BEFORE THE STATE CORPORATION COMMISSION

OF THE STATE OF KANSAS

REBUTTAL TESTIMONY

OF

JOHN WOLFRAM

ON BEHALF OF

WESTAR ENERGY, INC.

DOCKET NO. 18-WSEE-328 -RTS

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME.

A. My name is John Wolfram.

Q. ARE YOU THE SAME JOHN WOLFRAM WHO FILED DIRECT TESTIMONY IN THIS DOCKET?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I will discuss Westar's response to the testimony provided by Staff and intervenors related to the following:

1) Residential Standard Rate Design ("RS");
2) Residential Peak Efficiency Rate ("RPER") and Residential Electric Vehicle ("REV") Rate Offerings;

3) Three Part Rate Migration;

4) SGS Rate Design;

5) MGS Rate Design;

6) Multi-Site Rate;

7) LGS and ILP Rate Voltage Differentials,

8) Electric Transit Service Rate ETS,

9) Clean Charging Network Rate CCN, and

10) Lighting Rates.

In particular, I will respond to Staff witnesses Dr. Glass, Ms. Ellis, and Mr. Frantz; CURB witnesses Mr. Kalcic and Ms. Harden; KIC witness Mr. Andrews; Walmart witness Mr. Chriss; Kroger witness Mr. Higgins; and DOD witness Mr. Blank.

II. RESIDENTIAL RATE DESIGN

Q. WHAT DOES THE STAFF RECOMMEND FOR THE RESIDENTIAL RATE DESIGN?

A. Staff proposes raising the Standard Residential Service class's basic service fee from $14.50 to $15.00. Staff agrees with Westar that not all fixed costs are collected in the fixed charges, but does not feel it is appropriate to dramatically increase the basic service fee when rates are going in the opposite direction.[1]

Q. HOW DO YOU RESPOND TO STAFF'S RECOMMENDATION?

[1] Direct Testimony of Dr. Robert H. Glass at p. 20:10-21.

A. The Cost of Service Study ("COSS") prepared by Mr. Amen indicates that the per-customer cost for Residential service is $27.26. (Note this amount represents only the customer-related costs and does not include any of the other fixed costs that Westar incurs to serve a residential customer and that are currently recovered in energy charges; I address this issue further below.) The current basic service charge is $14.50, which means the gap between current customer charges and cost-based customer charges is $12.76. This gap is significant. The charge of $18.50 proposed by Westar reflects a movement of $4.00 or an elimination of 31% of that gap. The Staff's recommended charge of $15.00 reflects a movement of $0.50, which eliminates only 4% of that gap. The elimination of 31% of the cost of service gap is a more reasonable adoption of the ratemaking principle of gradualism than is the 4% elimination recommended by Staff. At Westar's proposed rate of increase, if the basic service charge included only customer-related costs and no other fixed costs, it could reach the cost-based level in three or four rate cases; at Staff's proposed rate of increase, it would take nearly 25 rate cases to reach the cost-based level.

But that is not all. As noted earlier, the per-customer cost from the COSS represents only the customer-related costs and does not include any of the other fixed costs that Westar incurs to serve a residential customer. The COSS shows that the customer-related costs are $27.26 per customer but the demand-related costs add approximately $68.32 to the monthly cost to serve each residential customer.[2] These are fixed costs that do not vary with customer energy usage. If even a portion of these costs was included in the customer charge instead of being built into the per-kWh energy charge like they are today, the gap cited earlier would be more than five times larger, and it would take far longer under both Westar's and the Staff's proposals to reach the cost-based level.[3]

All of this means that the current Westar energy charge includes all of the energy-related costs as well as a sizable portion of Westar's fixed costs (both customer-related and demand-related), which exposes Westar to significant under-recovery when customers conserve energy. This condition is neither desirable nor sustainable. Westar's proposed basic service charge takes steps towards rectifying this condition, but practically speaking, the Staff's does not.

For these reasons, the Commission should not accept the Staff's proposed basic service charge, because the Staff's recommended rate of increase is simply too gradual.

Q. WHAT DOES CURB RECOMMEND FOR THE RESIDENTIAL RATE DESIGN?

A. CURB recommends limiting customer costs to the direct costs associated with serving customers, such as meters, service lines, billing, etc. CURB

[2] From the Direct Testimony of Ronald J. Amen, Exhibit RJA-2: The total demand-related revenue requirement of $503,600,041 (Schedule RJA-6, Page 1 of 3) divided by the total average residential customer count of 7,370,830 (Schedule RJA-7,Page 4 of 4) equals $68.32.

