

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Jay Scott Emler, Chairman
 Shari Feist Albrecht
 Pat Apple

In the Matter of Westar Energy, Inc. and)
Kansas Gas and Electric Company Seeking)
Commission Approval to Implement Changes) Docket No. 16-WSEE-375-TAR
in their Transmission Delivery Charges Rate)
Schedules.)

**ORDER GRANTING APPLICATION TO IMPLEMENT CHANGES IN
TRANSMISSION DELIVERY CHARGE SUBJECT-TO-REFUND**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings and conclusions:

I. BACKGROUND

1. On February 15, 2016, Westar Energy, Inc. and Kansas Gas and Electric Company (Westar Energy) filed an Application with the Commission seeking approval to update its Transmission Delivery Charge (TDC) tariff to recover costs associated with Westar Energy's transmission of electric power.¹ The Application Westar Energy filed cites to K.S.A. 66-1237 as the authority for the recovery of the TDC.² Westar Energy's Application requests the proposed TDC rates become effective on April 1, 2016.³

¹ Tariff for Westar Energy and Kansas Gas and Electric for 2016 Transmission Delivery Charge, p. 1 (Feb. 15, 2016).

² *Id.*

³ *Id.*

2. On February 24, 2016, the Occidental Chemical Corporation (OxyChem) filed a Petition to Intervene. The Commission approved OxyChem's Petition to Intervene on March 10, 2016.⁴

3. On March 10, 2016, Commission Staff (Staff) filed its Motion for Approval of Westar Energy's Transmission Delivery Charge Subject-To-Refund,⁵ wherein Staff recommended the Commission approve Westar Energy's TDC in the interim and on a subject-to-refund basis while Staff conducts its investigation.

4. In its motion, Staff concurred with Westar Energy's position that this matter is governed by K.S.A. 66-1237.⁶ Staff further took the position that K.S.A. 66-1237 grants the Commission authority to grant approval of TDC rates on a subject-to-refund basis.⁷

5. Finally, Staff indicated that it required additional time to complete its audit of Westar Energy's Application, and anticipates filing a Report and Recommendation in this matter on or before May 30, 2016.⁸

II. FINDINGS AND CONCLUSIONS

6. Any electric public utility subject to the Commission's jurisdiction may seek recovery of its costs associated with the transmission of electric power through a separate TDC included in customers' bills.⁹

7. As provided by K.S.A. 66-1237(c), all transmission-related costs incurred by an electric public utility which resulted from a body with regulatory authority over transmission matters are conclusively presumed prudent.

⁴ Order Granting Intervention (Mar. 10, 2016).

⁵ Staff's Motion for Approval of Westar Energy's Transmission Delivery Charge Tariff Subject-To-Refund (Mar. 10, 2016).

⁶ *See id.* at pp. 1,2.

⁷ *Id.* at p. 2.

⁸ *Id.*

⁹ *See* K.S.A. 66-1237(a).

8. An electric public utility must submit a report to the Commission at least 30 business days before changing the utility's TDC rates.¹⁰

9. The Commission may issue an order setting the TDC rates subject-to-refund.¹¹

10. If the Commission subsequently determines that all or part of the TDC rate does not comply with K.S.A. 66-1237, the Commission may require changes in the TDC and impose appropriate remedies, including refunds.¹²

11. The Commission finds that Westar Energy is a regulated electric public utility subject to the Commission's jurisdiction. The Commission also finds that Westar Energy filed its Application to update its TDC on February 16, 2016, thereby exceeding 30 business days before the requested effective date of the rate change.

12. Further, the Commission finds that it has the authority to approve the TDC rate changes subject-to-refund, and that Staff's request to grant the requested rate changes subject-to-refund is just and reasonable. Therefore, the Commission concludes that Westar Energy's proposed TDC rates should become effective April 1, 2016, on a subject-to-refund basis while Staff continues its investigation.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Westar Energy's Application to update its Transmission Delivery Charge, as filed on February 16, 2016, is conditionally granted subject-to-refund and further review by the Commission and its Staff. The effective date of the updated Transmission Delivery Charge shall be April 1, 2016.

¹⁰ See K.S.A. 66-1237(c).

¹¹ *Id.*

¹² *Id.*


B. The parties have 15 days, plus three days if service of this Order is by mail, to petition the Commission for reconsideration of any issue or issues decided herein.¹³

C. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it deems necessary.

BY THE COMMISSION IT IS SO ORDERED.

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: MAR 31 2016



Amy L. Green
Secretary to the Commission

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¹³ K.S.A. 66-118b; K.S.A. 77-529(a)(1).

CERTIFICATE OF SERVICE

16-WSEE-375-TAR

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of

Electronic Service on MAR 31 2016.

DAVID W. NICKEL, CONSUMER COUNSEL

CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD.
TOPEKA, KS 66604
d.nickel@curb.kansas.gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
d.smith@curb.kansas.gov

GREG WRIGHT
EMG, INC.
420 NE LYMAN RD.
TOPEKA, KS 66608
greg@emgnow.com

SAMUEL FEATHER, OFFICE OF GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3167
s.feather@kcc.ks.gov

BRENDA HARRIS, DIRECTOR POWER
OCCIDENTAL ENERGY CORPORATION
5 GREENWAY PLAZA, SUITE 110
HOUSTON, TX 77046-0521
brenda_harris@oxy.com

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067
Fax: 785-242-1279
jflaherty@andersonbyrd.com

SHONDA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
sd.smith@curb.kansas.gov

JULIE B. HUNT
HOLLYFRONTIER CORPORATION
2828 N HARWOOD STE 1300
DALLAS, TX 75201
julie.hunt@hollyfrontier.com

ROBERT VINCENT, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3354
r.vincent@kcc.ks.gov

JAMES P. ZAKOURA, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362
Fax: 913-661-9863
jim@smizak-law.com

CERTIFICATE OF SERVICE

16-WSEE-375-TAR

ROBIN ALLACHER, REGULATORY ANALYST
WESTAR ENERGY, INC.
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
robin.allacher@westarenergy.com

CATHRYN J. DINGES, SENIOR CORPORATE COUNSEL
WESTAR ENERGY, INC.
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
Fax: 785-575-8136
cathy.dinges@westarenergy.com

JEFFREY L. MARTIN, VICE PRESIDENT, REGULATORY
AFFAIRS
WESTAR ENERGY, INC.
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
jeff.martin@westarenergy.com

/S/ DeeAnn Shupe
DeeAnn Shupe

EMAILED

MAR 31 2016