will be evaluated on its own merits. Similar measures that are proposed in different facilities or buildings will be evaluated separately. Customers with multiple buildings will be eligible for multiple rebates, up to the limits shown in Table 1.

3. C&I Custom Rebate New Construction Program

This program will focus on the New Construction market and provide rebates to C&I customers that install qualifying electric savings measures including HVAC systems,

motors, lighting, pumps, etc. As with the C&I Custom Rebate Retrofit Program, all rebates will be pre-qualified to ensure that they pass the Societal Benefit/Cost Test and the Total Resource Cost Test. To be pre-qualified a measure must produce a Societal Benefit/Cost Test and a Total Resource Cost Test result of 1.0 or higher.

Custom rebates are calculated as the lesser of the following:

- A buy down to a two year payback
- 50% of the incremental cost

One customer may submit multiple rebate applications for different measures. Each individual measure will be evaluated on its own merits. Similar measures that are proposed in different facilities or buildings will be evaluated separately. Customers with multiple buildings will be eligible for multiple rebates, up to the limits shown in Table 1.

Market Segment Focus and Market Potential

The C&I Rebate Programs are targeted at all Commercial and Industrial (C&I) accounts:

- Small commercial and industrial customers (less than 25kW)
- Mid-sized commercial and industrial customers (25kW-200kW)
- Large commercial and industrial customers (greater than 200kW)

Program Objectives

The following objectives have been identified

- Fund the program fairly and equitably for customers. To this end, KCP&L will try to qualify as many customers as possible and will perform as broad an outreach as possible.
- Test the market in all customer size categories. For each of the 3 categories (audit, retrofit rebate, and new construction rebate), the budget will be divided into 3 portions based on revenue contributions of small, medium and large C&I customers for at least the initial allocation during the program year.
- Get efficiency projects implemented.
- Identify barriers to energy efficiency implementation.

Based on the above, the funding is divided into 3 portions. One portion each for small general service (0-25 kW), medium general service (25-200kW), and large general service/large power service (over 200 kW), as defined by existing tariffs, and based on the contribution of that C&I customer class to overall C&I revenues. During the first 6 months of the program, funding from each portion will be determined with a cap per customer of 10%, 10% and 25% respectively. After the initial six months of the program, other proposals from the same customer that puts them above the cap for the year can be considered but the funding must stay within the appropriate segments portion. Since six months might not be soon enough for some projects to be completed, KCP&L will not

have any requirement for completion date. KCP&L will require receiving demonstration of an earnest commitment for the funding to be reserved

Table 1
Customer Incentive by Program for Missouri

C&I Energy Audit	Program Total	MO %: 59.8 MO Total	Small General Service	Medium General Service	Large General or Large Power Service
Year 1	\$ 40,000	\$ 23,920	\$ 5,000	\$ 7,902	\$ 11,018
Year 2	\$ 40,000	\$ 23,920	\$ 5,000	\$ 7,902	\$ 11,018
Year 3	\$ 40,000	\$ 23,920	\$ 5,000	\$ 7,902	\$ 11,018
Year 4	\$ 40,000	\$ 23,920	\$ 5,000	\$ 7,902	\$ 11,018
Year 5	\$ 40,000	\$ 23,920	\$ 5,000	\$ 7,902	\$ 11,018
Initial round rebate cap % per customer			10%	10%	25%

C&I Custom Rebate - Retrofit	Program Total	MO %: 59.8 MO Total	Small General Service	Medium General Service	Large General or Large Power Service
Year 1	\$ 600,000	\$ 358,800	\$ 72,992	\$ 118,526	\$ 167,282
Year 2	\$ 600,000	\$ 358,800	\$ 72,992	\$ 118,526	\$ 167,282
Year 3	\$ 600,000	\$ 358,800	\$ 72,992	\$ 118,526	\$ 167,282
Year 4	\$ 600,000	\$ 358,800	\$ 72,992	\$ 118,526	\$ 167,282
Year 5	\$ 600,000	\$ 358,800	\$ 72,992	\$ 118,526	\$ 167,282
Initial round rebate cap % per customer			10%	10%	25%

