

**BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

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**REBUTTAL TESTIMONY**

**OF**

**REBECCA A. FOWLER**

**WESTAR ENERGY**

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**DOCKET NO. 18-WSEE-328-RTS**

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**I. INTRODUCTION**

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2 **Q. PLEASE STATE YOUR NAME.**

3 A. Rebecca A. Fowler.

4 **Q. ARE YOU THE SAME REBECCA FOWLER WHO PROVIDED**  
5 **DIRECT TESTIMONY IN THIS MATTER?**

6 A. I am.

7 **Q. WHAT IS THE PURPOSE OF THIS REBUTTAL TESTIMONY?**

8 A. The purpose of my testimony is to respond to testimony from Staff  
9 and Citizens' Utility Ratepayer Board (CURB) regarding expense  
10 associated with the recent Wolf Creek outage; respond to testimony  
11 from Staff and CURB regarding expenses associated with Westar's  
12 Prepay Pilot Program; and respond to testimony from KIC and Staff  
13 regarding various changes to Westar's Retail Energy Cost  
14 Adjustment (RECA) tariff.

## II. WOLF CREEK OUTAGE

**Q. DO YOU AGREE WITH STAFF'S AND CURB'S ADJUSTMENTS TO THE WOLF CREEK OUTAGE?**

A. I agree with CURB witness Ms. Crane's proposal on the Wolf Creek Outage in that she proposed the Company be allowed to include final costs related to the recently completed refueling outage which are known and measurable throughout this proceeding. The amount related to outage costs incurred in May 2018 are now known. May was the final month of the refueling outage. Westar's proposal is to include May outage costs of \$1,259,814. The annual amortization expense would then be \$12,458,732 compared to our original projected annual amortization \$13,298,608. This results in a decrease to our filed revenue requirement of \$839,876.

Staff witness Mr. Unrein updated the Wolf Creek Outage amount through April 30, 2018, thus excluding the final cost to wrap-up the outage. The Company believes that rates should reflect the full annualized cost of the most recent refueling, and since the May 31, 2018 costs are now known it would be appropriate to include these dollars to better reflect the actual costs associated with the Wolf Creek outage.

### III. PREPAY PROGRAM

**Q. DO YOU AGREE WITH STAFF'S AND CURB'S ADJUSTMENTS TO REMOVE COSTS ASSOCIATED WITH THE PREPAY PROGRAM FROM THIS DOCKET?**



1 KIC proposes to remove the revenue credit associated with  
2 the MKEC contract from base rates in step one of the rate change in  
3 this docket and credit that revenue to customers through the RECA  
4 until the MKEC contract expires.

5 **Q. DO YOU AGREE WITH KIC'S PROPOSAL TO REMOVE THE**  
6 **MARGIN RELATED TO THE MKEC WHOLESALE CONTRACT**  
7 **FROM BASE RATES AND ALLOW WESTAR A TEMPORARY**  
8 **CREDIT TO THE RECA?**

9 A. No. KIC's proposal overly-complicates the process of returning the  
10 MKEC contract revenue to customers by changing the process for  
11 this item in the last few months of its existence. Westar's retail  
12 customers are benefiting from the MKEC revenue in base rates and  
13 should continue to receive the benefit in base rates until the contract  
14 has expired. Complicating the process of removing the rate credit  
15 serves no purpose.

16 **Q. DO YOU AGREE WITH STAFF'S BELIEF THAT FLOW-THROUGH**  
17 **OF LOST CONTRACT REVENUE IN THE RECA SHOULD BE**  
18 **LIMITED TO MKEC?**

19 A. No. In the Settlement Agreement in Docket No. 18-KCPE-095-MER  
20 (Merger Settlement Agreement), Staff agreed to support a revision  
21 to the WR factor in the RECA to allow the MKEC wholesale revenue  
22 expiration to be reflected in the WR factor when the RECA is trued-  
23 up in April 2020. Expiration of Westar's other long-term wholesale

1 contracts were not addressed in the Merger Settlement Agreement  
2 or the Commission's Order approving that Agreement.

