

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

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**TESTIMONY IN SUPPORT OF SETTLEMENT OF**

**BRETT L. LOVELL**

**ON BEHALF OF  
WOLF CREEK NUCLEAR OPERATING CORPORATION,  
EVERGY METRO, INC. D/B/A EVERGY KANSAS METRO,  
EVERGY KANSAS CENTRAL, INC.,  
EVERGY KANSAS SOUTH, INC., AND  
KANSAS ELECTRIC POWER COOPERATIVE, INC.**

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**IN THE MATTER OF THE  
2023 WOLF CREEK TRIENNIAL DECOMMISSIONING  
FINANCING PLAN**

**DOCKET NO. 24-WCNE-235-GIE**

**I. INTRODUCTION**

- 1
- 2 **Q. PLEASE STATE YOUR NAME.**
- 3 A. My name is Brett L. Lovell. My business address is 1200 Main Street. Kansas City, Mo,  
4 64105.
- 5 **Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**
- 6 A. I am employed by Evergy Metro, Inc. (“EM”) and Evergy Kansas South, Inc. (“EKS”)  
7 (collectively “the Company”) as Manager, Corporate Treasury.
- 8 **Q: ARE YOU THE SAME BRETT L. LOVELL WHO SUBMITTED DIRECT**  
9 **TESTIMONY IN THIS DOCKET TO SUPPORT THE JOINT PLEADING**  
10 **REGARDING DECOMMISSIONING FINANCING PLAN FILED ON**  
11 **SEPTEMBER 1, 2023, AND REBUTTAL TESTIMONY ON JUNE 10, 2024?**
- 12 A: Yes.

1 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

2 A. I am testifying on behalf of Wolf Creek Nuclear Operating Corporation (“WCNOC”),  
3 Evergy Metro, Inc. d/b/a Evergy Kansas Metro (“Evergy Kansas Metro”), Evergy Kansas  
4 Central, Inc. and Evergy Kansas South, Inc. (collectively referred to herein as “Evergy  
5 Kansas Central”), and Kansas Electric Power Cooperative, Inc. (“KEPCo”) (all three  
6 utility entities collectively referred to herein as “Companies” or “Wolf Creek Owners”).

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

8 A. I am providing testimony on behalf of the Companies in support of the Settlement  
9 Agreement between the Wolf Creek Owners, WCNOC, the Staff of the Kansas  
10 Corporation Commission (“Staff”), and the Citizens’ Utility Ratepayer Board (“CURB”),  
11 which was submitted for Commission approval on June 21, 2024. The Settlement  
12 Agreement recommends that the Commission adopt a specified estimate of Wolf Creek  
13 decommissioning costs to be used to determine annual contribution amounts and accrual  
14 levels for the respective owner utilities’ decommissioning trust accounts and a  
15 recommended escalation factor (inflation rate).

16 I will provide some background information regarding the Settlement Agreement,  
17 summarize the terms of the Agreement, and address the Commission’s standards for  
18 review of settlements with respect to the Settlement Agreement in this case.

19 **II. BACKGROUND**

20 **Q. PLEASE DESCRIBE THE HISTORY OF THIS DOCKET AND THE**  
21 **SETTLEMENT AGREEMENT.**

22 A. On September 1, 2023, the Wolf Creek Owners filed their 2023 Decommissioning  
23 Financing Plan for the Wolf Creek Generating Station, in accordance with the  
24 Commission’s December 9, 1992 Order in Docket No. 163,561-U and the Commission’s

1 June 13, 2013 Order in Docket No. 13-WCNE-204-GIE. The December 9, 1992 Order  
2 directed the filing of a decommissioning cost study every three years after September 1,  
3 1993. The June 13, 2013 Order directed WCNOG and the owning utilities to update the  
4 estimates of the total capital costs of the Independent Spent Fuel Storage Installation  
5 (“ISFSI”) project at Wolf Creek as part of the triennial decommissioning cost study  
6 filings.

7 The decommissioning financing plan filed with the Application in this docket  
8 included a decommissioning cost study prepared by TLG Services, Inc. (“TLG”) that  
9 provided cost estimates for decommissioning Wolf Creek. That cost study included  
10 estimates for three different decommissioning methods – the DECON method, the  
11 DECON Alternative with Long-Term Spent Fuel Management (“DECON-Alternative”)   
12 method, and the SAFSTOR method. Based on the cost study, the estimated costs to  
13 decommission Wolf Creek under the DECON method total \$890 million in 2023 dollars.  
14 The estimated costs under the DECON-Alternative and the SAFSTOR methodologies  
15 total \$1.074 billion and \$1.411 billion in 2023 dollars, respectively.

16 In this docket, Staff determined that the Commission should approve the cost  
17 estimate for the DECON-Alternative method as this method provides a realistic estimate  
18 of decommissioning cost planning. As part of the initial application in this docket, the  
19 Wolf Creek Owners proposed inflation rates unique to multiple cost components (see III)  
20 to be used to convert the cost estimates in 2023 dollars into the dollar amount needed for  
21 decommissioning when the plant is closed. Staff agreed that the inflation rates  
22 recommended by the Wolf Creek Owners were reasonable.

