

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

In the Matter of the Joint Application of Westar           )  
Energy, Inc. and Kansas Gas and Electric                )  
Company for Approval to Make Certain                    )  
Changes in their Charges for Electric Services.         )

Docket No. 18-WSEE-328-RTS

**SIERRA CLUB AND VOTE SOLAR'S ERRATA TO CROSS-ANSWERING  
TESTIMONY AND TESTIMONY IN OPPOSITION TO NON-UNANIMOUS  
STIPULATION AND AGREEMENT OF MADELINE YOZWIAK**

Sierra Club and Vote Solar make this errata filing to correct the Cross-Answering  
Testimony and Testimony in Opposition to Non-Unanimous Stipulation and Agreement of Sierra  
Club and Vote Solar witness Madeline Yozwiak. For the convenience of the parties, this filing is  
provided now so the necessary corrections of these testimonies can be made available now, in  
advance of the hearing.

Sierra Club and Vote Solar discovered mainly typographical and grammatical errors in  
the Cross-Answering Testimony and Testimony in Opposition to Non-Unanimous Stipulation  
and Agreement of Sierra Club and Vote Solar witness Madeline Yozwiak, and this errata filing is  
necessary in order to correct these errors. None of these corrections change the analysis,  
calculations, or conclusions in the testimonies of Sierra Club and Vote Solar witness Madeline  
Yozwiak. For ease of identification, the corrected pages are reproduced below with corrections  
red-lined and highlighted, directly followed by a clean corrected version of each respective page.  
The corrections are as follows:

**Cross-Answering Testimony of Madeline Yozwiak**

- Page 3, footnote 1: Corrected "Exhibit DJM-E2" to be "Exhibit DJM-E1" (the only  
Myrick Exhibit).

**Testimony in Opposition to Non-Unanimous Stipulation and Agreement and Exhibits of Madeline Yozwiak**

- Page 8, line 8: Added a space between the words “tariff” and “for.”
- Page 9, line 14: Corrected “\$XX” to be “\$1,056.51.”
- Page 10, line 5: Corrected “which” to be “with”
- Page 10, line 19: Deleted the extra period after footnote 22 in text.
- Page 11, line 9: Corrected “require control overall” to be “requires control over.”
- Page 11, line 15: Corrected “While the Commission” to be “While the tariff.”
- Page 12, line 9: Added a space between the words “in” and “charges.”
- Page 12, footnote 25: Corrected “Exhibit DJM-E2” to be “Exhibit DJM-E1.”
- Page 13, line 3: Corrected “it is non-discriminatory” to be “is it non-discriminatory.”
- Page 13, line 5: Added the word “if” between the words “Even” and “the.”
- Page 13, line 11: Deleted the word “of.”

In all other respects the testimonies remain the same.

WHEREFORE, Sierra Club and Vote Solar respectfully request that the Kansas Corporation Commission accept this errata filing.


Respectfully submitted,



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1 RS-DG customers currently over-recover) and the proposed rate structure  
2 disadvantages RS-DG customers.

3 **II. Staff's Position on the CCOSS and Proposed RS-DG Tariff**

4 **Q. In your direct testimony, you assert that the RS-DG class over-recovers on**  
5 **current rates. What does Staff's analysis indicate in terms of recovery related to**  
6 **the RS-DG class?**

7 A. Staff's CCOSS supports the conclusion that revenue from the RS-DG class exceeds  
8 the class' share of costs on current tariffs (*i.e.*, that there is an over-recovery).<sup>1</sup> Staff's  
9 CCOSS, which is sponsored by Staff witness Myrick, found the rate of return  
10 ("ROR") for the RS-DG class to be 9.27% on current tariffs (*i.e.*, net operating  
11 income divided by rate base).<sup>2</sup> This is equivalent to a relative ROR for the RS-DG  
12 class of 1.19 (*i.e.*, class ROR divided by the system average ROR).<sup>3</sup> As Staff witness  
13 Myrick explains, a relative ROR above one (1) indicates that the RS-DG class over-  
14 recovers its share of cost.<sup>4</sup> I note that Staff's use of a lower revenue requirement in its  
15 CCOSS (as compared to Westar) does not impact this conclusion because the ROR  
16 metric is proportional to the revenue requirement being allocated.

