

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

<b>In the Matter of the 2020 Wolf Creek</b>	<b>)</b>	<b>Docket No.</b>
<b>Triennial Decommissioning Financing Plan.</b>	<b>)</b>	<b>21-WCNE-103-GIE</b>

TESTIMONY IN SUPPORT OF  
SETTLEMENT AND AGREEMENT

PREPARED BY

ADAM H. GATEWOOD

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

March 12, 2021

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

2     A.     Adam H. Gatewood, 1500 SW Arrowhead Road, Topeka, Kansas.

3     **Q.     In what capacity are you employed by the Commission?**

4     A.     I am employed by the Kansas Corporation Commission as a Senior Managing  
5             Financial Analyst.

6     **Q.     Are you the same Adam Gatewood that filed testimony in this Docket on**  
7             **December 18, 2020?**

8     A.     Yes, I am.

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

10    A.     The Staff of the State Corporation Commission of the State of Kansas (“Staff” and  
11             “Commission,” respectively), Evergy Metro, Inc., Evergy Kansas Central, Inc. and  
12             Evergy Kansas South, Inc., Kansas Electric Power Cooperative, Inc. (“KEPCo”),  
13             (collectively referred to as Wolf Creek Owners), Wolf Creek Nuclear Operating  
14             Corporation, and the Citizens’ Utility Ratepayer Board (“CURB”) (collectively  
15             referred to as the “Parties”) filed a request for the Commission to approve the  
16             Settlement Agreement filed on February 22, 2021, (“Agreement”).

17             I am testifying that the terms contained in the Agreement are a reasonable resolution  
18             of the issues in the 2020 Wolf Creek Triennial Decommissioning Financing Plan.  
19             My Direct Testimony and this Testimony in Support of the Agreement pertains  
20             specifically to the escalation rates and applied to the Decommissioning Cost  
21             Estimate.

22    **Q.     What does the Agreement state regarding the escalation rates that apply to the**  
23             **Decommissioning Cost Estimate?**

1     A.     At paragraph 6 the Agreement states,

2             The Companies and KEPCo agree to use the following specific  
3             escalation rates to escalate the 2020 decommissioning cost estimate of  
4             \$1,073,642,000 in 2020 dollars to the appropriate dollar amount in the  
5             year that the decommissioning costs will occur

6             (i)       3.4% for labor cost;

7             (ii)      1.8% for equipment & material cost;

8             (iii)     2.6% for the electricity component of energy costs  
9             and 1.6% for the fuel cost component;

10            (iv)     5.8% for burial cost; and

11            (v)     2.5% for other costs.

12    **Q.     Why is this element of the Agreement reasonable?**

13    A.     This element of the Agreement is reasonable because the Wolf Creek Owners and  
14             Staff have evaluated the available estimates of long-term inflation affecting  
15             decommissioning costs and concluded that these escalation rates represent long-run  
16             inflation expectations for the decommissioning cost-categories contained in the  
17             Decommissioning Cost Study. These are the exact escalation rates and the  
18             methodology proposed by the Wolf Creek Owners in the September 1, 2020, Direct  
19             Testimony of Jason O. Humphrey. In my Direct Testimony at pages 3 through 5 I  
20             explain why Staff agrees with the escalation rates Mr. Humphrey proposes.

21             The Commission should adopt these escalation rates and the stated methodology in  
22             the Agreement because it will result in an accurate estimate of the future value for  
23             the cost of decommissioning Wolf Creek Nuclear Generation Station. That future

1 value is an input to determining the annual accrual for each of the Wolf Creek  
2 Owners in the next phase of this triennial investigation.

3 **Q. Does this conclude your testimony?**

4 **A.** Yes, it does.

## **CERTIFICATE OF SERVICE**

21-WCNE-103-GIE

I, the undersigned, certify that a true and correct copy of the above and foregoing Staff Testimony in Support of Settlement Agreement was served electronically this 12th day of March, 2021, to the following:

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**CERTIFICATE OF SERVICE**

21-WCNE-103-GIE

/s/ Vicki Jacobsen  
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