[3] If 100% of the fixed costs were included in the cost-based basic service charge, to reach cost-based rates would take 21 rate cases at Westar's proposed rate of increase and 162 rate cases at the Staff's proposed rate of increase.

recommends that the current residential customer charge remain unchanged at $14.50 per month, and that the Commission order Westar to implement any Step 1 residential decrease solely through a decrease to energy charges. If the Commission decides that an increase to the customer charge is appropriate, CURB recommends that the Commission set the residential customer charge at no more than $15.30 per month.[4] CURB also recommends that the Commission maintain the existing differentials in Westar's third block energy charges by applying uniform rate adjustments to all Residential Standard Service energy charges.[5]

Q. HOW DO YOU RESPOND TO CURB'S RECOMMENDATION ON THE BASIC SERVICE CHARGE?

A. CURB asserts that the Commission did not approve a minimum system analysis in Docket Nos. 10-KCPE-415-RTS and 12-KCPE-764-RTS, but instead limited customer costs to the direct costs associated with serving customers, such as meters, service lines, billing, etc.[6] However, this claim does not render Westar's analysis invalid or its proposed rates unreasonable. In fact, CURB does not provide any evidence that Westar's minimum system analysis contains errors or is otherwise invalid. With a cost-based service charge of $27.26, it is simply unreasonable to maintain the current basic service charge of $14.50, because doing so reflects no movement toward cost-based rates, where the gap between current rates

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[4] Direct Testimony of Mr. Brian Kalcic at p.13:9-11.

[5] Direct Testimony of Mr. Brian Kalcic at p. 14:15-17.

[6] Direct Testimony of Mr. Brian Kalcic at p. 12:4-7.

and cost-based rates is so significant. The Commission should not adopt CURB's recommendation.

Q. HOW DO YOU RESPOND TO CURB'S RECOMMENDATION ON THE ENERGY BLOCK RATES?

A. First, CURB claims that the elimination of the winter third block energy charge would have a disproportional impact on residential electric heating customers, leading to a larger increase in electric heating bills over time.[7] However, Westar is not proposing to eliminate the winter third block energy charge. In fact, compared to the proposed Step 1 increases, the proposed Step 2 increases mitigate this concern, because the increase to the third winter block is 3.43% over current rates, and the increase to the first two blocks is 3.92% over current rates. This difference is very small. Also, CURB provides no evidence to support maintaining the existing differentials in Westar's third block energy charges or applying uniform rate adjustments to all three blocks.

Second, CURB claims that Westar's current inclining-block rate design encourages residential customers to conserve energy during the summer months, and the elimination of the summer third block energy charge would undermine that conservation incentive.[8] Again, Westar is not proposing to eliminate the summer third block energy charge. Furthermore, any incentive to conserve that results from the differential between the rate

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[7] Direct Testimony of Mr. Brian Kalcic at p. 14:7-9.

[8] Direct Testimony of Mr. Brian Kalcic at p. 14:10-12.

blocks is due to the relation between the block rates. Westar's proposed summer third block energy charge remains higher than the first and second block charges for both Step 1 and Step 2, so to the extent that the inclining block rate structure provides an incentive to conserve energy in the summer months, that incentive remains in place.

III. RPER and REV RATE OFFERINGS

Q. WHAT DOES THE STAFF RECOMMEND FOR THE RPER AND REV RATE OFFERINGS?

A. Staff recommends that the RPER and REV classes have identical charges to the RS-DG class.[9]

Q. HOW DO YOU RESPOND TO STAFF'S RECOMMENDATION?

A. Westar disagrees with Staff on this point.

Q. WHY?

A. Even if Westar's rate proposals are accepted, both the monthly basic service charge and demand charge will under-recover the related fixed and demand costs. The result will be that some amount of fixed and demand costs will continue to be recovered from residential customers through energy charges. Since DG residential customers cause the same amount of fixed costs and demand costs (per kW) as do other residential customers, but, all else being equal, will use less energy, the energy charges for DG customers must be higher than for other residential customers on demand rates in order to provide similar cost recovery and mitigate the level of

[9] Direct Testimony of Dr. Robert H. Glass at p. 37:5-6.

subsidy provided by non-DG residential customers to DG residential customers. The differential between the energy rate for DG customers and the energy rate for RPER and REV customers reflects Westar's attempt to achieve that result.

