

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

In the Matter of the General Investigation to)
Examine Issue Surrounding Rate Design for) Docket No. 16-GIME-403-GIE
Distributed Generation Customers)

VERIFIED REPLY COMMENTS OF
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL NO. 304

COMES NOW the International Brotherhood of Electrical Workers Local No. 304 (“IBEW 304”) and pursuant to the State Corporation Commission of the State of Kansas (“Commission”) Order Opening General Investigation (“Order”) and Order Setting Procedural Schedule (“Procedural Schedule”), hereby files the following reply comments.

1. On March 11, 2016, Staff filed its Motion to Open Docket in the above matter. IBEW 304 petitioned for, and was granted, limited intervention in this matter based in part on its contractual relationship with Westar Energy, Inc. and Kansas Gas and Electric Company (“Westar”).
2. IBEW 304 is a voluntary labor organization doing business and representing employees in the State of Kansas. The union is also a labor organization as defined in the National Labor Relations Act, as amended, 29 U.S.C. § 152, *et seq.* IBEW 304 exclusively represents and bargains for 800 employees, all of whom will be affected by the instant proceedings.
3. IBEW 304 is a signatory to a collective-bargaining agreement (“CBA”) with Westar which sets forth the terms and conditions of employment for approximately 1,200 bargaining unit employees, including, but not limited to, wages, health care benefits and retirements benefits.

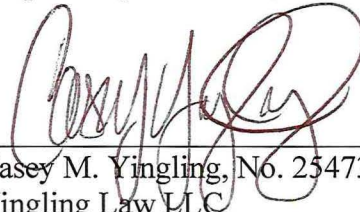
4. The ability of IBEW 304 to negotiate for terms and conditions of employment is directly linked to the financial viability of Westar and the results of this docket will control rate design for Westar's customers who install distributed generation.
 5. IBEW 304, through its represented employees, has a "direct Kansas nexus" necessary to participate in this docket as all of employees it represents under the CBA with Westar perform work, directly or indirectly, on or for the grid and decisions impacting rate design for Westar's customers who install distributed generation has the potential to directly impact these employees' jobs.
 6. IBEW 304 interest in intervention in this case stems from IBEW 304's legal right to represent Westar's 800 bargaining unit employees and its legal duty to represent the interest of those employees.
 7. IBEW files these reply comments in support of the Initial Comments filed by Westar Energy, Inc. and Kansas Gas and Electric Company (collectively referred to as "Westar") that the rate charged for service provided to private DG customers must be adjusted to be cost-based and non-discriminatory and to eliminate subsidies.
 8. IBEW 304 agrees that the current two-part rate structure is both unduly discriminatory and inequitable when applied to private DG customers because it does not recover the costs private DG customers impose on the system and shifts costs to customers without distributed generation.
 9. Residential customers who self-provide a portion of their electric needs with distributed energy resources are partial requirements customers with different load characteristics than non-DG residential customers and should be charged based on a different rate structure.
- Brown Affidavit, at pp. 56-57.

10. The existence of partial requirements customers and non-dispatchable DG resources on the system can actually increase the utility's costs to serve customers by complicating system planning, managing load flow, and system dispatch and by imposing additional administrative, transactional, accounting and billing burdens on customer service operations. Faruqui Affidavit, at pp. 3 and 9-10; Brown Affidavit, at pp. 50-51, 55.
11. IBEW 304 agrees with Staff and advocates for a rate design structure that is individualized to reflect distributed generation customers' burden on the utility system. Real-time pricing is ideal; however for more stability (for customer), Staff recommends a three-part rate design consisting of a customer charge (dollars per person), demand charge (dollars per kW) and an energy charge (dollars per kWh).
12. The evaluation of and design of rates for customer-owned DG should be grounded in utility cost of service and principles of cost causation. That is, the customer should continue paying for cost of electric service for which it is still responsible. If this is not the case, costs will be unfairly shifted to other customers that cannot or choose not to install onsite DG facilities.
13. IBEW 304 supports a rate-structure that is based on cost causation where utility rates are evaluated and established based on costs incurred by the utility to provide reliable service and do not traditionally include factors such as societal benefit. A cost-based methodology is necessary to ensure that all customers are treated fairly and the grid maintains stability and reliability.
14. IBEW 304 further agrees with the position advanced by KCP&L and Commission Staff that a cost-benefit study should not be completed as part of this docket and the Net Metering implemented by the Kansas Legislature will allow the DG customers to receive full retail

value for its DG production up to its level of consumption and the utility avoided monthly system average cost of energy for net excess generation remaining at the end of each billing period. IBEW 304 agrees that the Commission Staff's approach is that the recommended rate design can eliminate the need for a cost-benefit analysis. Staff's Verified Initial Comments, Page 4, Para 8.

WHEREFORE, IBEW 304 submits its Reply Comments.

Respectfully submitted,

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VERIFICATION

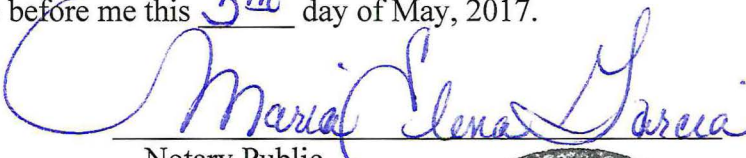
STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

I, Casey M. Yingling, of lawful age, being first duly sworn upon oath, states that he is the Attorney for the International Brotherhood of Electrical Workers, Local No. 304, that she has read and is familiar with the foregoing *Reply Comments*, and attests that the statements contained therein are true and correct to the best of her knowledge, information and belief.



Casey M. Yingling

SUBSCRIBED AND SWORN to before me this 5th day of May, 2017.



Notary Public

My appointment expires: March 22, 2018



CERTIFICATE OF SERVICE

I do hereby certify that on the 5th day of May, 2017, I electronically filed via the Kansas Corporation Commission's Electronic Filing System a true and correct copy of the above and foregoing Nondisclosure Certificates with a copy emailed to:

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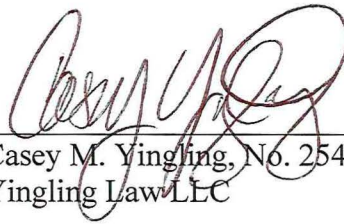
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