17 **Q. How do the ROR results for the RS-DG class in Staff's CCOSS compare to the**  
18 **results of the Company's CCOSS?**

<sup>1</sup> See Direct Testimony of Dorothy J. Myrick, **Exhibit DJM-E2Exhibit DJM-E1** (June 12, 2018) ("Myrick Direct").

<sup>2</sup> *Id.* at p. 27:8 (Table 2).

<sup>3</sup> *Id.*

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16 metric is proportional to the revenue requirement being allocated.

17 **Q. How do the ROR results for the RS-DG class in Staff's CCOSS compare to the**  
18 **results of the Company's CCOSS?**

19 A. Staff's analysis tells a different story regarding recovery of costs from the RS-DG  
20 class as compared to Westar's CCOSS analysis. Westar's CCOSS shows an RS-DG

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<sup>1</sup> See Direct Testimony of Dorothy J. Myrick, Exhibit DJM-E1 (June 12, 2018) ("Myrick Direct").

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**Table 1: Comparison of charges in the Current Residential Standard Service, Settlement Residential Standard Service, and Settlement three-part RS-DG tariffs<sup>17</sup>**

	<b>Current Residential Standard Service</b>	<b>Settlement Residential Standard Service</b>	<b>Settlement three- part RS-DG</b>
<i>Fixed (\$/mo)</i>			
All months	\$14.50	\$14.50	\$14.50
<i>Energy (\$/kWh)</i>			
Winter – Block 1	\$0.76833	\$0.073569	\$0.045941
Winter – Block 2	\$0.76833	\$0.073569	\$0.045941
Winter – Block 3	\$0.62804	\$0.060209	\$0.045941
Summer – Block 1	\$0.76833	\$0.073569	\$0.045941
Summer – Block 2	\$0.76833	\$0.073569	\$0.045941
Summer – Block 3	\$0.84752	\$0.081250	\$0.045941
<i>Demand (\$/kW)</i>			
Winter	\$ –	\$ –	\$3.00
Summer	\$ –	\$ –	\$9.00

**Q. Would the rates and charges imposed through the Settlement charge RS-DG customers higher amounts as compared to their non-DG counterparts in the RS class?**

**A.** Yes. Under the Settlement, RS-DG customers would pay more under the three-part RS-DG tariff than they would under the Residential Standard Service tariff for the same consumption of grid-supplied electricity, as I detail below. Moreover, the Settlement would result in a larger portion of revenue (rates and charges) being recovered from RS-DG customers than RS customers, as a percentage of their cost of service. RS-DG customers already pay more than RS customers, as a percentage of cost of service, and the disproportionate allocation of base revenue decrease under the Settlement to RS than RS-DG exacerbates that over-recovery by RS-DG.<sup>18</sup>

<sup>17</sup> Settlement, Appendix E.

<sup>18</sup> See Yozwiak Direct, Section IV.A; see also Myrick Direct, p. 27.

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1 Finally, the specific demand charge bill component of the RS-DG tariff would go from  
2 zero under current rates (i.e., there is no demand charge) to \$9 and \$3 per kW for summer  
3 and non-summer periods, respectively, for DG customers, but would continue to be zero  
4 for RS customers.

