2011.01.14 13:11:25 Kansas Corporation Commission /S/ Susan K. Duffy

# THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

JAN 1 4 2011

		Julen Zhaffy
In the Matter of a General Investigation Into	)	1000
KCP&L and Westar Generation Capabilities,	)	Docket No. 11-GIME-492-GIE
Including as these Capabilities May Be	)	
Affected by Environmental Requirements.	)	

### PETITION TO INTERVENE AND RESPONSE SUPPORTING STAFF PETITION FOR GENERAL INVESTIGATION

COMES NOW, the Citizens' Utility Ratepayer Board ("CURB") and (1) moves the Corporation Commission of the State of the Kansas ("Commission") for an order permitting it to intervene in the above-captioned proceeding and (2) responds in support of Staff petition for general investigation. In support of its petition and response, CURB states and alleges as follows:

- 1. CURB is composed of five volunteer consumer advocate members and is statutorily authorized to represent the interests of Kansas residential and small commercial ratepayers in utility proceedings.
- 2. CURB's Consumer Counsel has been given the discretion to intervene and represent the interests of Kansas residential and small commercial ratepayers in any utility proceeding before the Commission under K.S.A. 66-1223 et seq.
- 3. On January 10, 2010, Staff of the Kansas Corporation Commission filed a Petition requesting that the Commission open a general investigation into the generation capabilities of Kansas City Power & Light (KCP&L) and Westar Energy (Westar), particularly as these capabilities may be affected by environmental upgrade requirements. In addition, Staff's Petition

seeks the establishment of criteria to be used when evaluating retrofit, decommission, or replacement decisions.

- 4. CURB supports the request by Staff to open a general investigation into the generation capabilities of KCP&L and Westar, particularly as these capabilities may be affected by environmental upgrade requirements. CURB further supports the establishment of criteria to be used when evaluating retrofit, decommission, or replacement decisions.
- 5. Decisions to make environmental retrofits, to decommission, and/or to replace generation facilities require substantial investment – some in excess of a billion dollars. Because utilities will seek to recover these substantial investments from ratepayers, these planning decisions must be carefully evaluated under established criteria to ensure the decisions are economically efficient and prudent. In testimony recently filed in KCC Docket 11-WSEE-377-PRE, Westar acknowledges that it does not need additional generating capacity over the next-10 year planning horizon, either to meet customer's needs or to comply with SPP's requirement for load serving entities to carry a 12 percent capacity margins. In discovery in KCC Docket No. 10-KCPE-795-TAR, Kansas City Power & Light (KCPL) acknowledge that, assuming no existing generation plants are retired and no additional demand-side management activities, KCP&L does not anticipate adding generation resources until 2023.<sup>2</sup> It is clear that there is capacity adequate, and perhaps in excess of that necessary to support each utility's customer base for many years. This presents a rare opportunity for the Commission, without severely putting at risk either utility's ability to serve its customers, to evaluate whether the economics of adding environmental upgrades to older coal units is preferable to shutting those older units down and

<sup>1.</sup> Direct Testimony of James Ludwig at p. 28.

building new efficient generation or increasing demand side management activities. The Commission must determine a long term solution for ratepayers that will provide for reliable service, a robust and diverse portfolio of generation resources<sup>3</sup> and the lowest reasonable rates going forward.

- 6. CURB requests the Commission open this investigatory docket and grant CURB permission to intervene in this docket to represent the interests of the residential and small commercial ratepayers of Kansas. The rates paid and the service received by those customers will or may be affected by any Commission order or activity in this proceeding.
- 7. The representation of CURB's interests in this proceeding by existing parties is or may be inadequate.
- 8. The residential and small commercial ratepayers whose interests CURB represents will or may be bound by any Commission order or activity in this proceeding and will or may be adversely affected thereby.
- 9. In addition to undersigned counsel, please include the following CURB representatives with all electronic notices, pleadings, and correspondence regarding this Application as follows:

Shonda Smith
Office Manager
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Road
Topeka, KS 66604
Email: sd.smith@curb.kansas.gov

Della Smith Administrative Specialist Citizens' Utility Ratepayer Board 1500 SW Arrowhead Road Topeka, KS 66604 Email: d.smith@curb.kansas.gov

<sup>2</sup> See Direct Testimony of Stacey Harden at p. 10.

<sup>3</sup> Including transmission, distribution, energy efficiency and demand-side management.

WHEREFORE, CURB RESPECTFULLY REQUESTS THE Commission grant its petition for intervention in this Docket and further that the Commission grant Staff's Petition for a General Investigation.

Respectfully submitted,

David Springe #15619

Niki Christopher #19311 C. Steven Rarrick #13127

Citizens' Utility Ratepayer Board

1500 SW Arrowhead Road

Topeka, KS 66604

(785) 271-3200

(785) 271-3116 Fax

## **VERIFICATION**

STATE OF KANSAS	)	SS:
COUNTY OF SHAWNEE	)	
I, David Springe, of lawful age, bein	ng first d	ally sworn upon his oath states:
•		ed petitioner; that he has read the above and elief, states that the matters therein appearing are
	David	Springe
SUBSCRIBED AND SWORN to be	efore me	this / / day of January, 2011.
		0 0

DELLA J. SMITH

Notary Public - State of Kansas

My Appt. Expires January 26, 2013

My Commission expires: <u>01-26-2013.</u>

#### **CERTIFICATE OF SERVICE**

#### 11-GIME-492-GIE

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was placed in the United States mail, postage prepaid, or hand-delivered this 14<sup>th</sup> day of January, 2011, to the following:

Susan Duffy
Executive Director
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027
\*\*Hand Delivered\*\*

Tom Stratton
Chief Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027
\*\*Hand Delivered\*\*

Mary Turner, Director, Regulatory Affairs Kansas City Power & Light Company One Kansas City Place 1200 Main Street P.O. Box 418679 Kansas City, MO 64141-9679 Curtis D. Blanc, Sr. Dir. Reg. Affairs Kansas City Power & Light Company One Kansas City Place 1200 Main Street P.O. Box 418679 Kansas City, MO 64141-9679

Heather A. Humphrey, General Counsel Kansas City Power & Light Company 1200 Main Street P.O. Box 418679 Kansas City, MO 64141-9679

Mike Lennen, VP Regulatory Affairs Westar Energy, Inc. 818 S Kansas Ave PO Box 889 Topeka, KS 66601-0889

Della Smith