C&I Custom Rebate - New Construction	Program Total	MO %: 59.8 MO Total	Small General Service	Medium General Service	Large General or Large Power Service
Year 1	\$ 750,000	\$ 448,500	\$ 91,241	\$ 148,157	\$ 209,103
Year 2	\$ 750,000	\$ 448,500	\$ 91,241	\$ 148,157	\$ 209,103
Year 3	\$ 750,000	\$ 448,500	\$ 91,241	\$ 148,157	\$ 209,103
Year 4	\$ 750,000	\$ 448,500	\$ 91,241	\$ 148,157	\$ 209,103
Year 5	\$ 750,000	\$ 448,500	\$ 91,241	\$ 148,157	\$ 209,103
Initial round rebate cap % per customer			10%	10%	25%

It is difficult to estimate the number and relative size of eligible projects in KCP&L's C&I customer base. There are many factors which influence the demand for these types of programs including rate of new construction, health of the national and regional economy, cost of energy, financial health of the public sector (e.g., schools, state and city government, etc.), state and federal regulations and new technologies.

It is anticipated that the program will undergo a ramp up as knowledge of the programs and understanding on how they work begins to spread through the C&I customer base and our trade allies.

Customer Recruiting and Marketing Strategy

Custom rebate program leads need to be developed at a steady rate to ensure that the incentive budget is fully utilized. To that end, a marketing program has been developed. The overall C&I Rebate Program marketing plan is based on a multi-channel touch point strategy. This marketing plan has been developed to achieve the desired level of participants to meet program goals.

The broad approach will be to create awareness of the program through a three pronged approach: 1) Targeted promotions through our sales channels and through trade allies. 2) A strong Public Relations effort targeting the business media, and business and trade associations. 3) A targeted advertising campaign focused on the customer base, using bill inserts and messages, direct mail, the KCP&L website, and local business publications where appropriate.

Contingency Plans

If the C&I programs do not meet the energy and load reduction goals, three contingency options are available:

- ☐ Modify the marketing strategy
- ☐ Provide more technical support
- ☐ Increase rebate levels

Economics of the program will be a major factor in the long and short-run success. Estimates of program costs indicate it is cost effective. The Pilot Program is designed to determine the actual long-run costs and market interest. In the long-term, the cost to acquire customers will need to be closely reviewed to determine whether it is possible to sustain the needed participation rates without increasing incentives. Changes in long-run avoided generation and delivery costs will also be considered.

Monitoring and Evaluation

Evaluation:

- Energy Audits: KCP&L will track the effectiveness of this program through C&I Custom Rebate Program evaluations.
- Custom Rebates--Retrofit: By design, the custom rebate program is self-evaluating. Impacts are based upon detailed engineering analysis. The evaluation contractor will independently determine impacts.

- Custom Rebates—New Construction: By design, the custom rebate program is self-evaluating. Impacts are based upon detailed engineering analysis. The evaluation contractor will independently determine impacts.

KCP&L has chosen a partnership of Opinion Dynamics Corporation and Summit Blue Consulting to conduct the process and impact evaluations. Once the contract has been finalized a detailed evaluation plan for each program will be developed.

Kansas City Power & Light Company

Energizing Life

Energy Analysis Programs, Home & Business

Marketing Plan 2005 - 2007

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Service Description & Provisioning

KCP&L's Online Energy Analysis programs include two separate efforts, one for the residential market, Home Energy Analysis (HEA), and one for the business market, Business Energy Analysis (BEA). Other than the focus on separate markets and the delivery through distinct interfaces, these two programs have a great deal in common. They aim to raise the awareness of customers of their current consumption of electricity, give them tools to help understand and manage their behavior in order to use energy efficiently, to make cost-effective improvements, and to present KPC&L energy efficiency programs and services. Nexus Energy Software, a leader in online energy analysis software in the utility industry, will provide the system.

The HEA consists of two components, Bill Prism Self Service and Home Energy Center Self Service. The following table shows the features of these services.

