

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

In the Matter of the Joint Application of)
Westar Energy, Inc. and Kansas Gas and) Docket No. 19-WSEE-355-TAR
Electric Company for Recovery of Certain)
Costs Through Their RECA.)

**STAFF’S RESPONSE TO KIC’S PETITION TO INTERVENE
AND OBJECTION TO EXPEDITED TREATMENT**

The Staff of the State Corporation Commission of the State of Kansas (“Staff” and “Commission”, respectively), responds to KIC’s Petition to Intervene and Objection to Expedited Treatment. In support of its response, Staff states as follows:

I. Background

1. On March 4, 2019, Westar Energy, Inc. (“Westar”) and Kansas Gas and Electric Company (KGE) (collectively referred to herein as “Westar”), filed its joint Application for Recovery of Certain Costs through their Retail Electric Cost Adjustment (RECA) Tariff.¹ In the Application, Westar has requested expedited review, asking the Commission to issue an order in this docket within 60 days of the Application.²

2. On March 8, 2019, Kansas Industrial Consumers Group, Inc. (KIC) filed a petition to intervene pursuant to K.S.A. 77-521 and K.A.R. 82-1-225.³ In the Petition, KIC objects to Westar’s request for an expedited 60 day review stating, the review period does not give enough time for KCC Staff and intervenors to fully review the Application and analyze the benefits or costs to customers.⁴

¹ *Westar Application for Recovery of Certain Costs Through RECA*, (Application), (Mar. 4, 2019).

² *Id.* at 14, para. 34.

³ *KIC Petition to Intervene*, (Petition) (Mar. 8, 2019).

⁴ *Id.* at 5, para. 14.

3. On March 12, 2019, a Suspension Order was filed by the Commission, suspending the Application for 240 days until October 30, 2019.⁵

II. Response

4. Staff does not object to KIC's Petition to Intervene in this Docket.

5. Staff agrees that the 60-day expedited review timeframe for a Commission Order is not feasible for a full and thorough review by Staff and intervening parties. Staff's position is that a review period longer than 60-days will be necessary to give Staff and intervening parties the opportunity to evaluate the cost benefit analysis provided by Westar in this docket.

6. Staff understands Westar's position requesting an accelerated review of the Application and recognizes there are risks associated with an unnecessary or prolonged review period in this Docket. Westar requested expedited treatment to begin recovering the lease expense and Non-Fuel Operations and Maintenance (NFOM) expense through the RECA. Currently, Westar is deferring these costs into a regulatory asset, and the deferral balance will continue to grow until cost recovery is decided by the Commission. If the Commission approves Westar's request for cost recovery through the RECA, the deferred costs accrued in the regulatory asset will impact the RECA in addition to the ongoing NFOM associated with the 8% portion of the Jeffrey Energy Center (JEC). This increases the likelihood of rate shock and intergenerational inequity in that the 8% portion of JEC is being used to serve current customers, but current customers are not paying for the NFOM or lease expenses associated with the 8% portion of JEC. This creates a mismatch between the timing of the expense recovery and the benefits customers receive from additional energy and/ or capacity sales from JEC.

⁵ Suspension Order: October 30, 2019, (Mar. 12, 2019).

7. Staff recommends the parties work together to develop a procedural schedule that would extend the review period beyond the 60-day timeframe requested in Westar's Application, allow parties a reasonable and expedited time frame for review of the Application, and prevent the cost recovery risks discussed above associated with a prolonged review period.

WHEREFORE, Staff requests the Commission allow the parties to coordinate to establish a procedural schedule that extends the 60-day timeframe requested by Westar and retains the cost recovery benefits provided by an expedited review.

Respectfully Submitted,

/s/ Amber Smith

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VERIFICATION

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

Amber Smith, of lawful age, being duly sworn upon her oath deposes and states that she is Chief Litigation Counsel for the State Corporation Commission of the State of Kansas; that she has read and is familiar with the foregoing *Staff's Response to KIC's Petition to intervene and Objection to Expedited Treatment*, and attests that the statements therein are true to the best of her knowledge, information and belief.



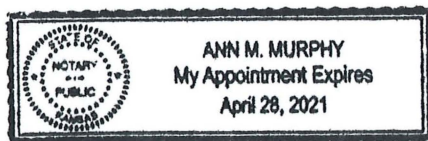
Amber Smith, S. Ct. #23911
Chief Litigation Counsel
The State Corporation Commission
of the State of Kansas

SUBSCRIBED AND SWORN to before me this 15th day of March, 2019.



Notary Public

My Appointment Expires: 4-28-21



CERTIFICATE OF SERVICE

19-WSEE-355-TAR

I, the undersigned, certify that a true and correct copy of the above and foregoing Staff's Response To KIC'S Petition To Intervene And Objection To Expedited Treatment was served via electronic service this 15th day of March, 2019, to the following:

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