Q. WHAT DOES CURB RECOMMEND FOR THE RPER AND REV RATE OFFERINGS?

A. In summary, CURB proposes converting the two rates into pilot programs with additional reporting requirements and rate switching flexibility. CURB asserts that approving the RPER and REV tariffs as non-permanent tariffs will allow the Commission to easily adopt changes once all parties better understand the impact of the RPER and REV programs on residential customers.[10]

Q. HOW DO YOU RESPOND TO CURB'S RECOMMENDATION?

A. While Westar agrees that the experience with this type of tariff for some customers is limited, Westar does not agree that it is necessary to offer the two rates as pilot programs. Creating pilot programs instead of standard tariffs for RPER and REV does not provide the Commission with any authority that it does not already have to "adopt changes to the program" in Westar's next base rate case; the Commission already has all of the authority it needs to adopt changes to these rate offerings in future cases. Furthermore, characterizing these rate offerings as pilot programs may cause customers to question whether the rates are temporary, which could

[10] Direct Testimony of Ms. Stacey Harden at p. 18:14-16.

hamper adoption of the rates among residential customers. Finally, crafting pilot programs creates administrative burdens for Westar that do not yield measurable benefits. Simply put, there is no advantage, and there is some potential disadvantage, to converting these rate offerings into pilot programs. It is unnecessary and unwarranted in this instance.

Q. HOW DO YOU RESPOND TO THE ADDITIONAL CURB RECOMMENDATION THAT CUSTOMERS SERVED ON THE REV RATE BE ALLOWED A ONE-YEAR OPT-OUT PROVISION, THE SAME AS CUSTOMERS SERVED ON THE RPER RATE?

A. Westar agrees with CURB that providing this option to REV customers would be reasonable.

IV. <u>THREE-PART RATE MIGRATION</u>

Q. WHAT DOES STAFF RECOMMEND ON THE THREE-PART RATE MIGRATION?

A. Staff agrees that it is appropriate to establish a regulatory account to track the revenue impact of rate switching and recommends tracking the revenue impact of switching to either the RPER or REV rates, while noting that merely tracking revenue impact of rate switching does not imply recovery.[11]

Q. WHAT DOES CURB RECOMMEND ON THE THREE-PART RATE MIGRATION?

A. CURB recommends that Commission deny Westar's proposal to defer the difference in revenue received from customers participating in the voluntary

[11] Direct Testimony of Dr. Robert H. Glass at p. 40:3-5

rate programs as compared to what revenue otherwise would have been received if the customers remained on the residential standard rate for inclusion in its next rate case. CURB argues that any lost revenues would be immaterial and that in previous cases, the Commission has not allowed recovery for lost revenues or margins.[12]

Q. HOW DO YOU RESPOND TO STAFF'S AND CURB'S RECOMMENDATIONS?

A. Westar agrees with Staff and disagrees with CURB. CURB may or may not be correct in its first argument that any lost revenues from rate switching will be immaterial, but the way to determine that with certainty is to calculate and defer the actual amounts. If they are immaterial, that may be dealt with in a future rate case. CURB's second argument is irrelevant because, as Staff correctly noted, deferral of lost revenues does not guarantee cost recovery from customers. Furthermore, the Commission has approved recovery of lost revenues associated with rate switching in previous cases.[13] For these reasons, the Commission should not adopt the CURB recommendation to deny the Westar request to establish a regulatory account to track the revenue impact of rate switching.

V. <u>SGS RATE DESIGN</u>

Q. WHAT DOES CURB RECOMMEND FOR THE SGS RATE DESIGN?

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[12] Direct Testimony of Ms. Stacey Harden at p.20:11 - 21:13.

[13] See *In the Matter of the Application of Kansas City Power & Light Company to Make Certain Changes in Its Charges for Electric Service*, Docket No. 15-KCPE-116-RTS, Order Dated September 10, 2015, Appendix B, Paragraph 10, and *In the Matter of the Application of Kansas City Power & Light Company to Make Certain Changes in Its Charges for Electric Service*, Docket No. 17-KCPE-201-RTS, Order Dated June 6, 2017, Appendix A, Paragraph 12.

A. CURB opposes the Company's proposed increase to the SGS customer charge. CURB recommends that the SGS customer charge remain unchanged at the conclusion of this case, for basically the same reasons noted before concerning the Residential Standard rate – that costs deemed to be customer-related under Westar's minimum system analysis should be excluded.[14]

Q. HOW DO YOU RESPOND TO CURB'S RECOMMENDATION?

A. Westar disagrees that costs deemed to be customer related by Westar's minimum system analysis should be excluded, for the same reasons stated before in the discussion of the Residential Standard rate.