Table 1. HEA Services

Bill Prism	Description
Intelligent Bill Presentation	Highlights key bill elements and explanatory factors for monthly changes
Bill Analysis	Monthly Bill Comparison with weather, past usage and other factors including assessment of impacts of each
Bill History	Historical information on charges and payments
Home Energy Center	Description
Energy Analysis	Breakdown of usage by appliance, recommendations for saving energy and money, home comparison, linkage to KCP&L programs and services
Home Improvement Module	Estimates of cost impacts from changes in appliances or operations
Energy Information	Online resource for information and tips on energy, equipment and efficiency

The BEA suite has a similar set of features, lacking only the Improvement Module. The BEA naturally contains information, end-use choices, etc. pertinent to the practices and perspective of business owners and employees. It also includes a multi-facility benchmark tool and case studies.

Table 2. BEA Services

Bill Prism	Description
Intelligent Bill Presentation	Highlights key bill elements and explanatory factors for monthly changes
Bill Analysis	Monthly Bill Comparison with weather, past usage and other factors including assessment of impacts of each
Bill History	Historical information on charges and payments
Business Energy Center	Description
Energy Analysis	Breakdown of usage by end use, recommendations for saving energy and money, facility benchmarking, links to KCP&L programs and services
Energy Information	Online resource for information and tips on energy, equipment and efficiency

The primary delivery channel for the EA programs will be through KCP&L's existing online customer portals: AccountLink for consumers and small businesses, and AccountLink Advantage for medium to large business customers. However, customers will also have the ability to access a non-secure version of the Energy Centers that does not include proprietary customer billing information. This basic version of the application will be available from the main kcpl.com Web site.

For customers who use the secure version of the EA tools that include the customer's billing information, KCP&L customer care reps will have access to view the same screens available to customers. This will provide CCRs the ability to assist customers by phone with support questions on matters raised by information provided by the HEA and BEA tools.

Market Strategic Fit

These programs support Company strategies in the following ways:

- ❑ They form energy partnerships with our customers by providing both education and personalized, actionable information that can help them manage energy costs and usage.
- ❑ The provision of this sort of information, which can be used as a tool to manage and budget energy expenses, increases customer satisfaction.
- ❑ By augmenting the functionality of our successful customer Web portals, they further KCP&L in being an industry leader in supplying and delivering innovative energy solutions.

Market Segment Focus and Market Potential

The EA programs will have two broad targets:

- ❑ Residential customers
- ❑ Businesses

As these programs are delivered via the Internet, our market potential includes the number of customers with access to the Internet at home, work or public facilities such as libraries. Currently, KCP&L has 62,000 residential and 18,000 business customer accounts registered to access AccountLink or AccountLink Advantage. Experience by other utilities has demonstrated that the implementation of EA-type programs typically leads to increased usage of the utility Web site.

The table below shows 3 levels of market potential. The actual adoption rate will be something less than the smallest potential.

Table 3. Market Potential

	A	B	C	D
Customer Class	Population	Web-ready	Economic	Interest
Residential	440,000	330,000	198,000	50,000
Business	60,000	57,000	17,100	8,500

Key

Column A - Customer population expressed as number of accounts.

Column B - Estimated Internet penetration is factored in to quantify the overall technical potential of who can theoretically access the EA tools.

Column C - Economic potential estimates how many Web-ready customers can be informed through economically reasonable means (after 3 years of marketing).

Column D - Interest in energy cost and energy efficiency topics is considered to further reduce the potential market of customers who are both aware and capable of using EA.

The next table shows adoption goals by year and class compared to the Interest Potential calculated above.

Table 4. Adoption Goals (Cumulative)

	Residential		Business	
Year	Potential	Adoption	Potential	Adoption
2006	30,000	4,500	5,000	400
2007	40,000	9,300	7,000	1,200
2008	50,000	14,200	8,500	1,800
2009	52,000	16,900	8,750	2,200
2010	53,000	19,700	9,000	2,500

Customer Value Proposition

The EA solutions have been proven to help customers better understand and manage their energy bills by providing personalized energy management plans and information on applicable utility energy efficiency and demand response programs. The applications help customers understand what those programs mean to them and develop strategies to leverage them. The applications utilize sophisticated energy modeling and bill analysis using customer inputs and actual billing data. The solutions are visually appealing and easy to use, encouraging Web self-service and customer involvement. The advanced version of the software, which includes the Bill Prism bill presentation module, even provides the convenience of automatically including the customer's monthly billing data. These energy analysis tools have been positively evaluated to be effective in assisting customers in understanding their energy use, finding specific ways to save energy and money and improving the use of the utility Web site. Customers report satisfaction with the Web self-service channel and report fewer calls to the utility call center.