5 **Q. What is the basis of the imposition of higher rates and charges for RS-DG customers**  
6 **through the Settlement?**

7 A. Under the Settlement, RS-DG customers would pay higher rates and charges because  
8 these customers use renewable resources. As I explained in my direct testimony, whether  
9 the RS-DG or RS rates apply to a residential customer depends exclusively on whether  
10 she uses distributed renewable energy resources to self-generate part of her electricity  
11 needs.<sup>19</sup> The RS-DG customers, who use renewable energy resources, would be charged  
12 more through the Settlement's three-part tariff than customers on the Residential  
13 Standard Service rate for the same use of grid-supplied electricity. The average customer  
14 in the RS-DG class will pay \$~~XX~~**1,056.51** per year on the three-part RS-DG rate within  
15 the Settlement.<sup>20</sup> The same usage charged under the RS Standard tariff would be charged  
16 \$1,044 per year.<sup>21</sup> This difference of \$12.51 per year (1.2%) represents the higher rates  
17 and charges imposed for the same usage because of the customer's use of renewable  
18 resources to self-generate.

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<sup>19</sup> Yozwiak Direct, p. 5 ("In its Joint Application, for the first time, Westar proposes rates and a rate structure for the RS-DG class that differs from the rates and rate structure for the RS class, which RS-DG customers would otherwise take service under but for their use of distributed renewable energy generation.").

<sup>20</sup> The billing determinants provided in Appendix E of the Settlement did not provide enough detail to calculate annual revenue on the RS-DG and Residential Standard Service tariffs. Instead, because the adjusted annual energy determinant aligned with the Company's analysis in direct testimony, I used the Company's detailed billing determinants, provided in the Proof of Revenue analysis in response to Sierra Club Request 1-36, to determine annual revenue. See Westar Response to Sierra Club Request 1-36 (Exh. MY-2).

<sup>21</sup> Calculated using the Company's detailed billing determinants, provided in the Proof of Revenue analysis in response to Sierra Club Request 1-36. See *supra* note 20.

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1   **Q.     Are there any other prejudices or disadvantages resulting from the Settlement for**  
2       **customers who use renewable resources to self-generate some of their electricity**  
3       **needs?**

4   A.   Yes. First, while residential customers without renewable energy have the *option* to take  
5       service on a voluntary, three-part rate—the Residential Peak Efficiency Rate tariff, **which**  
6       **with** charges that mirror the mandatory RS-DG rate, another voluntary rate, or the default  
7       RS rates—residential customers with renewable energy have no such freedom.  
8       Customers who generate with renewable resources must take service under the three-part  
9       RS-DG tariff. This restricted choice disadvantages a customer with renewable energy,  
10      because they do not have the ability to consider a rate plan that may better meet their  
11      needs. Additionally, under the Settlement, customers without renewable resource  
12      generation who voluntarily opt for a three-part rate will be provided an opportunity to  
13      switch to another rate if the three-part tariff proves to be less advantageous than  
14      anticipated. This option is not provided to RS-DG customers who do not wish to take  
15      service under a three-part rate.  
16      Second, a significant portion of a RS-DG customer’s bill will now be collected through  
17      the demand charge based on the customer’s single hour of maximum usage during a five-  
18      hour period on non-holiday weekdays—a charge with which the customers in the class  
19      have no experience, as recognized by CURB witnesses Harden and Kalcic.<sup>22</sup> Excluding  
20      the portion of revenue that is collected through the fixed charge, 36% of the average RS-  
21      DG customer’s remaining bill will be collected through the demand charge.<sup>23</sup> Because

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<sup>22</sup> Harden Direct, p. 18:9-16; Kalcic, p. 18:6-8.

