

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the 2017 Wolf Creek)
Triennial Decommissioning Financing)
Plan) KCC Docket No. 18-WCNE-107-GIE

SURREBUTTAL/REPLY TESTIMONY OF

STACEY HARDEN

ON BEHALF OF

CITIZENS' UTILITY RATEPAYER BOARD

JUNE 18, 2018

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

2 A. My name is Stacey Harden. My business address is 1500 SW Arrowhead Road, Topeka,
3 Kansas 66604.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by the Citizens' Utility Ratepayer Board ("CURB") as a Senior
7 Regulatory Analyst.

8

9 **Q. Please describe your educational background.**

10 A. I earned a Bachelor of Business Administration degree from Baker University in 2001. I
11 earned a Master of Business Administration degree from Baker University in 2004.

12

13 **Q. Please summarize your professional experience in the utility industry.**

14 A. I served as a Regulatory Analyst for the Citizens' Utility Ratepayer Board from February
15 2008 until March 2016. I rejoined CURB in September 2017 as a Senior Regulatory
16 Analyst.

17

18 **Q. Have you previously testified before the Commission?**

19 A. Yes. I have previously offered both written and live testimony in over twenty-six
20 proceedings before the Kansas Corporation Commission ("Commission"). A list of these
21 dockets is available upon request.

22

23

1 **Q. What is the purpose of your surrebuttal testimony?**

2 A. The purpose of my surrebuttal testimony is to respond to certain ratemaking issues raised
3 in Mr. Larry Wilkus’s rebuttal testimony. Specifically, I am responding to Mr. Wilkus’s
4 testimony that the best approach to recover the increased funding level that results from
5 the Commission’s order in this docket is through Westar Energy, Inc.’s (“Westar”) Retail
6 Energy Cost Adjustment (“RECA”) and Kansas City Power & Light Company’s
7 (“KCPL”) Energy Cost Adjustment.

8
9 **Q. Please summarize Mr. Wilkus’s rebuttal testimony requesting the inclusion of
10 nuclear decommissioning costs in the RECA.**

11 A. Mr. Wilkus’s rebuttal testimony states that both Westar and KCPL filed their current rate
12 cases using the presumption the DECON method would be used to develop the cost
13 estimate included in the Wolf Creek Decommissioning Financing Plan.¹ As a result of
14 this presumption, both Westar and KCPL requested no increase to funding levels in their
15 respective general rate cases. In direct testimony, Staff witness Mr. Leo Haynos
16 recommended the Commission approve the SAFSTOR method, which would increase the
17 decommissioning cost estimate by \$279 million.² Mr. Wilkus testifies that if the
18 Commission were to approve Mr. Haynos’s recommendation, Westar and KCPL would
19 be “required to collect higher amounts from customers in order to each that funding
20 level.”³

¹ Docket No. 18-WSEE-328-RTS (Westar); Docket No. 18-KCPE-480-RTS (KCPL).

² The cost estimate for the DECON method is \$814,000,000. The cost estimate for the SAFSTOR method is \$1,093,000,000.

³ Rebuttal Testimony of Larry Wilkus, at page 5.

1 Mr. Wilkus then testifies on how Westar and KCPL could collect the higher
2 amounts from customers by pointing to Mr. Justin Grady's testimony in Westar's general
3 rate case, Docket No. 18-WSEE-328-RTS ("328 Docket"). In the 328 Docket, Mr. Grady
4 recommends Westar's RECA tariff be revised to include the increased costs associated
5 with the Wolf Creek Decommissioning Trust Fund Accrual. Mr. Wilkus's testimony then
6 concludes with his opinion that using fuels riders to recover the increased funding levels
7 is the best approach to ensure timely recovery for Westar and KCPL, and requests the
8 Commission approve the recovery of increased funding levels through fuel recovery
9 riders.

10

11 **Q. Was it appropriate for Mr. Wilkus to recommend the Commission approve a**
12 **specific ratemaking treatment for the potential increased funding level associated**
13 **with Staff's recommendation in this docket?**

14 A. No. In my opinion Mr. Wilkus's recommendation is inappropriate in this docket. This
15 proceeding is Phase 1 of a two-phase process that was adopted in the Commission's
16 December 9, 1992 Order in Docket No. 163-561-U. During Phase 1, the Commission
17 reviews and approves the cost estimate, as well as the rate of escalation used for that cost
18 estimate. During Phase 2, each utility recalculates the Annual Contribution amount and
19 then files a separate proceeding, which may be solely related to the issue of
20 decommissioning funding or may be included as one of many issues in a general rate
21 case, with the Commission to establish the decommissioning funding plan that resulted
22 from the Commission's Order during Phase 1. Mr. Wilkus's recommendation for specific
23 ratemaking treatment should be part of Phase 2, not Phase 1.