Depending on the marketing and promotion of these Web-based solutions, other utilities have seen up to 12% of customers participate on an annual basis.

Market Implementation Plan

The eServices Product Manager (PM) has the primary responsibility for the planning, design, implementation, contractor management, and evaluation of the program. The PM will be responsible for:

- Developing the final program requirements and working with Nexus Energy Software to carry out the actual implementation of the program,
- Working with Nexus and the relevant internal KCP&L departments to finalize the marketing and training plans,
- Overseeing the implementation of the marketing and training plan and customization, installation and management of the EA solutions on www.kcpl.com,
- Monitoring the program's progress,
- Reporting to management on a regular basis,
- Preparing any required regulatory reports,
- Assessing the program's effectiveness, and
- Recommending program changes

Program Phases

The EA programs will be released in three phases. The first, scheduled for release on Dec. 1, 2005, will include the Home Energy Center for HEA and the Business Energy Center for BEA. Implementation of these modules is being accelerated in order to assist customers with useful, actionable information and tools at the outset of the winter season and before most have

received a high winter bill. Due to record high fuel prices, we expect a high demand for information and advice about energy savings and energy efficiency.

The remaining residential components will be activated in the first quarter of 2006, with a target date of Feb. 1. Phase 2 will include download of customer billing history into the HEA tool and the associated features provided by Nexus's Bill Prism module.

Phase 3 will include the download of customer account data into the BEA for business customers. It is slated to go into production on June 1, in time for the 2006 summer season.

The key milestones of the program are listed below.

Table 5. Implementation Schedule

Activity	Due Date	Comment
Completion of Software Set up Workbooks	10/31/2005	KCP&L - DONE
Submit Tariffs	11/14/2005	KCP&L - DONE
Delivery of Phase 1 applications	11/30/2005	Nexus
Launch of Phase 1 - Energy Centers	12/1/2005	KCP&L
Launch of EA promo & awareness campaign	12/1/2005	KCP&L
Complete Product Plan	12/7/2005	Key Milestone
Regulatory approval	12/14/2005	Key Milestone
Sign contractor implementation agreement	12/15/2005	After Commissions Orders
Conduct Phase 2 kick off meeting	12/22/2005	Nexus and KCP&L
Software set up and configuration	1/6/2006	Nexus
Delivery of Phase 2 applications for testing	1/16/2006	Nexus
Launch Phase 2 on KCP&L.com	2/1/2006	KCP&L
Beginning of targeted marketing program	2/1/2006	KCP&L
Software set up for Phase 3	4/15/2006	Nexus
Delivery of Phase 3 for testing	5/1/2006	Nexus
Launch Phase 3 on KCP&L.com	6/1/2006	KCP&L

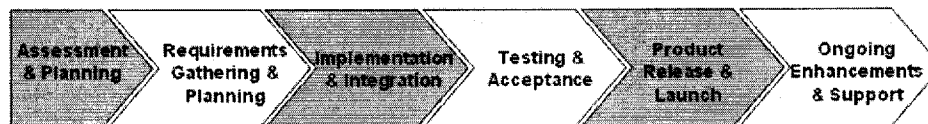
KCP&L has established key performance and reporting indicators that will be monitored throughout the initial deployment and during the subsequent months of the program. The PM will be responsible for working with Nexus and relevant internal departments to collect, track, monitor, and report the results of the program.

Table 6. Performance Targets

Performance Targets and Effectiveness Measures by Year			
Performance Metric	2006	2007	Measured By:
Program Goals			
Annual Residential Unique Users	4,500	9,300	Monthly Contractor Reporting
Annual Business Unique Users	400	1,200	Monthly Contractor Reporting

Other Program Tracking	
Tracking Measure	Method
Energy Efficiency Actions taken by Customer	Pop up survey
Customer Satisfaction	Annual survey of sample of participants
User Sessions	Web site tracking
Page Visits	Web site tracking
Time per Visit	Web site tracking
Modules Accessed	Web site tracking

The implementation of the EA solutions project will generally include the following steps.