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9       tariff. This restricted choice disadvantages a customer with renewable energy, because  
10      they do not have the ability to consider a rate plan that may better meet their needs.  
11      Additionally, under the Settlement, customers without renewable resource generation  
12      who voluntarily opt for a three-part rate will be provided an opportunity to switch to  
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1 the demand charge within the RS-DG tariff is assessed on a single hour during a 5 hour  
2 peak window on weekdays, customers must monitor and control their coincident usage  
3 each hour over a total of 1,256 hours throughout the year. This presents, at a minimum, a  
4 learning curve for RS-DG customers. Additionally, as explained in my prior testimony,  
5 the peak demand charge is going to be harder for customers to respond to than the current  
6 two-part RS Standard rate because reducing charges under the peak demand charge  
7 requires control of time and coincidence of electricity consumption during a 5 hour  
8 window of certain days during the week, whereas a two-part rate, or alternative three-part  
9 rates, ~~require control overall~~**requires control over** longer periods, smoothing any errant  
10 use or uncontrollable events.<sup>24</sup>

11 **Q. Has the Commission previously addressed tariffs that charge customers higher rates**  
12 **and charges because of their use of renewable resources?**

13 A. Yes. In a prior case, Docket No. 05-AQLG-1056-COM, the Commission rejected a  
14 natural gas tariff that would have prohibited customers from offsetting more than 25% of  
15 the prior year's peak day heating requirements. ~~While the Commission~~**While the tariff**  
16 did not specifically single out customers who offset heating needs with renewable  
17 resources, Commission Staff concluded that the tariff is prejudicial to customers who  
18 heat with wood, pellets, corn, and other renewable resources because they are prohibited  
19 from using those resources to offset more than a portion of their heating needs. I am  
20 attaching the Staff's Report and Recommendation as Exhibit MY-7 and the  
21 Commission's Order as Exhibit MY-8.

22 **Q. Is the design of the three-part RS-DG tariff within the Settlement cost-based?**

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<sup>24</sup> Yozwiak Direct, Section V.

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<sup>24</sup> Yozwiak Direct, Section V.

1 A. No. First, as I mentioned earlier, evidence in this case (including Staff's CCOSS)  
2 supports the conclusion that the RS-DG class over-collects its allocated share of revenue  
3 on *current* tariffs.<sup>25</sup> This fact undermines a "cost-based" justification for imposing a new  
4 mandatory rate structure that can better collect cost, because the RS-DG class *already*  
5 collects its share of costs on the current, two-part, RS Standard tariff.

6 Second, the *structure* of the proposed demand charge does not connect the "demand" that  
7 causes costs in the CCOSS and the "demand" that incurs charges in the rate design, nor  
8 the amount of cost causation in the CCOSS (the level of contribution to class demands  
9 that are allocated costs) and the amount the customer will pay **in charges** under the rate  
10 design. The demand costs are allocated based on five peak hours: those within Westar's  
11 four coincident peak periods as well as the hour of each class's non-coincident peak  
12 demand. A customer's demand costs depend on his or her demands during those hours.  
13 His or her demand charges, under the Settlement, depend on individual peak demands  
14 during the period of 2:00 pm to 7:00 pm on weekdays, 52 weeks per year. Moreover, the  
15 Company allocates distribution demand costs to the RS-DG class based on a class NCP  
16 load that occurred on January 5 at 7:00 p.m. Not only is that outside the higher, \$9/kW,  
17 summer demand period in the Settlement's RS-DG rate design, but outside the peak  
18 period altogether. There is simply no connection made in the record between a  
19 customer's contribution to class costs based on his demand during the five cost-causing  
20 hours in the CCOSS and his charges under the Settlement based on the monthly  
21 maximum during 12 of 1,265 hours. A customer with high demand during the system  
22 and class coincident peaks may under-collect, and a customer with low use during those

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<sup>25</sup> See generally Yozwiak Direct, pp. 12-23 (Section IV.A); Myrick Direct, **Exhibit DJM-E2Exhibit DJM-E1**.

1 A. No. First, as I mentioned earlier, evidence in this case (including Staff's CCOSS)  
2 supports the conclusion that the RS-DG class over-collects its allocated share of revenue  
3 on *current* tariffs.<sup>25</sup> This fact undermines a "cost-based" justification for imposing a new  
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22 and class coincident peaks may under-collect, and a customer with low use during those

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<sup>25</sup> See generally Yozwiak Direct, pp. 12-23 (Section IV.A); Myrick Direct, Exhibit DJM-E1.