VI. <u>MGS RATE DESIGN</u>

Q. WHAT DOES WALMART RECOMMEND FOR THE MGS RATE DESIGN?

A. Walmart does not oppose the Company's proposal to increase the customer charge to $128/month. Walmart states that under the proposed rates, higher load factor customers are paying for a portion of the demand-related costs that are incurred to serve lower load factor customers. For this reason, Walmart proposes that any increase in revenue should be fully recovered through the demand charge and any decrease in revenue should be fully assigned as a reduction to the energy charges.[15]

Q. HOW DO YOU RESPOND TO WALMART'S RECOMMENDATION?

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[14] Direct Testimony of Mr. Brian Kalcic at p.21:16-21.

[15] Direct Testimony of Mr. Steve W. Chriss at p. 5:13 – 6:6.

A. Westar supports the MGS rates as filed. It is important to recall that load factors vary widely for the customers in the MGS class. Some MGS customers, such as Walmart, have a high load factor. Other MGS customers, such as seasonal businesses like asphalt plants and grain dryers, have relatively low load factors. Walmart's recommendation would benefit it and other higher-load factor MGS customers to the detriment of lower-load factor MGS customers. Under almost any rate design for a rate class with more than one customer, differences in load factor among customers will result in individual customer billings that differ from the average customer billing for the class as a whole. This means there is a subset of customers whose bills are higher than the average bill and a subset whose bills are lower than the average bill within any rate class. This effect is exacerbated for rate classes with a wide range of load factors. It is a consequence of designing rates by class rather than by individual customer.

Any shifts between demand and energy charges like the ones proposed by Walmart would have to be relatively small in order to remain reasonable in this case. Any large shift could create sudden and adverse billing impacts for certain MGS customers due to the differences in load factor within the class. For these reasons Westar supports the MGS rates as filed in its Application.

Q. WHAT DOES KROGER RECOMMEND FOR THE MGS RATE DESIGN?

A. Kroger explains that if its recommendations regarding an MGS Multi-Site Rate pilot program proposal are not adopted, then in the alternative, the MGS demand charge be set a 90% of cost, rather than at 78% of cost as proposed by Westar.[16]

Q. HOW DO YOU RESPOND TO KROGER'S RECOMMENDATION?

A. I address the Multi-Site Rate issue in the next section. For the alternative recommendation that the MGS demand charge be set at 90% of cost rather than 78% of cost as filed, Westar agrees with Kroger that aligning rate design with underlying cost causation improves efficiency because it sends proper price signals.[17] However, the COSS is not the only consideration factored into the rate design. The COSS is a guide, but Westar also considers customer impacts and the ratemaking principle of gradualism. Westar's proposed Step 2 rates move the MGS demand charges to 80% of cost, which Westar considers a reasonable step toward cost-based rates in this instance. As such Westar does not support the changes recommended by Kroger.

VII. MULTI-SITE RATE

Q. WHAT DOES KROGER RECOMMEND FOR THE MULTI-SITE RATE?

A. Kroger recommends that a pilot program be approved that would allow MGS customers with 20 sites or more with individual site demands of 200

[16] Direct Testimony of Mr. Kevin Higgins at p. 4:7-9.

[17] Direct Testimony of Mr. Kevin Higgins at p.23:20-21.

kW or greater to participate in a Multi-Site rate applicable to the portion of the MGS demand charge associated with fixed production costs.[18]

Q. HOW DO YOU RESPOND TO KROGER'S RECOMMENDATIONS?

A. Mr. Higgins states that if the Multi-Site Rate requires ten sites with individual site demands of 200 kW or greater for eligibility, then 12 customers would qualify, and if it requires twenty such sites for eligibility, then 2 customers would qualify, so this appears to be a manageable issue.[19] However, these values understate the manual billing effort that would be required to administer the pilot program. If 12 customers qualified, and each of the 12 had ten sites, then every month, Westar would have to review metering data for 120 metered premises, analyze that data, and prepare aggregate demand billing data. This count would be even higher if any of the customers had more than ten sites. Even if only two customers qualified, every month Westar would have to review metering data for 40 metered premises (or more if the customers had more than 20 sites), analyze the data, and prepare aggregate demand billing data to bill those two customers. Kroger noted in its testimony that it has 95 stores and facilities in the Westar service territory,[20] so limiting the participation to 2 customers does not mean that the effort to bill these customers each month will be manageable; if even half of those facilities were stores that qualified for this rate, Westar would have to manually prepare the equivalent of 570 bills per

[18] Direct Testimony of Mr. Kevin Higgins at p. 4:1-6.

