

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

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

In the Matter of KCP&L Greater Missouri Operations)
Company’s Notice of Intent to File an)
Application for Authority to Establish a Demand-)
Side Programs Investment Mechanism)
File No. EO-2015-0241

**STAFF RECOMMENDATION FOR APPROVAL OF MODIFICATIONS TO
TECHNICAL RESOURCE MANUAL AND PROGRAM DESIGN INCENTIVE
RANGE CHANGES**

COMES NOW the Staff of the Missouri Public Service Commission, by and through undersigned counsel, and hereby recommends that the Commission approve the proposed revisions to the Technical Resource Manual (“TRM”) and the demand-side program design incentive range changes sought by Kansas City Power & Light Company (“KCP&L”) and KCP&L Greater Missouri Operations Company (“GMO”) (collectively the “Companies”) in the Companies’ February 28, 2018 filing. In further support of its recommendation, Staff states as follows:

1. On February 28, 2018 KCPL and GMO filed an application to revise their TRM and to add new program measure incentive ranges and to change some previously approved program measures incentive ranges. These proposed modifications require Commission approval because they represent modifications to Appendix 1 and Appendix 2 of the Commission-approved Non-Unanimous Stipulation and Agreement (“March 2016 Stipulation”) filed on March 17, 2016 in Case Nos. EO-2015-0240 and EO-2015-0241.

2. As more fully discussed in Staff's Memorandum, attached hereto as Appendix A, the Staff has reviewed the proposed modifications contained in the application and is of the opinion that these modifications are reasonable and should be approved by the Commission.

3. Approval of the application will modify Appendix 1 and Appendix 2 of the March 2016 Stipulation with the effect of (1) modifying the TRM to update measures that will improve the accuracy of savings associated with those measures, allowing for greater residential and business participation, and (2) modifying the program measure incentive ranges wherever a new measure is added or wherever there is a need to lower the bottom of an incentive range to improve program participation and cost effectiveness. No changes to the MEEIA Cycle 2 program budgets or annual savings targets are requested by the Companies.

WHEREFORE, the Staff respectfully requests the Commission accept its recommendation and issue an order approving the Companies' application.

Respectfully submitted,

/s/ Robert S. Berlin

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been electronically mailed this 12th day of March, 2018 to all counsel of record in this proceeding.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case Files
File No. EO-2015-0240 Kansas City Power & Light Company
File No. EO-2015-0241 KCP&L Greater Missouri Operations Company

FROM: Brad J. Fortson, Regulatory Economist III
Mark Kiesling, Utility Management Analyst III

DATE: /s/ John Rogers 3/12/2018 /s/ Bob Berlin 3/12/2018
Energy Resources Department / Date Staff Counsel Department / Date

SUBJECT: Staff Recommendation For Approval of Modification to Kansas City
Power & Light Company's and KCP&L Greater Missouri Operations Company's
Technical Resource Manuals and Program Design Incentive Ranges

DATE: March 12, 2018

On February 28, 2018, Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company ("KCP&L" and "GMO"; collectively "Company") filed Company's *Application for Approval to Modify Technical Resource Manual and Program Design Incentive Ranges* ("Application"). On March 5, 2018, the Commission ordered Staff to file a recommendation regarding the Application no later than March 19, 2018.

The proposed modifications in the Application are primarily based on incorporating the Evaluation, Measurement, and Verification ("EM&V") results for KCP&L and GMO's MEEIA Cycle 2 program year 2016. The modifications to the TRM based on EM&V results include adding new measures and updating energy savings for existing measures. Additional minor changes were also made to enhance program year 2018 participation levels. The proposed modifications implement suggestions and feedback from the Implementation Team (KCP&L, ICF International and CLEAResult) as well as the Company's third-party EM&V contractor, Navigant Consulting, Inc., concerning the following programs:

- Whole House Efficiency;
- Home Lighting;
- Income Eligible Multi-Family;
- Business Standard; and
- Small Business Direct Install.

Approval of the Application will effectively modify Appendix 1¹ and Appendix 2² of the Non-Unanimous Stipulation and Agreement filed on March 17, 2016 and approved on April 6, 2016.

¹ Program design incentive ranges

² Current list of DSM measure assumptions

The technical resource manual (“TRM”) is being modified to update measures that will improve the accuracy of savings associated with those measures, allow for greater overall residential and business participation and improve the efficiency of spend for the existing program budgets. The program measure incentive ranges are being modified wherever a new measure is added or wherever there is a need to lower the bottom of an incentive range to improve cost effectiveness. KCP&L and GMO are not asking for any modification to the respective currently approved MEEIA Cycle 2 budgets or annual savings targets.

STAFF RECOMMENDATION

Staff has reviewed the modifications to the TRM and program measure incentive ranges filed by KCP&L and GMO and recommends the Commission approve KCP&L and GMO’s Application as filed on February 28, 2018.