Assessment and Planning: During the Assessment and Planning phase, KCP&L will work with Nexus to define the goals and objectives of the project and to set achievable metrics that can be tracked to measure project success. This phase includes a kickoff meeting, a review with key stakeholders, scope definition and technical review and planning. Deliverables of the Assessment and Planning phase include an integrated project plan, project metrics, project scope and a communication plan.

Requirements Gathering: During the Requirements Gathering phase, the EA project team will work with Nexus to review the product features and functionality and define customization and configuration requirements. During this phase, KCP&L will employ Nexus's experience to finalize the marketing and promotional plan for the product launch. (The initial plan is listed below under Promotion and Communication Strategy.) Deliverables of the Requirements Gathering phase include Configuration specifications, customization specifications (if required), content customization and rollout plan.

Implementation and Integration: During the Implementation and Integration phase, Nexus will configure and customize the product based on requirements gathered during the Requirements Gathering phase. In addition, the data integration process will be developed and the training plan defined. Deliverables of the Implementation and Integration phase include preparation of the application in a test environment, completed data integration (ready for testing), training documentation, and rollout plans and logistics.

Testing and Acceptance: During the Testing and Acceptance phase, Nexus will provide quality assurance testing of the features, functionality, customizations, data integration and configuration of the product. KCP&L and Nexus software design teams will correct problems identified during the testing and KCP&L user representatives will complete user acceptance testing. During this user acceptance testing, we may identify opportunities to enhance the product. Where possible, Nexus will include these

enhancements. At the end of the testing phase, Nexus will conduct training and coaching sessions, where required. Deliverables of the Testing and Acceptance phase include KCP&L acceptance, applications ready for release, final training documentation and summary of feedback on the application.

Product Release and Launch: During the Product Release and Launch, the application will be deployed to end users, remaining training sessions completed, and KCP&L Web site changes launched. The deliverables of the Product Release and Launch phase include a live product for end users and a support and action plan to determine how feedback can be incorporated into future Nexus software releases.

Ongoing Enhancements and Support: Ongoing Software Enhancements and Support continues throughout the project. Nexus will provide a dedicated project manager to implement the application and to be the main point of contact for support. KCP&L will hold regular meetings with Nexus to review metrics and discuss customer feedback. Nexus will review KCP&L feedback and suggestions on a regular basis and include, where possible, in the Nexus product development planning for subsequent releases. Nexus will assist with metrics tracking by providing monthly reporting of statistics and provide assistance with marketing and promotional plans to maximize use of the applications. Finally, we will have access to annual client conferences and marketing user groups provided by Nexus so that KCP&L employees can meet with other utilities to share ideas and results.

Promotion and Communication Strategy

Phase 1. The initial promotion of the Phase 1 EA tools will be designed to reach a broad audience in order to address the critical issues of high winter heating costs and how to address that concern. The primary communications channels will be the Web site and messages delivered through the bill.

December

- Strategic Web placement from home page (www.kcpl.com)
- Bill message
- Press release

January

- Bill insert
- Train Customer Care Reps on use of the tools
- Train Customer Care Reps to tell customers about the tool

Phase 2. With the planned implementation on Feb. 1, 2006 of the Bill Prism integration with AccountLink, promotion activity will be scaled up to include more touch points and to directly target existing users of other Web-based services provided by KCP&L.

For this phase, KCP&L will employ accepted best practices for the promotion and marketing of the EA applications. KCP&L promotional activities may include:

February

- Cross-sell to existing AccountLink users
- Residential Wire newsletter
- Promote URL and tools on ATRS (Hold) message

March

- Envelope message
- Message on bill notification, payment confirmation e-mails
- Direct mail piece

2nd Quarter 2006

- Promote via friends, family and employees (e-mail, intranet, etc.)
- Offer contest or incentives
- Create an overview brochure to distribute (1 or 2 panel) with step by step instructions to get to and use the tool
- Feedback survey (online or via e-mail)

Ongoing

- Clear Web site messaging
- Customer Service follow up e-mails
- Put the URL everywhere possible
- Partner with other departments to cross promote and maximize communication vehicles
- Regular e-mail communication

Some ideas under consideration for incentives or drawings for users who complete the first set of questions in the Energy Centers include:

