

BEFORE THE CORPORATION COMMISSION

OF THE STATE OF KANSAS

IN THE MATTER OF THE 2020]	
WOLF CREEK TRIENNIAL]	KCC Docket No. 21-WCNE-103-GIE
DECOMMISSIONING FINANCING PLAN]	

TESTIMONY IN SUPPORT OF UNANIMOUS SETTLEMENT AGREEMENT

JOSH FRANTZ

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

March 12, 2021

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

2 A. My name is Joshua (Josh) P. Frantz. My business address is 1500 SW Arrowhead Road,
3 Topeka, 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 Regulatory
7 Analyst.

8

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

10 A. I earned a Bachelor of Business Administration degree from Washburn University in Topeka,
11 Kansas. My undergraduate majors were finance, marketing, and management. Additionally, I
12 earned a Master of Business Administration degree, also from Washburn University.

13 From August 2015 through April 2019, I was employed by the Kansas Corporation
14 Commission (KCC or "Commission"). I began my employment with the KCC in the
15 Utilities division as a Senior Research Economist and was ultimately promoted to Managing
16 Rate Analyst. I have served in my current position as Senior Regulatory Analyst with CURB
17 since April 2019.

18

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

20 A. Yes. On behalf of CURB, I testified in Docket No. 19-ATMG-525-RTS. During my prior

1 employment with KCC Staff, I offered testimony in seven proceedings before the
2 Commission as well as over thirty Report and Recommendations for the Commission's
3 consideration. A list of those filings is available, upon request.
4

5 **Q. What is the purpose of your testimony?**

6 A. My testimony supports the Joint Motion to Approve Settlement and Agreement
7 ("Agreement") filed in this Docket on February 22, 2021.
8

9 **Q. Please provide a brief background of this proceeding.**

10 A. Every three years, Wolf Creek Nuclear Operating Corporation (WCNOC) is required to
11 submit a Decommissioning Financing Plan to the Commission for review. This Docket
12 represents the aforementioned triennial filing and its purpose is to: approve a
13 decommissioning methodology, determine a reasonable estimate of the decommissioning
14 costs of the Wolf Creek Generation Station ("Wolf Creek"), and set a cost escalation rate.
15 These determinations will be used to address accrual levels of the respective
16 decommissioning trust accounts of Kansas Electric Power Cooperative, Inc. ("KEPCo"),
17 Evergy Kansas Metro, and Evergy Kansas Central (collectively, the "Owner Utilities") to
18 assure sufficient funds are collected from Kansas ratepayers to pay for the eventual
19 decommissioning of Wolf Creek.

20 The parties involved in this Docket filed a Settlement Agreement on February 22,
21 2021, which fully resolves all issues specifically addressed.

1

2 **Q. Please summarize the terms of the Agreement.**

3 A. In the Agreement, the signatories agree to the reasonableness of the updated estimate of
4 decommissioning costs for Wolf Creek along with the appropriate escalation factors to be
5 used in conjunction with the decommissioning cost estimate in setting accrual levels of the
6 Owner Utilities' decommissioning trust accounts. The cost of decommissioning funding for
7 Wolf Creek is agreed to be \$1,073,642,000 in 2020 dollars as set forth in the
8 Decommissioning Cost Analysis (under the DECON Alternative methodology).

9

10 **Q. Is the Settlement Agreement unanimous?**

11 A. Yes, it is. All Parties support the Agreement. The signatories are WCNO, Evergy, KEPCo,
12 KCC Staff, and CURB.

13

14 **Q. What factors does the Commission generally consider when reviewing unanimous
15 settlement agreements?**

16 A. The Commission may accept a unanimous settlement agreement if the settlement: 1) is
17 supported by substantial competent evidence in the record as a whole, 2) results in just and
18 reasonable rates, and 3) is in the public interest.¹ I will discuss how the proposed Agreement
19 satisfies each factor, in detail, as my testimony continues.

20

1 **Q. Is the Agreement supported by substantial competent evidence in the record?**

2 A. Yes, it is. The Agreement is supported by an extensive Decommissioning Cost Analysis
3 report prepared by TLG Services. For more than 35 years, TLG Services has provided
4 decommissioning financial planning services to the owners of 85%–90% of U.S. and 100%
5 of Canadian commercial nuclear units.² In addition, Jason Humphrey filed testimony on
6 behalf of Evergy Central and KEPCo; KCC Staff witness Adam Gatewood filed testimony
7 addressing escalation rates and accrual amounts; and KCC Staff witness Leo Haynos filed
8 testimony addressing the Decommissioning Cost Analysis. The agreed-upon decommissioning
9 cost of \$1,073,642,000 coincides with TLG Services' estimate under the DECON Alternative
10 methodolgy and the agreed-upon escalation rates align with those proposed by Mr.
11 Humphrey.

12
13 **Q. Will the Agreement result in just and reasonable rates?**

14 A. The agreed-upon decommissioning cost will be used by the Owner Utilities in their future
15 respective proposals for setting a funding level for their decommissioning trust accounts.
16 That will be done in individual dockets, separate from this Docket. I believe the Agreement
17 will result in just and reasonable rates, as any rate impact will be based upon reasonable and
18 well-supported decommissioning cost elements.

¹ Order on KCP&L's Application for Rate Change, Docket No. 15-KCPE-116-RTS, ¶ 16 (Sept. 10, 2015).

² tlgservices.com/about-us/, Accessed Feb. 17, 2021.

1 **Q. Is the Agreement in the public interest?**

2 A. Yes, I believe the Agreement is in the public interest. The agreed-upon decommissioning
3 cost and escalation rates will enable the cost of decommissioning Wolf Creek to be spread
4 fairly across the generations of ratepayers who benefited from the operation of Wolf Creek.

5
6 **Q. What do you recommend?**

7 A. I recommend the Commission find the Agreement: is supported by substantial evidence in
8 the record, will result in just and reasonable rates, and is in the public interest. Therefore, I
9 recommend the Commission approve the Agreement as filed.

10
11 **Q. Does this conclude your testimony?**

12 A. Yes, it does.

VERIFICATION

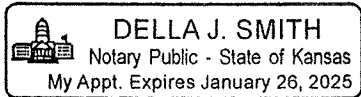
STATE OF KANSAS)
)
COUNTY OF SHAWNEE) ss:

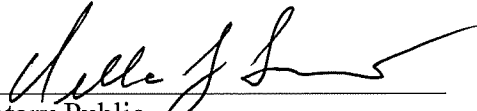
I, Josh P. Frantz, of lawful age and being first duly sworn upon my oath, state that I am an attorney for the Citizens' Utility Ratepayer Board; that I have read and am familiar with the above and foregoing document and attest that the statements therein are true and correct to the best of my knowledge, information, and belief.



Josh P. Frantz

SUBSCRIBED AND SWORN to before me this 12th day of March, 2021.





Notary Public

My Commission expires: 1/26/2025

CERTIFICATE OF SERVICE

21-WCNE-103-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 12th day of March, 2021, to the following:

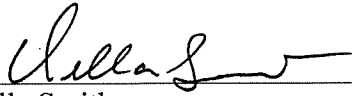
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