1 **Q. Can the Annual Contribution determination still take place during Westar's and**
2 **KCPL's pending rate cases?**

3 A. Yes. Westar's rate case application in the 328 Docket is further advanced in its
4 procedural schedule than KCPL's, but it is my opinion that the Annual Contribution
5 determination can still be made through traditional ratemaking methods. I intend to file
6 cross-answering testimony on behalf of CURB in the 328 Docket, responding to Mr.
7 Grady's recommendation that Westar's RECA tariff be revised to include the increased
8 costs associated with the Wolf Creek Decommissioning Trust Fund Accrual.

9

10 **Q. Setting aside the Commission's two-phase process, do you agree with Mr. Wilkus's**
11 **conclusion and recommendation that it is the best approach to recover increased**
12 **nuclear decommissioning costs through fuel riders?**

13 A. No, I do not. It is my opinion that the Annual Contribution level should continue to be
14 part of base rates, to be determined in a general rate case. Because both Westar and
15 KCPL have pending rate cases before the Commission, and because there is time
16 remaining in each proceeding to address the Annual Contribution level, there is not an
17 immediate need for an alternative form of cost recovery.

18

19 **Q. What is your recommendation to the Commission?**

20 A. I recommend the Commission deny the request made in Mr. Wilkus's rebuttal testimony
21 to recover the increased funding levels that result from the Commission's order in this
22 docket through Westar's RECA and KCPL Energy Cost Adjustment. Instead, I
23 recommend the Commission defer its decision regarding ratemaking issues associated

1 with Annual Contribution levels to Westar's and KCPL's general rate cases.

2

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

4 A. Yes, it does.

VERIFICATION

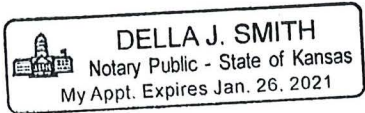
STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

I, Stacey Harden, of lawful age and being first duly sworn upon my oath, state that I am a Senior Regulatory Analyst for the Citizens' Utility Ratepayer Board; that I have read and am familiar with the above and foregoing document and attest that the statements therein are true and correct to the best of my knowledge, information, and belief.



Stacey Harden

SUBSCRIBED AND SWORN to before me this 18th day of June, 2018.





Notary Public

My Commission expires: 01-26-2021.

CERTIFICATE OF SERVICE

18-WCNE-107-GIE

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 18th day of June, 2018, to the following:

ROBERT J. HACK, LEAD REGULATORY
COUNSEL
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST 31ST
FLOOR (64105)
PO BOX 418679
KANSAS CITY, MO 64141-9679
ROB.HACK@KCPL.COM

ROGER W. STEINER, CORPORATE COUNSEL
KANSAS CITY POWER & LIGHT COMPANY
ONE KANSAS CITY PL, 1200 MAIN ST 31ST
FLOOR (64105)
PO BOX 418679
KANSAS CITY, MO 64141-9679
roger.steiner@kcpl.com

BRIAN G. FEDOTIN, DEPUTY GENERAL
COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
b.fedotin@kcc.ks.gov

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

WILLIAM G. RIGGINS, GENERAL COUNSEL
KANSAS ELECTRIC POWER CO-OP, INC.
600 SW CORPORATE VIEW (66615)
PO BOX 4877
TOPEKA, KS 66604-0877
briggins@kepco.org

CATHRYN J. DINGES, CORPORATE
COUNSEL
KANSAS GAS & ELECTRIC
CO. D/B/A WESTAR ENERGY
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
cathy.dinges@westarenergy.com

DEBBIE L. HENDELL, GENERAL COUNSEL
AND SECRETARY
WOLF CREEK NUCLEAR OPERATING
CORPORATION
1550 OXEN LANE NE
PO BOX 411
BURLINGTON, KS 66839
dehende3@wcnoc.com



Della Smith
Administrative Specialist