- Free CFL Bulbs
- Gift cards to local stores
- Sports event tickets

Market Collateral Materials

Collateral materials will be developed to support the HEA/BEA and encourage customer participation. The following is a list of potential collateral that may be offered:

Customer Promotional Materials

- ☐ Bill insert
- ☐ Press release
- ☐ Newsletter copy
- ☐ HTML Media (e-mail and Web promotions)
- ☐ Direct mail
- ☐ Brochure

Monitoring and Assessment

The project can be monitored and assessed through a variety of means. Nexus will provide KCP&L with detailed monthly reports that identify many important project metrics including number of sessions, new and return users per application, modules accessed, amount of time spent in different applications, page views and many other statistics for each module of the software. These reports will help to identify usage trends and performance. Additionally, Web logs of site activity will be available for detailed analysis.

We will also solicit feedback via email sent to the customer at a specified time after their use of the solutions. Customers would opt in to receive these electronic communications with a click-back to a Web site designed to collect the evaluation data.

Finally, Nexus will conduct a monthly review meeting on behalf of KCP&L to assess the status of the project as well as related successes and challenges. As part of this process, Nexus will benchmark KCP&L against the 50+ other utilities utilizing the EA applications to identify opportunities for improvement within the KCP&L implementation. KCP&L will also have access to their user meetings to learn from others and share information on our experience.

Customer Satisfaction

We will closely monitor data collected via the tracking process to understand the impacts on customer satisfaction. Nexus has found through work with other utilities that customer satisfaction scores may be expected to increase after the launch of the EA applications.

The EA applications will feature a prominent button for users to submit questions and comments via e-mail as a way to gather feedback and measure satisfaction with the user experience. In addition, "Help" will be available through a pop up window. Nexus also offers a toll free telephone number to assist customers with questions. Their experience shows that very few customers have difficulty with the self-service applications.

Program Costs

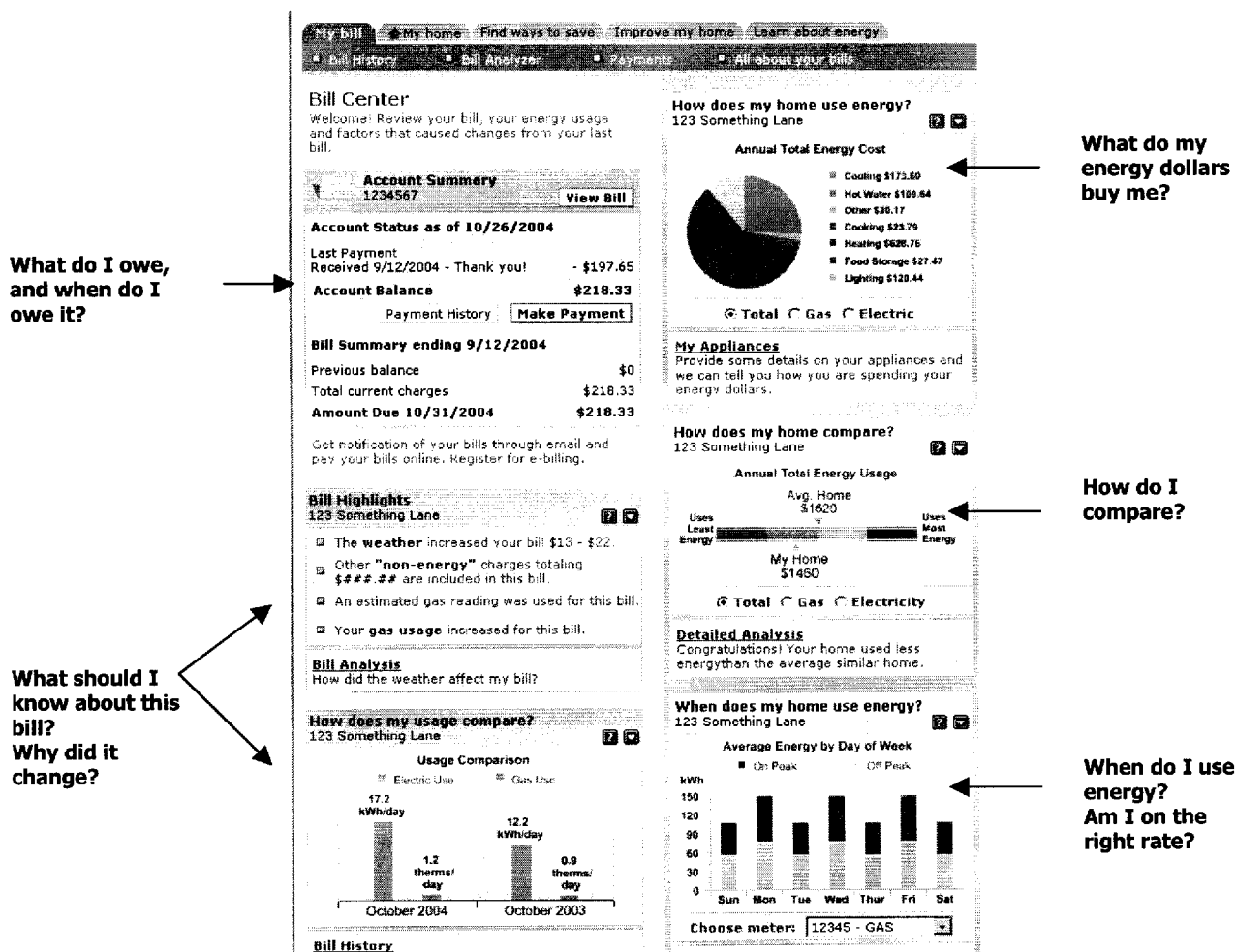
Programs costs include licensing, set up expenses, ongoing maintenance fees, per-user fees and marketing costs. Projected expenses at the target participation levels for the next 5 years are shown below.

