# BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of Westar Energy, Inc. and Kansas Gas and Electric Company Seeking Commission Approval to Implement Changes	) ) Docket No. 16-WSEE-375-TAR
in their Transmission Delivery Charges Rate	)
Schedules.	)
In the Matter of Westar Energy, Inc. and Kansas Gas and Electric Company Seeking	)
Commission Approval to Implement Changes in their Transmission Delivery Charges Rate	) Docket No. 17-WSEE-377-TAR
Schedules.	)

# STAFF'S MOTION TO JOIN AND CONSOLIDATE PROCEEDINGS

COMES NOW, the Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively), and files its Motion to Join and Consolidate proceedings. In support of its Motion, Staff states as follows:

#### I. CONDENSED BACKGROUND

1. On February 15, 2016, Westar Energy, Inc. and Kansas Gas and Electric Company (Westar) filed an Application seeking approval to update its 2016 Transmission Delivery Charge (TDC) tariff to recover costs associated with Westar's transmission of electric power. The Application Westar filed cited to K.S.A. 66-1237 as the authority for the recovery of the TDC.<sup>2</sup> Westar's Application requested an effective date of April 1, 2016, for the proposed  $TDC.^3$ 

<sup>&</sup>lt;sup>1</sup> Tariff for Westar Energy and Kansas Gas and Electric for 2016 Transmission Delivery Charge, p. 1 (Feb. 15, 2016).

 $<sup>\</sup>frac{2}{3}$  Id.  $\frac{1}{3}$  Id.

- 2. On March 31, 2016, the Commission issued an Order pursuant to K.S.A. 66-1237 permitting Westar to implement changes in its TDC on a subject-to-refund basis.<sup>4</sup>
- 3. On June 21, 2016, Westar submitted a revised TDC incorporating the terms of a FERC-approved Settlement Agreement as reflected by a reduction in Westar's Annual Transmission Revenue Requirement.<sup>5</sup> Pursuant to a June 28, 2016, Commission Order, Westar began billing customers the updated TDC rates in July 2016 on a subject-to-refund basis.
- 4. On August 2, 2016, Staff filed its Report and Recommendation regarding Westar's revised TDC.<sup>6</sup> Staff recommended the Commission continue to allow Westar to collect its revised TDC on a subject-to-refund basis.<sup>7</sup> However, Staff recommended the Commission withhold final decision on Westar's TDC until a third-party consultant could investigate the load research sample used to generate the 12-CP allocator and whether further action is warranted.<sup>8</sup>
- 5. On August 11, 2016, Westar filed a Response to Staff's R&R.<sup>9</sup> Westar requested the Commission approve its revised TDC calculation, as recommended by Staff, but reject Staff's recommendation that the revised TDC rates remain in place subject-to-refund while a consultant investigates Westar's 12-CP allocation factors.<sup>10</sup> Instead of allowing the rates to remain in effect subject-to-refund, Westar requested the Commission issue a final order approving the TDC rates based on the 12-CP allocation factors from Westar's last general rate

<sup>&</sup>lt;sup>4</sup> Order Granting Application to Implement Changes in Transmission Delivery Charge Subject-To-Refund (Mar. 31, 2016).

<sup>&</sup>lt;sup>5</sup> Westar Energy Revised Transmission Delivery Charge Tariff (Jun. 21, 2016).

<sup>&</sup>lt;sup>6</sup> Notice of Filing of Staff's Report and Recommendation (Aug. 2, 2016).

<sup>&</sup>lt;sup>7</sup> See id. at p. 7.

<sup>&</sup>lt;sup>8</sup> See id.

<sup>&</sup>lt;sup>9</sup> Westar Energy, Inc. and Kansas Gas and Electric Company's Response To Staff's Report And Recommendation, Aug. 11, 2016 (Westar Response).

<sup>&</sup>lt;sup>10</sup> *See id.* at p. 5.

case, and allow Westar and Staff to continue to review the 12-CP methodology for future proceedings. 11 Staff responded in opposition to Westar's request. 12

- 6. On November 8, 2016, the Commission issued its Order adopting Staff's August 2, 2016 Recommendation. However, the Commission also recognized due process considerations raised by Westar and concluded all parties to Westar's previous general rate case, Docket No. 15-WSEE-115-RTS, should receive service of the Order Adopting Staff's August 2, 2016 Recommendation, and be added to the service list in the instant proceeding. 14
- 7. On February 15, 2017, Westar filed its 2017 TDC update in Docket No. 17-WSEE-377-TAR (17-377 Docket). 15

# II. REQUEST TO JOIN AND CONSOLIDATE PROCEEDINGS

- 8. Per the Commission's November 2016 Order, Staff retained a consultant and began examining Westar's 12-CP allocation factors. Contemporaneous with this Motion, Staff is submitting its Report and Recommendation detailing Staff's findings and recommendations.
- 9. During the time Staff was conducting its investigation, Westar prepared and submitted its 2017 TDC filing in the 17-377 Docket. Nothing is unusual about Westar submitting a new and separate TDC request, as Westar has historically sought annual recovery of transmission-related costs with filings in February. The rates requested by Westar in the 17-377 Docket went into effect on a subject-to-refund basis April 3, 2017. At this time, the Commission has two open dockets related to Westar's TDC: the 16-375 Docket (wherein Staff has been examining Westar's 12-CP allocation factors), and the 17-377 Docket (which contains

<sup>&</sup>lt;sup>11</sup> See id.

<sup>&</sup>lt;sup>12</sup> Staff's Response to Westar Energy, Inc. and Kansas Gas and Electric Company's Response to Staff's Report and Recommendation (Aug. 22, 2016).

<sup>&</sup>lt;sup>13</sup> Order Adopting Staff's August 2, 2016 Recommendation, pp. 7-8 (Nov. 8, 2016).