[19] Direct Testimony of Mr. Kevin Higgins at p. 20:1-4.

[20] Direct Testimony of Mr. Kevin Higgins at p. 1:13-14.

year – and this is only for one customer. This is a significant amount of work for which no automated billing processes currently exist in the Westar legacy billing system.

Q. DOES THE PROPOSED MULTI-SITE RATE APPEAR TO BE A COMMONPLACE UTILITY RATE OFFERING?

A. No. Kroger has facilities in 35 states, presumably served by numerous electric utilities,[21] but Kroger gives only one example of a utility that has what it characterizes as a well-designed multi-site customer rate -- the Aggregate Peak Demand Service Provision offered by Consumers Energy in Michigan.[22] Kroger does not mention any other similar rates offered by any other utilities. Additionally, I am not aware of other utility rate offerings with the features Kroger describes. I conclude from these facts that the Multi-Site Rate described by Kroger is not a commonplace utility rate offering and should not be adopted in the case.

Q. WHAT DOES DOD RECOMMEND FOR THE MULTI-SITE RATE?

A. DOD recommends that the Commission order the implementation of a consolidated billing demand for all customers within MGS opting for such billing. There should be no limitation in terms of the number of service accounts; in other words, a customer with two or more service accounts could opt into consolidated billing demand. Because this has the potential to significantly change the billing determinants for the class as a whole, the

[21] www.thekrogerco.com/newsroom/state-facts/

[22] Direct Testimony of Mr. Kevin Higgins at p. 16:21-22.

Company should be authorized to file, at its discretion, an updated billing determinant and recalculation of the demand charge at one-year intervals for the next three years based on the class revenue requirement result in this case.[23]

Q. HOW DO YOU RESPOND TO DOD'S RECOMMENDATIONS?

A. DOD's recommendations do not take into consideration the practical aspects of implementation. This is especially applicable to the need to manually prepare monthly bills that I discussed before – a challenge which would be exacerbated further if the DOD recommendation to place no limitation on the number of eligible service accounts was adopted. Furthermore, the potential recalculation and filing of revised demand charges at one-year intervals over a three-year period that DOD suggests be allowed creates administrative burdens for Westar, Staff, and other parties. For these reasons, the Commission should not adopt the DOD recommendations.

VIII. LGS AND ILP RATE VOLTAGE DIFFERENTIALS

Q. WHAT DOES DOD RECOMMEND FOR THE LGS AND ILP RATE VOLTAGE DIFFERENTIALS?

A. DOD recommends that the Commission order the revision of the voltage differentials found in schedules LGS and ILP based on the COSS results provided in Exhibit LB-2. DOD states that based on Westar's COSS results, these would become a demand charge reduction of $2.08274 for LGS

[23] Direct Testimony of Dr. Larry Blank at p. 22:5-12.

transmission-level customers, and a demand charge reduction of $2.66155 for ILP transmission-level customers. Also, the adders for secondary voltage customers within LGS and ILP would be much less; based on the Westar COSS results, the secondary adder for LGS would be $0.036241 per kW.[24]

Q. HOW DO YOU RESPOND TO THE DOD RECOMMENDATION ON VOLTAGE DIFFERENTIALS?

A. While Westar supports the rates for LGS and ILP voltage differentials that it filed in this docket, the approach described by the DOD has merit; it would not be unreasonable to revise the LGS and ILP transmission voltage discount and the secondary voltage charge using an approach like the one proposed by DOD, so long as the resulting amounts do not create rate shock or other adverse consequences for customers within the LGS and ILP classes, and so long as the overall rate design maintains revenue neutrality for the class.

Q. HOW DO YOU RESPOND TO THE FURTHER DOD RECOMMENDATION THAT THE DEMAND RATCHET FOR SCHEDULES LGS AND ILP BE ELIMINATED IN FAVOR OF A PEAK HOUR DEMAND CHARGE RATE DESIGN INSTEAD?[25]

A. The DOD arguments against the use of a demand ratchet do not address the point that in general, demand ratchets reduce the risks of serving certain

[24] Direct Testimony of Dr. Larry Blank at p.4:9-16.