Table 7. Program Costs

	Registered Users		Program Costs (\$)			
Year	Home	Business	Set-up & Maintenance	Per User Assmt	Marketing	Total
2006	4,500	300	425,000	8,000	90,000	523,000
2007	9,300	900	290,000	18,000	90,000	398,000
2008	14,200	1,500	260,000	28,000	90,000	378,000
2009	16,900	2,000	260,000	34,000	90,000	384,000
2010	19,700	2,350	260,000	40,000	90,000	390,000

Appendix - Integration of Nexus Tools with Existing Web Portals

The EA applications will be available through integration with AccountLink and AccountLink Advantage. This integration will enable the customer's billing data to be made available to the Nexus application in a secure mode. Nexus will work with KCP&L to accomplish the blending of the two systems so that customers can access both through a single login. Once the customer is in AccountLink, they will be immediately presented with personalized EA panels (shown below) that answer customer billing questions and provide a detailed analysis and presentation of customer bills, including weather normalization, benchmarking, explanation of variations, and estimates of cost by end-use.



From this page, customers can “click through” to access the detailed applications available. These include:

- Monthly Bill Analysis
- Billing History
- Home and Business Energy Management Solutions
 - o Energy Analysis
 - o Benchmarking
 - o Home Improvement Module
 - o Learn About Energy Modules
- Daily Usage Data and Rate Analysis (if made available)

Customer Programs Advisor Group

Docket # EO-2005-0329

Report and Order issued: 7/28/2005, effective date 8/7/2005

Kansas City Power & Light Company

WHITE PAPER

**Pre-Implementation Analysis
Of the Impact and Cost Effectiveness
Of Affordability and Energy Efficiency Programs**

June 9, 2006

WHITE PAPER

Impact of Affordability/Energy Efficiency Programs on Supply Resource Plan

Purpose

The purpose of this White Paper is to meet the requirement of the Stipulation and Agreement in Docket # EO-2005-0329.

1. Determine the expected impacts of affordability and energy efficiency programs (Programs) on KCP&L as defined in the Stipulation and Agreement; and
2. Estimate the cost effectiveness of affordability and energy efficiency Programs using the Total Resource Cost Test and MIDAS Net Present Value of Revenue Requirements analysis and Net Present Value Average System Rates.

This paper includes results from both the MIDAS and Benefit/Cost analysis. It does not include demand response programs.