<sup>&</sup>lt;sup>14</sup> See id. at p. 8.

<sup>&</sup>lt;sup>15</sup> Tariff for Westar Energy and Kansas Gas Electric for 2017 Transmission Delivery Charge (Feb. 15, 2017).

<sup>&</sup>lt;sup>16</sup> Order Acknowledging Effective Date of Transmission Delivery Charge Subject-to-Refund Pursuant to K.S.A. 66-1273 (Mar. 30, 2017).

the rates Westar is currently collecting through its TDC as determined by Westar's 12-CP allocation factors).

- 10. The mechanics and operation of Westar's TDC tariff result in certain years being dependent on a previous year's calculations. By way of illustration, Westar calculates its 2017 TDC by applying an adjustment factor to its 2016 TDC. 17 Accordingly, if the 2016 TDC is revised, any such revisions will impact Westar's 2017 TDC rates.
- 11. The Commission has rightfully allowed both dockets to be open and proceed on separate procedural paths. At this time, Staff is submitting its report on Westar's 12-CP allocation factors in the 16-375 and 17-377 Dockets. While Staff cannot foresee what action, if any, the Commission will take upon receiving Staff's report, as illustrated above any such adjustments if adopted could influence the calculation of Westar's 2016 and 2017 TDC rates. Any adjustments to Westar's rates (e.g. refunds) due to over and under billing in either docket would be best accomplished and effectuated in one combined proceeding. Administrative and regulatory efficiency would be promoted by concluding both the 16-375 and 17-377 Dockets with a clear resolution of Westar's TDC and appropriate allocation thereof. This is especially noteworthy given Westar's TDC filing schedule. Due to the concurrent proceedings and the interplay between these two dockets, Staff respectfully requests the Commission join and consolidate the proceedings.
- K.A.R. 82-1-224 allows the Commission to join proceedings. For good cause, the 12. Commission may join any proceeding with another. 18 "However, issues that are not germane to

<sup>&</sup>lt;sup>17</sup> For reference, the adjustment to TDC unit charges equation and methodology may be found on sheet three of Westar's TDC rate schedule.

<sup>&</sup>lt;sup>18</sup> See K.A.R. 82-1-224.

each other and that require separate and distinct proof shall not be joined in the same proceeding."19

- 13. Good cause exists to join the 16-375 and 17-377 Dockets. The central issues in both these dockets are Westar's TDC and allocation thereof. Because the 17-377 TDC filing requires utilizing data from the 16-375 TDC filing, there is no doubt the exploration and evaluation of issues between dockets are relevant to the determination of either. In addition to the subject matter of the dockets, both share a common pool of facts and legal authority conferring jurisdiction upon the Commission to decide practically identical issues. Moreover, consolidating the dockets ensures the efficient administration of justice. Parties to Westar's last general rate case, Docket No. 15-WSEE-115-RTS (15-115 Parties), have been added to the service list of the 16-375 Docket. By joining the proceedings, all interested parties to Westar's last general rate case and 2016 TDC docket will be apprised of developments in Westar's 2017 TDC docket, which contains the rates customers are currently being charged on a subject-torefund basis. At the conclusion of the joined and consolidated proceedings, all interested parties would have one record to reference when examining any subsequent Westar TDC filing.
- 14. The Commission may consolidate two or more dockets for hearing on a common record if the Commission deems it to be in the public interest to do so. 20 At this time, Staff is unable to anticipate whether the 16-375 or 17-377 Dockets will require a hearing. However, the interdependent issues and common pool of facts relevant to both dockets strongly support finding the public interest would be promoted by joining the proceedings. Further, as Westar has noted and the Commission has agreed, due process calls for parties to Westar's last general rate

<sup>&</sup>lt;sup>19</sup> K.A.R. 82-1-224(a). <sup>20</sup> K.A.R. 82-1-224(b).

case be advised of Staff's evaluation of Westar's 12-CP allocation factors.<sup>21</sup> Accordingly, the Commission added the 15-115 Parties to the service list of the 16-375 Docket.<sup>22</sup> As any determination in the 16-375 Docket will impact the 17-377 Docket, it makes natural sense to combine the proceedings so all interested parties have the opportunity to evaluate Westar's 2016 TDC filing and 2017 TDC update, and participate in a hearing if so required.

WHEREFORE, Staff respectfully requests the Commission Join and Consolidate Westar's 2016 TDC filing, Docket No. 16-WSEE-375-TAR with Westar's 2017 TDC filing, Docket No. 17-WSEE-377-TAR, and for any other relief the Commission deems just and reasonable.

Respectfully submitted,

/s/ Robert Elliott Vincent

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<sup>22</sup> See id.

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<sup>&</sup>lt;sup>21</sup> Order Adopting Staff's August 2, 2016 Recommendation, pp. 7-8 (Nov. 8, 2016).

STATE OF KANSAS	)
	) ss
COUNTY OF SHAWNEE	)

### <u>VERIFICATION</u>

Robert E. Vincent, being duly sworn upon his oath deposes and states that he is Litigation Counsel for the State Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Staff's Motion to Join and Consolidate Proceedings* and that the statements contained therein are true and correct to the best of his knowledge, information and belief.

Robert E. Vincent, Litigation Counsel #26028

Kansas Corporation Commission of the

State of Kansas

Subscribed and sworn to before me this 26th day of September, 2017.

PAMELA J. GRIFCETH
Notary Public - State of Kansas
My Appt. Expires 98-17-2019

Denula & Frijette Notary Public

My Appointment Expires: August 17, 2019

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I, the undersigned, certify that a true and correct copy of the above and foregoing Staff's Motion to Join and Consolidate Proceedings was served by electronic service on this 26th day of September, 2017, to the following:

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