

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 6th day of April, 2016.

In the Matter of Kansas City Power & Light)
Company's Filing for Approval of Demand-Side)
Programs and for Authority to Establish A)
Demand-Side Programs Investment Mechanism)

File No. EO-2014-0095

**ORDER APPROVING DEMAND-SIDE PROGRAMS BUDGET
MODIFICATIONS**

Issue Date: April 6, 2016

Effective Date: April 16, 2016

On June 5, 2014, the Commission approved Kansas City Power & Light Company's (KCP&L's) request for permission to offer its customers certain specified demand-side programs as contemplated by the Missouri Energy Efficiency Investment Act (MEEIA) and the Commission's implementing regulations. Those Cycle 1 MEEIA programs carried an estimated budget of \$19.2 million, and the Commission in December 2015 approved KCP&L's modification recognizing that actual expenditures for those programs would exceed 120 percent of that budget.

KCP&L stopped taking applications for new Cycle 1 MEEIA projects on December 15, 2015, but customers have until June 30, 2016 to complete the projects. On March 8, 2016, KCP&L filed an application seeking leave to increase the budget for the Cycle 1 MEEIA programs in recognition of the fact that the programs, particularly the Business Energy Efficiency Rebates – Custom program, have proven to be more successful than anticipated. As a result, the cost of offering the programs will exceed the budget by

approximately \$30.7 million, resulting in expenditures exceeding the original budget by approximately 260 percent. KCP&L asks the Commission to approve that increased budget to permit program payments to continue so that all valid applications that were received can be paid.

The applicable Commission regulation - 4 CSR 240-20.094(4) - provides that when a company's spending varies from its approved MEEIA budget by more than 20 percent, the utility is to file an application for approval of modifications to its demand-side programs. The Commission then has thirty days to "approve, approve with modification acceptable to the electric utility, or reject" that application.¹ Since KCP&L's Cycle 1 MEEIA programs have already expired, the programs do not need to be modified, only the budget needs to be increased.

Upon receiving KCP&L's application, the Commission ordered that any party wishing to respond to that application do so no later than April 4. The Commission's Staff filed a timely response recommending the Commission approve KCP&L's application. The Sierra Club and Earth Island Institute d/b/a Renew Missouri also responded in support of KCP&L's application.

KCP&L's MEEIA programs have been successful at attracting participants, and as a result, the programs have cost more than was anticipated when they were implemented. However, those programs have all been determined to be cost-effective, so costs that exceed the originally anticipated amounts will produce energy savings benefits greater than originally anticipated. After considering KCP&L's application, Staff's recommendation, and

¹ 4 CSR 240-20.094(4).

the responses filed by The Sierra Club and Renew Missouri, the Commission finds that the application is reasonable and should be granted.

Every order or decision of the Commission becomes effective in thirty days unless some other time is specified.² Because of the short response times required by regulation, the Commission will make this order effective in ten days.

THE COMMISSION ORDERS THAT:

1. Kansas City Power & Light Company's Application for Approval of Modifications of Demand-Side Programs Budget Modifications is granted.
2. This order shall become effective on April 16, 2016.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney, Rupp,
and Coleman, CC., concur.

Woodruff, Chief Regulatory Law Judge

² Section 386.490.2, RSMo (Cum. Supp. 2013).