Key Study Conclusions

- ❑ NPV Average System Rates for all customers (participants and non-participants) as calculated in MIDAS will be lower with energy efficiency Programs than without energy efficiency Programs. NPV Average System Rates would be lower with 20 years of energy efficiency Program costs and impacts than with 5 years of Programs.
- ❑ Net Present Value Revenue Requirements (NPVRR) will be lower with energy efficiency Programs than without energy efficiency Programs. NPVRR would be lower with 20 years of energy efficiency Programs than with 5 years of Programs.
- ❑ Increases in externality adders improve the effectiveness of all Programs in lowering NPVRR and NPV Average System Rates.
- ❑ From the MIDAS analysis results, the energy efficiency Programs will not change the size requirement for the Iatan 2 base load power plant.

Programs Analyzed

The following Programs are included in the MIDAS and Benefit/Cost analysis. These Programs comprise the current proposed portfolio of affordability and energy efficiency Programs. Based in part on input from Customer Programs Advisory Group (CPAG), responses to RFPs, and the direction taken by the Kansas Corporation Commission (KCC), this portfolio and the initial design of Programs contained in the portfolio are subject to change.

Direct impact programs are those programs whose implementation directly lowers the customer's energy use. Non-direct impact programs include educational and informational programs.

Affordability programs

- ❑ Low-Income Affordable New Homes Program (direct impact)
- ❑ Low-Income Weatherization and High Efficiency Program (direct impact)

Energy Efficiency

- ❑ Residential
 - Online Energy Information and Analysis Program (non-direct impact)
 - Home Performance with Energy Star® Program – Training (non-direct impact)
 - Change a Light – Change the World (direct impact)
 - Cool Homes Program (direct impact)
 - Energy Star® Homes – New Construction (direct impact)
 - PAYS-type concept (non-direct impact)
- ❑ Commercial and Industrial
 - Online Energy Information and Analysis Program (non-direct impact)
 - C&I Energy Audit Rebate (non-direct impact)
 - C&I Custom Rebate – Retrofit (direct impact)
 - C&I Custom Rebate – New Construction (direct impact)
 - Building Operator Certification Program (direct impact)
- ❑ All customer programs
 - DSM research (non-direct impact)

Assumptions

- ❑ All affordability and energy efficiency program costs are treated as a regulatory asset, amortized over 10 years at a rate no higher than the approved AFUDC.
- ❑ Program costs used for the MIDAS and the Benefit/Cost analyses are those included in the Stipulation and Agreement.
- ❑ Applied Energy Group, an energy efficiency program planning and implementation consultant, calculated kWh and kW reductions for each direct impact program for all 8,760 hours of the year. Energy and capacity reduction from the Programs were included in each hour of the year for the MIDAS runs to determine the Net Present Value of Revenue Requirements and the NPV of Average System Rates. Most of the affordability and energy efficiency Programs primarily save energy during high use times, saving energy produced by intermediate and peaking generating plants. The approximate load factors of the high efficient equipment covered by the energy efficient Programs are 20% for Residential, 30% for Commercial and 43% for Affordability.
- ❑ The MIDAS runs estimate the market energy price for each hour of the year. Using these market prices, the annual energy cost savings were determined for each program. These energy cost savings were used in the benefit/cost analysis of the affordability and energy efficiency Programs.
- ❑ The definitions and Benefit/Cost model inputs are included as attachments A and B.

Benefit/Cost Model

The Benefit/Cost model was used as a screening tool to select and design affordability and energy efficiency Programs. Five perspectives are analyzed through this tool, providing 5 benefit/cost test results:

- ☐ Total Resource Test
- ☐ Societal Test
- ☐ Participant Test
- ☐ Ratepayer Impact Measure Test
- ☐ Utility Cost Test

The results of the cost effectiveness tests of each program by each perspective are shown in Attachment C.

MIDAS Definitions

Net Present Value of Revenue Requirements ("NPVRR") is the net present value of the expected stream of year by year total revenues required from ratepayers, discounted at an after-tax cost of capital to a base reference year. NPVRR takes into account the time value of money such that different projections of costs and benefits from various alternative plans can be evaluated on a comparable basis.

Average System Rates is a function of the annual revenue requirements divided by the sales base over which the revenues are recovered, reflecting the cost per unit of energy sold. The Net Present Value of Average System Rates ("NPV ASR") is the present value of revenue per unit of energy sold required from ratepayers, discounted at an after-tax cost of capital to a base reference year.

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