[25] Direct Testimony of Dr. Larry Blank at p.4:17-19.

types of customers who have potentially large swings in demand during the year. Typically, ratchets are imposed upon large industrial customers who are often connected to the system at higher voltage levels. A significant decline in their demand from month to month could diminish the utility's ability to recover the fixed costs of these facilities. The demand ratchet helps to stabilize the utility's revenues and minimize the overall risk of serving large customers relative to the application of a monthly peak hour demand charge as proposed by the DOD. For this reason, the LGS and ILP demand ratchet should be retained.

Q. WHAT DOES KIC RECOMMEND FOR THE LGS AND ILP RATE VOLTAGE DIFFERENTIALS?

A. KIC recommends the Commission adopt a rate design for the industrial rates which includes voltage differentials for the energy charges, in addition to the voltage differentials for the demand charges that are already in place.[26]

Q. HOW DO YOU RESPOND TO KIC'S RECOMMENDATION?

A. I agree with the KIC that the costs for demand and energy vary by delivery service voltage due to losses associated with transformation. However, this does not render Westar's proposed rate design for LGS and ILP (and in particular the application of voltage level differentiation only in the proposed demand charges) unreasonable, because pure cost causation is not the only consideration in the rate design process. Westar considered several

[26] Direct Testimony of Mr. Brian C. Andrews at p. 2:21-26.

factors when developing the proposed LGS and ILP rates. These include the overall magnitude of the requested revenue increase and the allocation of that increase to the LGS and ILP classes, customer familiarity with the current rate structure in which the demand charges are differentiated by voltage but the energy charges are not, and the limitations of the current legacy billing system. These items all influenced Westar's approach to the LGS and ILP rate design. In light of these considerations, the rates proposed by Westar for the LGS and ILP classes (including a demand voltage differentiation but not an energy voltage differentiation) are reasonable.

IX. ELECTRIC TRANSIT RATE ETS

Q. WHAT DOES STAFF RECOMMEND FOR THE ELECTRIC TRANSIT RATE ETS?

A. The Staff recommends approval of Schedule ETS, with minor modifications to the actual rates based on Staff's recommended overall revenue requirement.[27]

Q. HOW DO YOU RESPOND TO THE STAFF RECOMMENDATION?

A. Westar supports Staff's recommendation to approve Schedule ETS, but does not agree that the recommended rates reflect Westar's revenue requirement, as discussed in the rebuttal testimony of Mr. Wilkus.

X. CLEAN CHARGING NETWORK RATE CCN

[27] Direct Testimony of Mr. Joshua P. Frantz at p.5:5-6.

Q. WHAT DOES STAFF RECOMMEND FOR THE CLEAN CHARGING NETWORK RATE CCN?

A. The Staff recommends approval of Schedule CCN, with minor modifications to the actual rates based on Staff's recommended overall revenue requirement.[28]

Q. HOW DO YOU RESPOND TO THE STAFF RECOMMENDATION?

A. Westar supports Staff's recommendation to approve Schedule CCN, but does not agree that the recommended rates reflect Westar's revenue requirement, as discussed in the rebuttal testimony of Mr. Wilkus.

XI. <u>LIGHTING RATES</u>

Q. WHAT DOES STAFF RECOMMEND FOR THE LIGHTING RATES?

A. The Staff recommends the Commission accept Westar's methodology for consolidating the rates between the North and South rate areas, accept Staff's rate design for the lighting classes, and direct Westar to conduct a formal lighting cost study for consideration in the next rate case. Staff also recommends that the LED lighting not be exempt from the roll-in of the Property Tax Surcharge ("PTS"), as Westar proposed in its LED rate design.[29]

Q. HOW DO YOU RESPOND TO THE STAFF RECOMMENDATION?

A. Westar agrees that it is reasonable to conduct a formal lighting study for consideration in the next rate case. For the PTS roll-in, while Westar

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[28] Direct Testimony of Mr. Joshua P. Frantz at p.8:2-3.

[29] Direct Testimony of Dr. Lana J. Ellis at p.2:6-12.

supports the rates for the LED lights that were filed in this docket, it would also be reasonable to apply the PTS roll-in to the LED lights as recommended by Staff.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

Q. THANK YOU.

STATE OF NEW JERSEY)
) ss:
COUNTY OF Camden)

VERIFICATION

John Wolfram, being duly sworn upon his oath deposes and states that he is the Principal of Catalyst Consulting LLC, that he has read and is familiar with the foregoing Rebuttal Testimony, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.

John Wolfram

Subscribed and sworn to before me this 3 day of July, 2018.

Notary Public

My Appointment Expires:

CHRISTOPHER INGLETON
NOTARY PUBLIC OF NEW JERSEY
ID # 2428437
My Commission Expires 01/02/2023