

1 **Q. Please state your name and business address.**

2 A. Brian Kalcic, 225 S. Meramec Avenue, St. Louis, Missouri 63105.

3

4 **Q. Have you previously filed testimony in this proceeding?**

5 A. Yes. On August 21, 2013, I filed Direct Testimony on behalf of the Citizens' Utility
6 Ratepayer Board ("CURB") addressing class cost of service, revenue allocation and rate
7 design issues. I also filed Cross-Answering Testimony on behalf of CURB on September
8 5, 2013.

9

10 **Q. Did CURB sponsor any other testimony in this proceeding?**

11 A. Yes. On August 21, 2013, CURB filed the Direct Testimony of Andrea C. Crane
12 addressing revenue requirement and cost of capital issues. Ms. Crane also addressed
13 Westar's proposed Promote Kansas program.

14

15 **Q. Did you participate in any settlement negotiations subsequent to the filing of your
16 testimony?**

17 A. Yes, I participated in certain settlement negotiations that addressed the resolution of the
18 issues raised in my Direct Testimony. These and other settlement negotiations have
19 resulted in a proposed Stipulation and Agreement ("S&A"), which has been submitted to
20 the KCC for its consideration.

21

22

1 **Q. Please summarize the terms of the S&A.**

2 A. First, the S&A provides for an annual revenue increase to Westar of \$30.687 million, based
3 on the cost of capital established by the Commission in Docket No. 12-WSEE-112-RTS.

4 Second, the S&A includes an allocation of the agreed upon \$30.687 million increase among
5 Westar's customer classes. Third, the S&A provides that Westar will withdraw its proposal
6 to implement the low-income assistance and economic development components of its
7 Promote Kansas program from consideration in this docket. Fourth, the S&A provides a
8 resolution to various rate design issues that have been raised in this proceeding.

9

10 **Q. Does CURB believe that the S&A provides a reasonable resolution of the issues raised**
11 **in this proceeding?**

12 A. Yes. The S&A provides for an annual revenue increase to Westar of \$30.687 million,
13 which is almost identical to the \$30.629 million increase recommended by Ms. Crane.¹ In
14 addition, CURB opposed the Company's Promote Kansas program, as filed, and the S&A
15 provides that Westar will withdraw that program from consideration in this docket. Finally,
16 the S&A provides a resolution to the highly contested issue of class revenue allocation,
17 which should significantly reduce the parties' litigation costs.

18

19 **Q. How do the proposed increases to the Residential and Small General Service ("SGS")**
20 **classes under the S&A compare to the parties' litigation positions?**

¹ See the Rebuttal Testimony of Dick F. Rohlfs, at pages 2-4, for a derivation of the \$30.687 million S&A increase.

- 1 A. Table 1S below compares the proposed S&A increases to those recommended by Westar,
2 Staff and CURB (as adjusted for the level of the S&A increase).²

3

4

Table 1S

	<i>S&A</i>	<i>Westar</i>	<i>Staff</i>	<i>CURB</i>
Residential	\$18,000	\$59,899	\$15,125	\$6,660
SGS	<u>\$12,687</u>	<u>\$21,063</u>	<u>\$6,487</u>	<u>\$14,670</u>
Total	\$30,687	\$80,962	\$21,612	\$21,330

5

6

Source: S&A and Exhibit BK-3, Schedule 1 (Corrected),
scaled back to the level of the S&A increase.

7

- 8 **Q. Do the proposed Residential and SGS increases under the S&A fall within the range**
9 **of increases advocated by the parties to this proceeding?**

10 A. Yes, they do.

11

- 12 **Q. As a result, are the S&A's proposed Residential and SGS increases supported by**
13 **substantial evidence in the record as a whole?**

14 A. Yes.

15

- 16 **Q. Does CURB believe that the S&A's proposed Residential and SGS rate design is**
17 **reasonable?**

18 A. Yes. Under the S&A, the Residential customer charge will be increased from \$9.00 to
19 \$12.00 per month, consistent with CURB's litigation position.³ In addition, the SGS

² While not shown in Table 1S, Wal-Mart, KIC, OxyChem and FEDR agreed with Westar's proposed Residential and SGS increases.

³ See the Direct Testimony of Brian Kalcic at page 17 (corrected).

1 customer charge will be increased from \$19.00 to \$20.00 per month, which CURB finds
2 acceptable.

3

4 **Q. Does CURB support all provisions of the S&A?**

5 A. Yes. Consistent with the above discussion, CURB finds that the S&A provides a
6 reasonable resolution to the complex issues raised in this proceeding, and requests that the
7 KCC adopt it, as filed.

8

9 **Q. Does this conclude your testimony?**

10 A. Yes.

VERIFICATION

STATE OF MISSOURI)
)
) SS:
COUNTY OF ST. LOUIS)

I, Brian Kalcic, of lawful age, being first duly sworn upon his oath states:

That he is a consultant for the Citizens' Utility Ratepayer Board; that he has read the above and foregoing Testimony, and, upon information and belief, states that the matters therein appearing are true and correct.

Brian Kalcic

Brian Kalcic

SUBSCRIBED AND SWORN to before me this 20th day of September, 2013.

[Signature]

Notary Public

My Commission expires: Jan 3 2014

LARRY KOPECKY
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
Commission #10916713
My Commission Expires: January 3, 2014

CERTIFICATE OF SERVICE

13-WSEE-629-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 23rd day of September, 2013, to the following parties who have waived receipt of follow-up hard copies:

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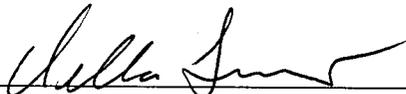
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