1 **III. TERMS OF THE SETTLEMENT AGREEMENT**

2 **Q. CAN YOU DESCRIBE THE TERMS OF THE SETTLEMENT AGREEMENT?**

3 A. Yes. The parties to the Settlement Agreement agree that (1) the cost for decommissioning  
4 is \$1,171,363,000 in 2023 dollars based on the cost estimate for the DECON-Alternative  
5 method provided in TLG’s cost study and that this number will be used by the Wolf  
6 Creek Owners in separate dockets to set a funding level for each company’s  
7 decommissioning trust fund; and (2) the use of the following specific escalation rates to  
8 escalate the 2023 decommissioning cost estimate of \$1,171,363,000 in 2023 dollars to the  
9 appropriate dollar amount in the year that the decommissioning costs will occur:

- 10 (i) 3.2% for labor cost;
- 11 (ii) 2.0% for equipment & material cost;
- 12 (iii) 2.8% for the electricity component of energy costs and 1.7% for the fuel  
13 cost component;
- 14 (iv) 5.15% for burial cost; and
- 15 (v) 2.5% for other costs.

16 **IV. COMMISSION STANDARDS FOR REVIEW OF SETTLEMENT AGREEMENTS**

17 **Q. WHAT IS THE STANDARD THE COMMISSION APPLIES TO DETERMINE  
18 WHETHER TO APPROVE SETTLEMENT AGREEMENTS?**

- 19 A. The Commission determines:
- 20 1. Whether each party had an opportunity to be heard on its reasons for opposing the  
21 Stipulation;
- 22 2. Whether the Stipulation is supported by substantial competent evidence;
- 23 3. Whether the Stipulation conforms with applicable law;
- 24 4. Whether the Stipulation results in just and reasonable rates; and
- 25 5. Whether the results of the Stipulation are in the public interest.

1 **Q. WHO ARE THE PARTIES TO THIS DOCKET?**

2 A. The Parties to the docket are the Wolf Creek Owners, WCNOC, CURB, and Staff. All of  
3 those parties are signatories to the Settlement Agreement.

4 **Q. DID ALL OF THE PARTIES HAVE AN OPPORTUNITY TO BE HEARD WITH**  
5 **RESPECT TO THE TERMS OF THE SETTLEMENT AGREEMENT?**

6 A. Yes. All of the parties participated in settlement.

7 **Q. IS THE SETTLEMENT AGREEMENT SUPPORTED BY SUBSTANTIAL**  
8 **EVIDENCE IN THE RECORD AS A WHOLE?**

9 A. Yes. The cost estimates are supported by the TLG cost study and TLG is an expert in the  
10 field. No party in the docket challenged the validity of the cost estimates. Staff witness  
11 Hefley supports the decision to utilize the DECON-Alternative method in direct  
12 testimony and no party has challenged the basis for which she provided for that  
13 recommendation. I filed testimony on behalf of the Wolf Creek Owners proposing  
14 escalation rates and Staff witness Gatewood supports the proposal in his direct testimony.  
15 As a result, the Settlement Agreement is supported by substantial evidence.

16 **Q. DOES THE SETTLEMENT AGREEMENT CONFORM TO APPLICABLE**  
17 **LAW?**

18 A. The Settlement Agreement addresses the issues required to be decided by the  
19 Commission in the triennial dockets required by Commission order and by K.S.A. 66-  
20 128m. I also understand that the Commission has previously recognized that settlements  
21 are favored by the law.

22 **Q. WOULD THE RATES IMPLEMENTED PURSUANT TO THE SETTLEMENT**  
23 **AGREEMENT BE JUST AND REASONABLE?**

24 A. Yes. The Companies estimate that rates will not change as a direct result of the  
25 Settlement Agreement in this docket and, thus, the rates implemented pursuant to the  
26 settlement agreement will be just and reasonable. Further, because the Companies do not

1 anticipate a rate change as a result of this settlement, one of the settlement terms provides  
2 that if the Commission adopts the decommissioning methodology and proposed funding  
3 levels that are set out therein, then subsequent individual funding dockets are not  
4 necessary.

5 The cost estimate adopted by the Commission in the last triennial docket was  
6 \$1.093 Billion based on the SAFSTOR method. For Evergy Kansas Central, this amount  
7 was the basis for establishing an annual funding amount of \$5,772,700, which is currently  
8 in rates. For Evergy Kansas Metro, an annual funding amount of \$2,036,230 is currently  
9 in rates. As indicated above, the cost estimate from TLG's 2020 cost study for the  
10 DECON-Alternative was \$1,073,642,000 million in 2020 dollars. The Companies  
11 estimate that the annual funding requirement associated with the DECON-Alternative  
12 method estimate would be the same as or substantially similar to the amount currently  
13 reflected in rates. If the Commission adopts the DECON-Alternative methodology,  
14 Evergy Kansas South and Evergy Metro expect the annual contribution required will not  
15 increase. For KEPCo, the annual contribution required will increase by the nominal  
16 amount of approximately \$2,500.

