

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF KANSAS

IN THE MATTER OF THE JOINT]
APPLICATION OF WESTAR ENERGY, INC.]
AND KANSAS GAS AND ELECTRIC] KCC DOCKET NO. 18-WSEE-328-RTS
COMPANY FOR APPROVAL TO MAKE]
CERTAIN CHANGES IN THEIR CHARGES]
FOR ELECTRIC SERVICES]

CROSS-ANSWERING TESTIMONY ON REMAND OF

BRIAN KALCIC

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

November 23, 2020

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

2 A. Brian Kalcic, 225 S. Meramec Avenue, Suite 720, St. Louis, Missouri 63105.

3

4 **Q. Are you the same Brian Kalcic who filed direct testimony in this remand docket on**
5 **November 13, 2020?**

6 A. Yes.

7

8 **Q. What is the subject of your cross-answering testimony?**

9 A. I will respond to the direct testimony of Dr. Robert H. Glass, testifying on behalf of
10 Staff.

11

12 **Staff Witness Glass**

13

14 **Q. What is Staff's position with respect to Evergy's primary RS-DG rate design**
15 **proposal to implement a monthly residential grid access fee ("GAF") of \$3.00 per**
16 **kW of installed DG capacity, applicable to all residential customers?**

17 A. Staff objects to the proposal on both technical and legal grounds. From a technical
18 perspective, Dr. Glass testifies that Staff and the Company continue to disagree on
19 whether DG capacity should be measured on an AC scale (Staff) or DC scale (Evergy).
20 However, putting that issue aside, Staff believes that a Commission decision to approve
21 a GAF could result in further litigation. In other words, Staff concludes that Evergy's
22 GAF proposal is likely to be rejected by the Kansas Supreme Court as discriminatory,
23 similar to the court's rejection of the Company's three-part residential DG demand rate.

24

1 **Q. Does CURB agree that approval of Evergy's GAF proposal could result in further**
2 **litigation?**

3 A. Yes. CURB discusses the risks inherent in a Kansas Supreme Court review of an
4 approved GAF in its Reply Comments.

5

6 **Q. If the KCC were to decide not to approve Evergy's GAF proposal, does that mean**
7 **the Commission would be left with only two choices: 1) adopt Evergy's minimum**
8 **bill proposal, or 2) discontinue Evergy's three-part RS-DG demand rate and move**
9 **all RS-DG customers back to the Company's existing Residential Standard**
10 **Service rate schedule?**

11 A. Not at all. CURB continues to recommend that the Commission adopt its interim rate
12 design for Evergy's RS-DG customers, which would provide time for legislative action
13 during Evergy's rate moratorium to address existing conflicts in Kansas' statutes
14 regarding DG ratemaking.

15

16 **Q. Does CURB intend to actively pursue legislative action to address existing conflicts**
17 **in Kansas' statutes regarding DG ratemaking?**

18 A. Counsel advises that is CURB's intention.

19

20 **Q. What is Staff's position with respect to Evergy's alternative RS-DG rate design**
21 **proposal to include a minimum monthly bill provision, in the amount of \$35.00, in**
22 **all of its residential rate schedules?**

1 A. Staff concludes that Evergy’s minimum bill proposal “appears to best meet the Kansas
2 Supreme Court’s ruling since it is a \$35.00 charge to all Residential customers without
3 respect to whether they have renewable generation or not.”¹ Staff recommends that the
4 Commission approve the Company’s minimum bill proposal, with one suggested
5 modification.

6

7 **Q. What is Staff’s proposed modification?**

8 A. Staff believes some residential customers who reside in smaller dwellings (e.g.,
9 apartments or trailer courts) would be “unintentionally harmed” by a \$35.00 minimum
10 bill provision. To mitigate such harm, Staff suggests that Evergy consider
11 implementing different levels of minimum bill for (at least) three Residential
12 populations, applicable to customers residing in houses, apartments and trailer courts.

13

14 **Q. Does Staff provide a specific recommendation as to the appropriate minimum bill
15 level for each residential sub-group?**

16 A. No. Dr. Glass indicates that Staff does not have the data necessary to evaluate
17 alternative minimum bill thresholds.

18

19 **Q. Does CURB agree that Staff’s proposal to establish alternative minimum bill
20 thresholds, based on type of residential dwelling, would adequately mitigate the
21 “unintentional harm” caused by Evergy’s minimum bill proposal?**

¹ See Dr. Glass’s Responsive Testimony at page 10.

1 A. No. Staff’s proposal rests on the premise that smaller dwellings equate to lower
2 monthly usage levels, and that a minimum bill could be tailored to implied usage levels.
3 However, even if one were to assume that Evergy could successfully implement a tiered
4 minimum bill based on type of residential dwelling, doing so would do little to alleviate
5 the attendant bill impacts.

6 First, CURB expects that the vast majority of Evergy’s residential customers
7 reside in single family homes. Single family homes are certainly not homogeneous
8 with respect to square footage, yet all such residences would be subject to a single (and
9 highest) minimum bill tier under Staff’s proposal. As such, Staff proposal would not
10 mitigate any minimum bill impacts within the largest subgroup of residential customers.

11 Second, even residential customers residing in larger single-family homes may
12 exhibit smaller than average monthly usage levels, due to either energy efficiency
13 investments or conservation measures. A tiered minimum bill provision would
14 continue to impact such customers, and effectively penalize them for pursuing
15 conservation.

16 Third, while Evergy proposes to implement a \$35.00 minimum bill at this time,
17 the Company states that a minimum bill of \$77.00 would be necessary to recover its
18 cost to serve RS-DG customers. A fully-implemented minimum bill of \$77.00, even if
19 tiered, may be expected to cause all residential customers with monthly usage less than
20 their sub-group average to pay more for electricity than they do today. In CURB’s
21 view, such “unintentional” bill impacts should be avoided at all costs.

22

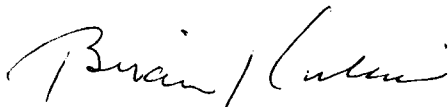
1 **Q. Does this conclude your cross-answering testimony on remand?**

2 A. Yes.

VERIFICATION

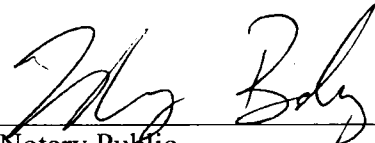
STATE OF MISSOURI)
) ss:
COUNTY OF ST. LOUIS)

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



Brian Kalcic

SUBSCRIBED AND SWORN to before me this 20TH day of NOVEMBER, 2020.



Notary Public

My Commission expires: 09/28/2021

ZACHARY BAILEY
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Louis County
My Commission Expires: Sept. 28, 2021
16288141

CERTIFICATE OF SERVICE

18-WSEE-328-RTS

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