

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of Westar Energy, Inc. and)
Kansas Gas and Electric Company Seeking)
Commission Approval to Implement) Docket No. 19-WSEE-327-TAR
Changes in their Transmission Delivery)
Charges Rate Schedules.)

JOINT RESPONSE TO STAFF'S REPORT & RECOMMENDATION

COMES NOW Unified School District #259 Sedgwick County, Kansas ("USD 259"), Southeast Kansas Education Service Center - Interlocal #609 ("Local 609"), and Kansas Industrial Consumers Group, Inc. ("KIC")(collectively referred to herein as "Joint Parties"), and respectfully file this *Joint Response* in the above-referenced case. In support of their Response, the Joint Parties state to the State Corporation Commission of the State of Kansas ("Commission" or "KCC") as follows:

1. On February 15, 2019, Westar Energy, Inc., and Kansas Gas and Electric Company (collectively referred to as "Westar") filed a report updating its Transmission Delivery Charge ("TDC") tariff to recover transmission-related costs associated with its retail operations.
2. On February 26, 2019, KIC filed a Petition to Intervene in this matter. In its Petition, KIC noted, "due to a significant reallocation of the revenue requirement, most customer classes will receive very large rate increases under the proposed [2019] TDC."¹ KIC did not dispute Westar's calculation of its 2019 TDC or the data underlying the new 12-CP allocation.² However, KIC noted the large rate increases in Westar's new TDC rates constitutes rate shock and an unjust and unreasonable ratemaking outcome.³ Therefore, KIC requested the Commission take

¹ Petition to Intervene of Kansas Industrial Consumers Group, Inc., February 26, 2019, ¶ 2. (KIC Petition to Intervene, ¶ 2.)

² KIC Petition to Intervene, ¶ 4.

³ KIC Petition to Intervene, ¶ 4.

action to 1) address the large cost-shift before Westar's 2019 TDC becomes effective and 2) reduce the likelihood of large and unpredictable swings in TDC cost assignment and rates in future years.⁴

3. On March 6, 2019, Unified School District #259 Sedgwick County, Kansas ("USD 259"), filed a Petition to Intervene in this matter. In its Petition, USD 259 stated the new 2019 Westar TDC for public schools and universities represents an **85% increase** over its previous TDC charge.⁵ USD 259 contended this increase constitutes rate shock and does not follow the Commission's traditional approach to gradualism.⁶

4. On March 12, 2019, the Southeast Kansas Education Service Center - Interlocal #609 ("Local 609") filed a Petition to Intervene and expressed the same concerns as USD 259.

5. On March 27, 2019, Westar, Staff of the Commission ("Staff"), KIC, Local 609, USD 259, and the Citizens' Utility Ratepayer Board met at the KCC's Headquarters to discuss the 2019 TDC and explore potential resolutions of this matter. Ultimately, the parties did not reach an agreement, but Westar and Staff committed to work together to explore a reasonable solution.

6. Subsequent to the in-person meeting, counsel for Staff informed counsel for KIC, Local 609, and USD 259 that discussions between Westar and Staff were occurring.

7. On August 2, 2019, Staff filed a Report & Recommendation analyzing Westar's 2019 TDC. In its R&R, Staff finds Westar's 2019 TDC is correctly calculated and recommends "the Commission continue to allow Westar's TDC rate schedules to be collected."⁷ Staff specifically notes the new 2019 TDC "would decrease an average residential monthly customer bill by \$1.58" but does not mention the immense rate increases to other customer classes.⁸

⁴ KIC Petition to Intervene, ¶ 4. KIC's request recognized Westar's statutory role in setting its TDC and the fact that any change in the TDC must be prospective – through a new Westar TDC filing.

⁵ USD 259 Petition to Intervene, March 6, 2019, ¶ 5.

⁶ USD 259 Petition to Intervene, ¶ 6.

⁷ Staff Report & Recommendation, August 2, 2019, pp. 3-4. (Staff R&R, pp. 3-4.)

⁸ Staff R&R, p. 1.

8. The Joint Parties recognize the 2019 Westar TDC has been effective since April 1, 2019, and its rates can only be altered prospectively by a new Westar filing.⁹ However, it is the Joint Parties' understanding that Staff and Westar are discussing a proposal that may prospectively moderate the rate shock represented by the new TDC. The Joint Parties request the Commission accept Staff's R&R but direct the parties to come forward with a proposal to moderate the rate shock currently being experienced by many Westar customers as a result of the 2019 TDC.

WHEREFORE, the Joint Parties respectfully request the Commission accept Staff's Report and Recommendation and issue an Order consistent with the relief sought in paragraph 8 above.

Respectfully submitted,

/s/ **Tim E. McKee**

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⁹ See 66-1237.

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CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by electronic mail (when available) or regular U.S. mail (unless otherwise noted), the 12th day of August, 2019, to the parties below:

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