

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Applications of )  
Westar Energy, Inc. and Kansas Gas )  
and Electric Company for Approval to ) Docket No. \_\_\_\_\_  
Make Certain Changes in their )  
Charges for Electric Service. )

JOINT APPLICATION

COME NOW Westar Energy, Inc. (Westar Energy) and Kansas Gas and Electric Company (KGE), (collectively, Westar), pursuant to K.S.A. 66-117 and K.A.R. 82-1-231(b)(3)(A) and file this Joint Application to make changes to their charges for electric service. Westar requests that the proposed rate changes become effective in accordance with the statute and regulation. Westar respectfully states as follows:

1. This Joint Application is made pursuant to the Commission's regulations that allow Westar to make an "abbreviated filing" when filing within 12 months of the Commission's order in a prior rate case. Under these regulations, Westar can eliminate data that duplicates information provided in the prior case. K.A.R. 82-1-231(b)(3)(A).

2. This Joint Application is made in order to update rates to include capital costs incurred by Westar related to environmental projects at La Cygne that were approved by the Commission in Docket No. 11-KCPE-581-PRE, up to the amount of costs approved by the Commission in that docket but not included in rates previously; update rates to reflect the capital costs related to the projects at Wolf Creek described in the Direct Testimony of John Bridson filed in Docket 15-WSEE-115-RTS (115 Docket); update rates to reflect the costs associated with the investment in grid resiliency projects discussed in Paragraph 20 of the Stipulation and Agreement accepted by the Commission in the 115 Docket; and update rates to incorporate the final roll-in of environmental costs incurred in

2015 that were previously noticed to the Commission and would have been recovered through the Environmental Cost Recovery Rider (ECRR).

3. Persons to whom correspondence and communications regarding this filing should be addressed, in addition to counsel, are as follows:

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#### **I. AUTHORITY FOR JOINT APPLICATION**

4. In order for Westar to utilize the provisions of K.A.R. 82-1-231(b)(3)(A), Westar must have obtained prior permission from the Commission to file under this regulation and Westar must be willing to “adopt all the regulatory procedures, principles, and rate of return established by the Commission” in the previous order.

5. Westar received permission from the Commission to make an “abbreviated filing” in the 115 Docket. In the Commission’s Order approving the Stipulation and Agreement in that docket, the Commission approved the language from the S&A regarding the issues that can be addressed in this abbreviated rate case. *See* Order Approving Stipulation and Agreement (S&A), Docket No. 15-WSEE-115-RTS (115 Docket), at ¶¶ 116 (Sept. 24, 2015). The 115 S&A provided:

The Parties agree that Westar may use the abbreviated rate setting process contained in K.A.R. 82-1-231 (b )(3)to update rates to include capital costs related to the environmental projects at LaCygne Energy Center that were preapproved by the Commission in Docket No. 11-KCPE-581-PRE, up to the amount of costs approved by the

Commission in such dockets but not included in rates set as a result of this proceeding. The Parties also agree that Westar may use the abbreviated rate setting process to update rates to include capital costs related to the projects at Wolf Creek Generating Station described in the Direct Testimony of John Bridson. The Parties request the Commission to expressly grant Westar prior approval to file this abbreviated rate case pursuant to K.A.R. 82-1-231 (b )(3 ). The cost of capital to be used for purposes of such proceeding is to be the overall rate of return stated in paragraph 30 above.

The Parties also agree that Westar will also use the abbreviated rate setting process contained in K.A.R. 82-1-231 (b )(3) to include in Westar's rates the costs associated with the investment in grid resiliency projects discussed above in paragraph 20 and the final roll-in of ECRR costs discussed above in paragraph 19.

Joint Motion to Approve Stipulation and Agreement, Docket 15-WSEE-115-RTS, Stipulation and Agreement at ¶¶ 35-36 (Aug. 6, 2015).

6. Westar's filing adopts all of the Commission's rulings in the 115 Docket. As required, Westar's filing is based on the precise cost of capital adopted in the Stipulation and Agreement and the Commission's Order approving the Stipulation and Agreement in the 115 Docket. *See* Order Approving Stipulation and Agreement (S&A), Docket No. 15-WSEE-115-RTS (115 Docket), at ¶¶ 113-116 (Sept. 24, 2015); Joint Motion to Approve Stipulation and Agreement, Docket 15-WSEE-115-RTS, Stipulation and Agreement at ¶ 35 (Aug. 6, 2015). Westar also requests that the Commission take administrative notice of the following items from the 115 Docket: Westar's application, schedules, and supporting testimony, the Stipulation and Agreement of all parties in the docket and the Commission's Order approving the Stipulation and Agreement.

7. In compliance with the requirements of K.A.R. 82-1-218(a), Westar Energy and KGE have heretofore filed with the Commission certified copies of their Articles of

Incorporation under which each was organized and all amendments thereto and restatements thereof, and the same are incorporated herein by reference.

## II. SUMMARY OF THE FILING

8. The testimony of four witnesses and the schedules required by K.A.R. 82-1-231(b)(3)(A) are filed in support of this Joint Application.

