

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

In the Matter of KCP&L Greater Missouri Operations )  
Company's Demand-Side Program Annual Report ) **File No. EO-2016-0251**  
for 2015 )

**STAFF COMMENTS REGARDING KCP&L GREATER  
MISSOURI OPERATIONS COMPANY'S DEMAND-SIDE  
PROGRAM ANNUAL REPORT FOR 2015**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through undersigned counsel, and submits its comments regarding KCP&L Greater Missouri Operations Company's ("GMO") Demand-Side Program Annual Report for 2015 pursuant to Commission rule 4 CSR 240-20.093(8) and states as follows:

1. On March 31, 2016, GMO filed its Demand-Side Program Annual Report for its 2015 MEEIA (Missouri Energy Efficiency Investment Act) demand-side programs (hereafter "2015 Demand-Side Programs Annual Report") as required by Commission rule 4 CSR 240-20.093(8).<sup>1</sup>

2. Upon the electric utility's filing of its 2015 Demand-Side Programs Annual Report, Commission rule 4 CSR 240-20.093(8) provides that "...Interested parties may file comments with the commission concerning the content of the utility's annual report within sixty (60) days of its filing." Accordingly, Staff has reviewed GMO's 2015 Demand-Side Programs Annual Report and provides the following comments for the Commission's information:

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<sup>1</sup> GMO's deadline is 90 days rather than 60 days as set forth in the variance language contained in page 34 of October 29, 2012 *Non-Unanimous Stipulation and Agreement Resolving KCP&L Greater Missouri Operations Company's MEEIA Filing* and approved by the Commission in its November 15, 2012 Order in Case No.EO-2012-0009. (EFIS Item No. 136).

## COMMENTS

- A. While performing discovery as part of its ongoing Kansas City Power & Light Company MEEIA prudence audit (File No. EO-2016-0183), Staff identified that program costs have not been discounted by KCP&L when calculating monthly net benefits at the program level as previously ordered by the Commission;
- B. Staff also identified that program costs have not been discounted by GMO when calculating monthly net benefits<sup>2</sup> at the program level as previously ordered by the Commission;<sup>3</sup>
- C. On May 10, 2016, Staff confirmed with GMO that none of the program costs incurred during 2014 and during 2015 have been discounted as ordered by the Commission;
- D. GMO's failure to discount program costs when calculating monthly net benefits has impacted: i) GMO's 2014 and 2015 Demand-Side Programs Annual Reports; ii) Page 6 of GMO's Quarterly Surveillance Reports filed in EFIS on May 22, 2014, August 20, 2014, November 21, 2014, March 16, 2015, May 26, 2015, August 24, 2015, November 16, 2015, and March 15, 2016; and iii) GMO's remaining

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<sup>2</sup> See worksheet 7. Net Benefits of the 2015 Demand-Side Programs Annual Report in File No. EO-2016-0251.

<sup>3</sup> Page 5 of the October 29, 2012 *Non-Unanimous Stipulation and Agreement Resolving KCP&L Greater Missouri Operations Company's MEEIA Filing* in EO-2012-0009 includes: "NSB are the present value of the lifetime avoided costs (i.e., avoided energy, capacity and transmission and distribution, and probable environmental compliance costs) for the approved MEEIA Programs using the deemed values of demand-side measures for each program less the present value of the MEEIA Programs' costs." [GMO WACC used for discounting: 7.06%]

unrecovered balances from GMO's MEEIA Cycle 1 Plan which are to be recovered through GMO's current Cycle 2 Rider DSIM;<sup>4</sup>

- E. Staff estimates that GMO's failure to discount 2014 and 2015 program costs when calculating monthly net benefits has resulted in a \$938,976 understatement of 2014 total net benefits and a \$4,285,983 understatement of 2015 total net benefits in GMO's 2014 Demand-Side Programs Annual Report<sup>5</sup> and 2015 Demand-Side Programs Annual Report, respectively; and,
- F. Because GMO's MEEIA Cycle 1 TD-NSB (Throughput Disincentive-Net Shared Benefits) Share is the sum of the net shared benefits over the MEEIA Plan period multiplied by 13.55%, Staff estimates that GMO has understated its 2014 TD-NSB Share amount and 2015 TD-NSB Share amount by \$127,231 and \$580,751, respectively.

3. Staff notes that United for Missouri, Inc. filed a Notice Of Intent To Participate in the above-captioned proceeding.

**WHEREFORE**, the Staff prays the Commission accept its comments regarding GMO's 2015 Demand-Side Programs Annual Report for the Commission's information and consideration as permitted by Commission rule 4 CSR 240-20.093(8).

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<sup>4</sup> KCP&L Greater Missouri Operations Company, P.S.C. MO. No. 1, Original Sheet No. 138.

<sup>5</sup> GMO's 2014 Demand-Side Programs Annual Report is in File No. EO-2015-0305.

Respectfully submitted,

**/s/Robert S. Berlin**

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### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 24<sup>th</sup> day of May, 2016, to all counsel of record.

**/s/ Robert S. Berlin**