

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Westar)
Energy, Inc. and Kansas Gas and Electric) Docket No. 18-WSEE-163-TAR
Company for Approval of Revisions to their)
Policy for Residential Subdivisions)

**STAFF'S RESPONSE TO WABA'S PETITION FOR RECONSIDERATION AND
CLARIFICATION**

The Staff of the Kansas Corporation Commission (Staff) hereby files its response to the Wichita Area Builders Association, Inc.'s (WABA's) Petition for Reconsideration and Clarification (PFR&C) filed June 27, 2018:

1. Staff supports the opening of a general investigation into the use of Irrevocable Letters of Credit (ILOCs) in lieu of cash deposits in situations where the customer is asked to make an advanced payment to expand utility infrastructure for subdivision development.

2. Staff agrees with the Commission's final order in this matter that any allowed security method should result in no harm to other ratepayers. As such, Staff would suggest the Commission consider such things as the general risks of non-cash security, accounting treatment that could prevent subsidization, and/or whether uniformity throughout the industry is preferable.

3. Staff would also like feedback from the major gas and electric utilities in the state regarding their current practices. It was noted by Staff in this case that some Kansas utilities already allow for ILOCs in lieu of cash. Staff welcomes any information or data regarding situations where the bank defaulted on the ILOC, stranded investment occurred, or other ratepayers were forced to subsidize developers.

4. While Staff does not have a preferred method of opening a general investigation, Staff does believe it would be beneficial to have Staff file a Report and Recommendation either

before or after such an investigation is opened to clarify the issues and define the scope of the investigation.

WHEREFORE, Staff respectfully requests authorization to file a Report and Recommendation outlining the issues and scope of the investigation. Additionally, if the Commission does not open an investigation on its own, Staff requests authorization to move for the Commission to do so in a new docket.

Respectfully Submitted,



Michael Neeley, S. Ct. #25027
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STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

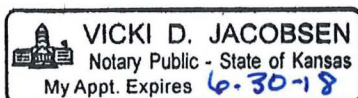
VERIFICATION

Michael Neeley, being duly sworn upon his oath deposes and states that he is Litigation Counsel for the State Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Staff's Response to WABA's Petition for Reconsideration and Clarification* and that the statements contained therein are true and correct to the best of his knowledge, information and belief.



Michael Neeley # 25027
Kansas Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 5th day of July, 2018.



Notary Public

My Appointment Expires: June 30, 2018

CERTIFICATE OF SERVICE

18-WSEE-163-TAR

I, the undersigned, certify that a true and correct copy of the above and foregoing Staff's Reply to WABA'S Petition for Reconsideration and Clarification was served via electronic service this 5th day of July, 2018, to the following:

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