17 **Q. ARE THE RESULTS OF THE AGREEMENT IN THE PUBLIC INTEREST?**

18 A. Yes. The Kansas legislature and this Commission have found that it is in the public  
19 interest to ensure adequate funding for the decommissioning of Wolf Creek and that the  
20 rate impact of building that fund should be spread across the generations of customers  
21 benefitting from the plant. By adopting the DECON-Alternative method, the Settlement  
22 Agreement recognizes the need to address funding for storage for spent fuel now because

1 the federal government is not making progress in meeting its obligations to handle the  
2 spent fuel.

3 It recognizes the benefit of beginning to fund that expense now, obtaining the  
4 benefit of the trust fund earning interest over time, requiring lower overall contribution  
5 requirements funded by customers. The Settlement Agreement also results in spreading  
6 the cost associated with storing the spent fuel across more generations of customers that  
7 benefit from the plant, rather than waiting until the end to address the issue and placing  
8 the burden of funding on the customers at that time.

9 Thus, the Agreement is in the public interest and should be approved by the  
10 Commission in its entirety.

11 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 A. Yes.

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

In the Matter of the 2023 Wolf Creek Triennial            )  
Decommissioning Financing Plan                            ) Docket No. 24-WCNE-235-GIE  
                                                                                  )

**AFFIDAVIT OF BRETT L. LOVELL**

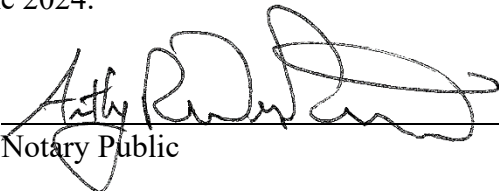
**STATE OF MISSOURI    )**  
                                                                                  ) **ss**  
**COUNTY OF JACKSON   )**

Brett L. Lovell, being first duly sworn on his oath, states:

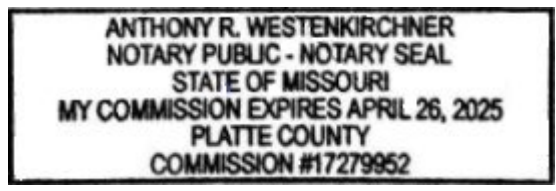
1. My name is Brett L. Lovell. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. as Manager, Corporate Treasury.
2. Attached hereto and made a part hereof for all purposes is my Testimony in Support of Settlement on behalf of the Wolf Creek Owners consisting of seven (7) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Brett L. Lovell

Subscribed and sworn before me this 28<sup>th</sup> day of June 2024.

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

My commission expires: 4/26/2025





## CERTIFICATE OF SERVICE

I hereby certify that on this 28<sup>th</sup> day of June 2024, the foregoing was electronically filed in the docket and that one copy was delivered electronically to all parties on the service list in the above-captioned docket as listed below:

JOSEPH R. ASTRAB  
CURB  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
[j.astrab@curb.kansas.gov](mailto:j.astrab@curb.kansas.gov)

TODD E. LOVE  
CURB  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
[todd.love@ks.gov](mailto:todd.love@ks.gov)

DAVID W. NICKEL  
CURB  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
[D.NICKEL@CURB.KANSAS.GOV](mailto:D.NICKEL@CURB.KANSAS.GOV)

SHONDA RABB  
CURB  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
[s.rabb@curb.kansas.gov](mailto:s.rabb@curb.kansas.gov)

DELLA SMITH  
CURB  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
[d.smith@curb.kansas.gov](mailto:d.smith@curb.kansas.gov)

CATHRYN J. DINGES  
EVERGY KANSAS CENTRAL  
818 S KANSAS AVE  
PO BOX 889  
TOPEKA, KS 66601-0889  
[Cathy.Dinges@evergy.com](mailto:Cathy.Dinges@evergy.com)

ROGER W. STEINER  
EVERGY KANSAS METRO  
One Kansas City Place  
1200 Main St., 19th Floor  
Kansas City, MO 64105  
[roger.steiner@evergy.com](mailto:roger.steiner@evergy.com)

BRIAN G. FEDOTIN  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
[b.fedotin@kcc.ks.gov](mailto:b.fedotin@kcc.ks.gov)

CARLY MASENTHIN  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
[c.masenthin@kcc.ks.gov](mailto:c.masenthin@kcc.ks.gov)

SUSAN B. CUNNINGHAM  
KANSAS ELECTRIC POWER CO-OP, INC.  
600 SW CORPORATE VIEW  
PO BOX 4877  
TOPEKA, KS 66604-0877  
[scunningham@kepco.org](mailto:scunningham@kepco.org)

*/s/ Roger W. Steiner*

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Roger W. Steiner