2008.10.30 10:38:46 Kansas Corporation Commission 757 Susan K. Duffy

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the Matter of the Applications of Westar Energy, Inc. and Kansas Gas and Electric Company for Approval to Make Certain Changes in their Charges for Electric Service.

Docket No. 08-WSEE-1041-RTS

OCT 3 0 2008

STATE CORPORATION COMMISSION

Susan Lahoff Docket

JOINT MOTION TO DEFER THE ISSUE OF RATE CONSOLIDATION

COME NOW, the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively), along with Westar Energy, Inc. and Kansas Gas and Electric Company (referred to as "Westar North" and "Westar South," respectively and "Westar" collectively), the Citizens' Utility Ratepayer Board (CURB), Kansas Industrial Consumers Group, Inc., on its own behalf and on behalf of its members (KIC), Unified School District No. 259 (USD 259) (collectively, "Joint Movants") and respectfully move the Commission for an Order deferring the issue of rate consolidation between Westar North and Westar South to a separate proceeding. In support thereof, the Joint Movants state as follows:

1. On October 27, 2008, the Joint Movants filed a Stipulation and Agreement (Stipulation), and a Joint Motion to Approve the Stipulation and Agreement in the above captioned docket. The Stipulation sets forth a rate base revenue increase of \$130 million for Westar, and a rate design based upon agreed upon cost allocations for both Westar North and Westar South. The Stipulation did not address the issue of the consolidation of the rates of Westar North and Westar South, as that policy decision was left to the Commission. The

parties have agreed to submit testimony in support of the Stipulation and testimony concerning Staff's illustrative consolidated rate design by 4:00 pm on October 31, 2008.

2. On October 29, 2008, the Commission convened the evidentiary hearing in the above captioned docket. The Commission recessed the hearing until November 5, 2008.

3. Joint Movants have continued to discuss how to proceed in the abovecaptioned docket. Staff Witness Dorothy Myrick filed an illustrative consolidated rate design, which is intended to illustrate one possible way by which rates could be affected if the Commission makes the policy decision to consolidate the rates for Westar North and Westar South. Joint Movants have noted that if the Commission decides to consolidate rates, a final rate design schedule may not be completed in time to implement such rates in connection with a Commission order in the docket establishing Westar's revenue requirement.

4. Joint Movants are currently preparing testimony to file with the Commission on October 31, 2008. Joint Movants believe direction from the Commission will assist in the preparation of useful information for the Commission or could eliminate the need for such testimony at this time.

5. Staff believes sufficient information is already available on the record in this docket to allow the Commission to make the policy decision regarding consolidation. However, Staff notes that if the Commission adopts a policy to consolidate rates, additional time will be required to finalize a consolidated rate design and that final consolidated rates might not be completed in time to implement after issuance of an order in this proceeding. Joint Movants are concerned that due to the press of time in responding to the testimony of

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Staff Witness Myrick, testimony to be filed on this important matter may not be as wellprepared and complete as would be the case with more time and with discovery regarding such filings.

6. Joint Movants request that the Commission issue an order deferring the issue of rate consolidation to a separate docket to be addressed by the Commission within six months. Joint Movants believe that this would allow the Commission to examine further evidence and testimony regarding if and how to consolidate rates of Westar North and Westar South. Joint Movants also note that a separate proceeding to address only rate consolidation would allow the Commission to receive public comment and hold public hearings focused soley on the issue of rate consolidation and the resulting rate designs. Joint Movants believe that deferring the issue of whether rates should be consolidated and, if so, the rate design to be used to implement consolidated rates will allow the development of a better and more complete record than if the issue of consolidation is heard at this time. Rate design resulting from such proceedings would be the basis for preparing a set of rates to implement following Westar's next rate proceeding. It is currently anticipated that Westar will file an abbreviated rate case, as provided in the Stipulation, in after May 2009.

7. All Joint Movants believe that deferral of rate consolidation issues to a separate proceeding is the best way to address the issue of consolidation in order to develop the best record for Commission consideration and to avoid the occurrence of unintended consequences. Consequently, Joint Movants recommend deferral of such issues as proposed herein. Staff notes that the Commission has the option of deciding the policy issue of consolidation in this docket with consolidated rate design alone deferred to a later docket.

KIC and USD No. 259 do not believe that the record contains sufficient evidence to allow the Commission to enter a lawful order on the consolidation issue. Again, all parties agree the record could be further developed.

8. All of the parties interested in the issue of rate consolidation have joined in this Motion and waive their right to reply so that the Commission may issue a ruling on this matter expeditiously.

WHEREFORE, Joint Movants respectfully request that the Commission defer all issues concerning consolidation of rates to a later docket to be decided within six months after implementation of rates set in this proceeding or in the alternative, clarify to the parties that the policy of rate consolidation should be addressed in this docket.

Respectfully submitted,

BY:

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STATE OF KANSAS)) ss. COUNTY OF SHAWNEE)

VERIFICATION

Dana A. Bradbury, being duly sworn upon her oath deposes and states that she is Litigation Counsel for the State Corporation Commission of the State of Kansas, that she has read and is familiar with the foregoing *Joint Motion to Defer the Issue of Consolidation* and that the statements contained therein are true and correct to the best of her knowledge, information and belief.

Dana A. Bradbury #1193

Litigation Counsel The State Corporation Commission of the State of Kansas

Subscribed and sworn to before me this 30th day of October, 2008.

Notary Public- State of Kansas Kimberly K. Davis My Appt, Exp. <u>7-2</u>

Kimberly A. Davis

My Appointment Expires: July 24, 2010

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I, the undersigned, hereby certify that a true and correct copy of the above and foregoin. Joint Motion was served electronically by e-mail this 30th day of October, 2008, to the following:

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