

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

In the Matter of Kansas City Power & Light )  
Company's Demand-Side Program Annual )  
Report for 2015 )

**File No. EO-2016-0250**

**STAFF COMMENTS REGARDING KANSAS CITY POWER &  
LIGHT 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 Kansas City Power & Light Company's ("KCP&L") 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, KCP&L 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 KCP&L's 2015 Demand-Side Programs Annual Report and provides the following comments for the Commission's information:

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<sup>1</sup> KCP&L's deadline is 90 days rather than 60 days as set forth in the variance language contained in page 16 of the May 27, 2014 *Non-Unanimous Stipulation and Agreement Resolving Kansas City Power & Light Company's MEEIA Filing* and approved by the Commission in its June 5, 2014 *Report and Order* in Case No. EO-2014-0095. (EFIS Item No. 92).

## COMMENTS

- A. While performing discovery as part of its ongoing KCP&L 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<sup>2</sup> at the program level as previously ordered by the Commission;<sup>3</sup>
- B. On May 10, 2016, Staff confirmed with KCP&L that none of the program costs incurred during 2015 have been discounted as ordered by the Commission;
- C. KCP&L's failure to discount program costs when calculating monthly net benefits has impacted: i) KCP&L's 2015 Demand-Side Programs Annual Report; ii) Page 6 of KCPL's Quarterly Surveillance Reports filed in EFIS on May 26, 2015, August 24, 2015, November 20, 2015, and March 15, 2016; and iii) KCP&L's Rider DSIM rate adjustment filings in File Nos. ER-2015-0318 and ER-2016-0147;
- D. Staff estimates that KCP&L's failure to discount 2015 program costs when calculating monthly net benefits has resulted in a \$2,367,311 understatement of 2015 total net benefits in the 2015 Demand-Side Programs Annual Report; and,

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<sup>2</sup> See worksheet **7. Net Benefits** of the 2015 Demand-Side Programs Annual Report in File No. EO-2016-0250

<sup>3</sup> Page 4 of the May 27, 2014 *Non-Unanimous Stipulation and Agreement Resolving Kansas City Power & Light Company's MEEIA Filing* in Case No. EO-2014-0095 includes: "The net shared benefits is the sum of the 2014 present value of avoided utility costs over the measures' lives less 2014 present value of all programs' costs (including program design, administration, delivery, end-use measures, incentives, evaluation, measurement and verification ("EM&V"), utility market potential studies, and technical resource manual) discounted using the currently approved KCP&L weighted average cost of capital rate (6.961%).";

- E. Because KCP&L'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 26.36%, Staff estimates that KCPL has understated its 2015 TD-NSB Share amount by \$624,023.

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 KCP&L'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).

Respectfully submitted,

**/s/ Robert S. Berlin**

Robert S. Berlin  
Deputy Staff Counsel  
Missouri Bar No. 51709  
Attorney for the Staff of the  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65012  
(573) 526-7779 (Telephone)  
(573) 751-9285 (Fax)  
bob.berlin@psc.mo.gov

**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**