3 Also, as part of the Merger Settlement Agreement, Westar  
4 agreed to a five-year rate moratorium (if Westar's authorized ROE is  
5 set at or above 9.3% in this case). Westar has a major wholesale  
6 contract that will expire in 2022. Without a provision for recovery of  
7 the revenue loss in the RECA, Westar's shareholders will bear 100%  
8 of the burden of the lost revenue until the end of the rate moratorium.

9 **Q. IF THE CONTRACT IS RENEWED, WILL WESTAR'S PROPOSAL**  
10 **PREVENT THE RETAIL RATEPAYERS FROM BENEFITING**  
11 **FROM THE NEW CONTRACT REVENUE?**

12 A. No. Westar is proposing that the RECA change include all changes  
13 – increases or decreases – in revenue from wholesale contracts  
14 greater than one year. If the change is not made and Westar enters  
15 into new non-requirements wholesale contracts (i.e., wholesale  
16 customers taking service pursuant to a contract with an initial term of  
17 one-year or greater and not subject to a fuel clause) before the end  
18 of the rate moratorium, retail customers will not enjoy the reduction  
19 in fuel costs provided by the additional contract revenue. Making the  
20 change proposed by Westar will ensure that the Company will neither  
21 over-recover or under-recover on the value of wholesale contracts.

1       **Q.     PLEASE    DISCUSS    STAFF’S    RECOMMENDATION    TO**  
2               **ESTABLISH    A    NUCLEAR    DECOMMISSIONING    TRUST    (NDT)**  
3               **FUNDING    VARIABLE    IN    THE    RECA.**

4       A.     Staff proposes to add a variable to the RECA tariff to account for the  
5               difference between the level of nuclear decommissioning funding  
6               included in base rates and the actual annual funding levels, as reset  
7               by the Commission every three years.

8       **Q.     IS    THIS    RECOMMENDATION    AN    APPROPRIATE    CHANGE    TO**  
9               **THE    RECA    TARIFF?**

10      A.     Yes.    Mr. Grady’s assessment that base rate cases and  
11               determination of the annual decommissioning funding levels are not  
12               always in-sync is correct, and his proposal would allow for better  
13               match of revenues with costs in this case. For instance, Docket 18-  
14               WCNE-107-GIE, Wolf Creek Decommissioning Financing Plan, is  
15               currently open with the Commission. The outcome of that docket will  
16               determine the level of annual decommissioning funding for the Wolf  
17               Creek Generating Station until the order on the next triennial filing.

18               As discussed above, Westar has agreed not to seek a change  
19               in base rates for five years and an order in Docket 18-WCNE-107-  
20               GIE is not due until August 9, 2018, well beyond any true-up in this  
21               case. This will make it difficult to address in base rates resulting from  
22               this docket any change in funding levels that results from Docket 18-  
23               WCNE-107-GIE and impossible to address any required funding

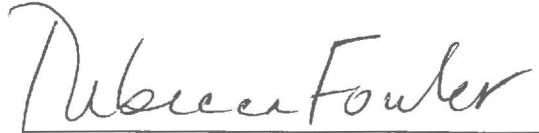
1 change resulting from the next triennial filing until after the five-year  
2 moratorium. As a result, Westar agrees with Staff's recommendation  
3 that Westar should recover any change in expense associated with  
4 funding the nuclear decommissioning trust fund through the RECA,  
5 ensuring that customers pay no more and no less than the actual  
6 expense incurred.

7 **Q. THANK YOU.**


STATE OF KANSAS                    )  
  ) ss:  
COUNTY OF SHAWNEE            )

**VERIFICATION**

Rebecca Fowler, being duly sworn upon her oath deposes and states that she is the Regulatory Analyst Lead for Westar Energy, Inc., that she 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 her knowledge, information and belief.

  
\_\_\_\_\_  
Rebecca Fowler

Subscribed and sworn to before me this 3<sup>rd</sup> day of July, 2018.

  
\_\_\_\_\_  
Notary Public

My Appointment Expires: 5/30/2022