1 coincident peaks—but with a high single hour demand during some other hour—may  
2 over-collect.

3 **Q. Even if the RS-DG three-part rate design was cost-based, it is non-discriminatory is**  
4 **not non discriminatory and non-prejudicial?**

5 A. No. Even if the three-part rate design in the Settlement did a better job of collecting costs  
6 from low load factor customers (whose total energy use was disproportionately low  
7 compared to their contribution to the class loads used to allocate costs in the CCOSS), it  
8 is applied only to the RS-DG class. Low load factor customers also exist in the RS class  
9 (and probably more often in a class of over 600,000 customers than the 156 RS-DG class  
10 members). However, the Settlement only applies a mandatory three-part rate to customers  
11 in the RS-DG class, and those customers are only in the class because they use of  
12 renewable resources to self-generate electricity.

13 **Q. Please summarize your position on the Settlement.**

14 A. The Settlement imposes higher rates and charges, and otherwise prejudices, customers in  
15 the RS-DG class because of their use of renewable resources to self-generate some of  
16 their electricity needs. The RS-DG class receives a disproportionately lower share of the  
17 revenue reduction than their peers in the RS class—despite evidence that the RS-DG  
18 class over-earns for Westar on current rates, relative to other classes. The tariff results in  
19 higher charges for RS-DG customers than if they had retained access to the RS Standard  
20 rate and deprives them of the benefits inherent in the two-part RS rate. The Settlement  
21 also forces RS-DG customers onto a mandatory, three-part tariff, while other members of  
22 the RS class retain the option to take service on such a rate; and, if they do, are allowed to  
23 opt-out after the fact if they are dissatisfied with the rate. The peak period demand charge

1 coincident peaks—but with a high single hour demand during some other hour—may  
2 over-collect.

3 **Q. Even if the RS-DG three-part rate design was cost-based, is not non discriminatory**  
4 **and non-prejudicial?**

5 A. No. Even if the three-part rate design in the Settlement did a better job of collecting costs  
6 from low load factor customers (whose total energy use was disproportionately low  
7 compared to their contribution to the class loads used to allocate costs in the CCOSS), it  
8 is applied only to the RS-DG class. Low load factor customers also exist in the RS class  
9 (and probably more often in a class of over 600,000 customers than the 156 RS-DG class  
10 members). However, the Settlement only applies a mandatory three-part rate to customers  
11 in the RS-DG class, and those customers are only in the class because they use renewable  
12 resources to self-generate electricity.

13 **Q. Please summarize your position on the Settlement.**

14 A. The Settlement imposes higher rates and charges, and otherwise prejudices, customers in  
15 the RS-DG class because of their use of renewable resources to self-generate some of  
16 their electricity needs. The RS-DG class receives a disproportionately lower share of the  
17 revenue reduction than their peers in the RS class—despite evidence that the RS-DG  
18 class over-earns for Westar on current rates, relative to other classes. The tariff results in  
19 higher charges for RS-DG customers than if they had retained access to the RS Standard  
20 rate and deprives them of the benefits inherent in the two-part RS rate. The Settlement  
21 also forces RS-DG customers onto a mandatory, three-part tariff, while other members of  
22 the RS class retain the option to take service on such a rate; and, if they do, are allowed to  
23 opt-out after the fact if they are dissatisfied with the rate. The peak period demand charge

## CERTIFICATE OF SERVICE

I hereby certify that on this 20<sup>th</sup> day of July 2018, a true and correct copy of **SIERRA CLUB AND VOTE SOLAR'S ERRATA TO CROSS-ANSWERING TESTIMONY AND TESTIMONY IN OPPOSITION TO NON-UNANIMOUS STIPULATION AND AGREEMENT OF MADELINE YOZWIAK** was electronically delivered to the following individuals:

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/s/ Mario A. Luna  
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