9. The names of the witnesses and the subject of each witness' testimony are:

Jeff Martin	Overview of filing and summary of adjustments and impact of filing on customers
Mark Mayworm	Overview and cost summary of the environmental projects at La Cygne and projects at Wolf Creek
Martin Jones	Overview and cost summary of grid resiliency pilot program
Rebecca Fowler	Accounting adjustments

10. The schedules filed with this Joint Application establish a gross revenue deficiency of \$17.4 million. The proposed revenues are just and reasonable and necessary to assure continuing, adequate, and efficient utility service and to maintain Westar's financial integrity.

11. As stated above, this filing updates Westar's revenue requirement to incorporate the capital investment associated with the grid resiliency projects that were completed between October 28, 2015, and March 1, 2017. Pursuant to the terms of the Commission Order in 115 Docket approving the S&A, ¶20, Westar is permitted to

recover up to \$50 million of capital investment in grid resiliency improvements completed between October 28, 2015, and March 1, 2017, consistent with those improvements proposed as part of the EDGR program discussed in the Direct Testimony of Bruce Akin and the report sponsored by Mr. Cummings. Such plant in service less the associated accumulated depreciation and deferred

income taxes will be reflected in rates as a result of the abbreviated rate case . . .

Westar has completed a number of grid resiliency projects and will be completing other projects by March 1, 2017. The costs of those projects are being included in rates in this case. Westar used actual costs incurred for these projects through August 31, 2016, and projected the costs that will be incurred from that date through March 1, 2017, consistent with the Commission Order authorizing this abbreviated case. Actual costs for the entire period will be available for audit before Staff and other intervenors file their direct testimony in this docket. The adjustments related to these grid resiliency projects increase Westar's revenue requirement by \$6.5 million.

12. Westar also proposes to update its revenue requirement for costs associated with the construction of environmental upgrades at La Cygne. The Commission approved these upgrades in Docket No. 11-KCPE-581-PRE, along with cost recovery for up to \$1.23 billion (\$615 million reflecting our 50% share). *See* Order Granting KCP&L Petition for Predetermination of Rate-making Principles and Treatment, Docket No. 11-KCPE-581-PRE (August 19, 2011). Costs related to the La Cygne environmental project have been included in Westar's rates in Docket Nos. 12-WSEE-112-RTS, 13-WSEE-629-RTS, and 15-WSEE-115-RTS. The remainder of Westar's costs associated with this project will be included in rates as a result of this proceeding which are \$75 million below the original authorized costs.

13. Westar proposes to update its revenue requirement to include the investment it has made for the approved environmental projects at La Cygne through March 1, 2017. Actual costs will be available through March 1, 2017, before Staff and other intervenors file their direct testimony in this docket. This will allow parties sufficient

time to audit and review the actual investments. The adjustments related to the La Cygne environmental project increase Westar's revenue requirement by \$7.7 million.

14. Westar also proposes to update its revenue requirement to include the remaining capital costs for the projects at Wolf Creek that were completed during the 2014 mid-cycle outage and the Spring 2015 refueling outage as described in the Direct Testimony of John Bridson in the 115 Docket. They were all necessary in order to ensure that Wolf Creek continues to provide zero-emission, stable-cost power to customers. The adjustments related to Wolf Creek increase Westar's revenue requirement by \$0.2 million.


15. Finally, Westar proposes to reflect in rates the environmental costs incurred in 2015 that would have been recovered through the ECRR absent the agreement in the 115 Docket to discontinue the ECRR. Pursuant to the procedure required under its ECRR, Westar provided notice to the Commission on March 31, 2015, in Docket No. 09-WSEE-737-TAR of the environmental projects it expected to begin in 2015. Under the provisions of the ECRR, Westar would have filed in March, 2016 to update its rates to reflect the costs incurred in 2015 for these projects. As part of the S&A in the 115 Docket, the Parties agreed and the Commission ordered that Westar would perform a final update of environmental costs into base rates for the costs associated with the projects identified in the March 31, 2015 Notice. The adjustments related to these environmental projects increase Westar's revenue requirement by \$3 million.

16. If Westar's request is approved, its revenue requirement would increase by 0.9%. The average increase for residential customers using 1000 kwh under Westar's proposal would be 1.2% or about 5 cents per day (\$1.54/month).

WHEREFORE, Westar requests that the Commission take administrative notice of the following items from Docket No. 15-WSEE-115-RTS: Westar's application, schedules and supporting testimony, the Stipulation and Agreement of all parties in the docket, and the Commission's order approving the Stipulation and Agreement; permit Westar's revised schedules of rates for electric service to become effective as proposed, in order to increase the annual revenues for electric service by \$17.4 million; and that the Commission grant such other and further relief as it deems just and reasonable.

Respectfully submitted,

WESTAR ENERGY, INC.

  
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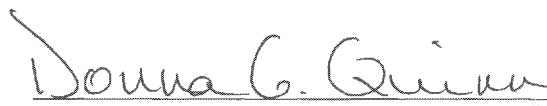
**VERIFICATION**

STATE OF KANSAS                    )  
                                          )  
COUNTY OF SHAWNEE            )        ss:

Cathryn J. Dinges, being duly sworn upon her oath deposes and says that she is one of the attorneys for Westar Energy, Inc.; that she is familiar with the foregoing **Joint Application**; and that the statements therein are true and correct to the best of her knowledge and belief.

  
Cathryn Dinges

SUBSCRIBED AND SWORN to before me this 26<sup>th</sup> day of October, 2016.

  
Notary Public

My Appointment Expires: 8/28/2020

