

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       )     Docket No. 19-WSEE-327-TAR  
Changes in their Transmission Delivery       )  
Charges Rate Schedules.                        )

**PETITION TO INTERVENE OF**  
**KANSAS INDUSTRIAL CONSUMERS GROUP, INC.**

COMES NOW the Kansas Industrial Consumers Group, Inc. ("KIC"), respectfully files this Petition to Intervene in the above-referenced case, pursuant to K.A.R. 82-1-225. In support of its Petition, KIC states to the State Corporation Commission of the state of Kansas ("Commission" or "KCC") as follows:

**I. Background**

1. On February 15, 2019, Westar Energy, Inc., and Kansas Gas and Electric Company (collectively referred to as "Westar") filed a report updating its Transmission Delivery Charge ("TDC") tariff to recover transmission-related costs associated with its retail operations.

**II. Petition to Intervene**

2. In its filing, Westar proposes to decrease its overall TDC revenue requirement by \$7.7 million. However, due to a significant reallocation of the revenue requirement, most customer classes will receive very large rate increases under the proposed TDC. More specifically, the new allocation appears to shift about \$23.6 million of cost responsibility from the residential class to other classes of customers, as compared to the previous 12-CP calculation.<sup>1</sup>

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<sup>1</sup> This calculation is based on a 37.98% residential allocation of the \$248.2 million revenue requirement, as opposed to the prior residential allocation of 47.51%.

3. The 12-CP calculation used to allocate TDC costs in 2016, 2017, and 2018 assigned 47.5% of TDC costs to the residential class. Staff subsequently advocated for a different allocation, which would have reduced this percentage to 44.3%. The allocation set forth in this TDC filing assigns only about 38% of TDC costs to the residential class – a very significant and abrupt swing in cost assignment. Even though the overall transmission revenue requirement is decreasing, it appears nearly all non-residential customers will receive very substantial rate increases as a result of this new allocation.

4. Though it may be the product of an approved formula, this immediate and significant change in cost assignment is very clearly an unjust and unreasonable ratemaking outcome – producing "rate shock" for numerous Westar customers. KIC, therefore, requests Westar and the Commission take immediate action to address the TDC allocation methodology to 1) mitigate or eliminate this cost-shift before Westar's 2019 TDC becomes effective and 2) reduce the likelihood of large and unpredictable swings in TDC cost assignment and rates in future years.

5. KIC is a corporation organized and existing under the laws of the state of Kansas. KIC was incorporated in Kansas on April 13, 2005.<sup>2</sup> KIC is organized for the purpose of representing of the interests of commercial, business, industrial, and not-for-profit and educational entities that purchase large volumes of electric energy and natural gas for their operations and activities.

6. KIC has actively participated in numerous proceedings at the Commission, including three ongoing consolidated proceedings regarding Westar's TDC: 16-WSEE-375-TAR, 17-WSEE-377-TAR, and 18-WSEE-355-TAR.

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<sup>2</sup> The Secretary of State of Kansas has assigned to KIC the business identity I.D. No. 3771185.

7. The Commission must grant a petition for intervention if it is in the interests of justice, if the intervention will not impair the orderly and prompt conduct of the proceedings, and if the party has stated facts demonstrating its legal rights, duties, privileges, immunities or other legal interests may be substantially affected by the proceeding.<sup>3</sup> In addition, the Commission has broad discretion to grant a petition for intervention when the intervention sought is in the interests of justice and will not impair the orderly and prompt conduct of the proceedings.<sup>4</sup>

8. KIC represents a unique facet of the electric energy market and, derivatively, a unique segment of consumers that are dependent upon electric energy for a significant component of the economy of the state of Kansas, including large volume consumers of electric energy.<sup>5</sup> KIC is a Kansas corporation that is active and in good standing in all respects.

9. The representation of KIC's interests in this proceeding by other existing parties is or may be inadequate.

10. KIC will be bound by Commission Orders in this proceeding and may be adversely affected thereby.

11. Granting KIC intervention and full party status in this docket is in the interest of justice and will not impair the orderly and proper conduct of this proceeding. In fact, KIC's representation of multiple large-volume user interests through one active participant should greatly enhance the orderly and prompt conduct of the Commission's business.<sup>6</sup>

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<sup>3</sup> K.S.A. 77-521(a); K.A.R. 82-1-225(a). The petition must also be properly filed with the Commission at least three (3) business days before the hearing.

<sup>4</sup> K.S.A. 77-521(b); K.A.R. 82-1-225(b).

<sup>5</sup> KCC Consolidated Docket Nos. 08-ANGG-295-CCN and 08-TKOG-314-COC, Order Granting SWKIA's Petition to Intervene and Motion to Consolidate Dockets, ¶¶ 8-12. In its Order, the Commission granted intervention to an incorporated entity in good standing representing "a unique facet of the natural gas market and, derivatively, a unique segment of consumers for natural gas who are dependent upon gas service for a significant component of the economy of southwest Kansas...."

<sup>6</sup> KIC expects multiple Westar customers will intervene in this proceeding and indicate their intent to participate through KIC.

12. KIC respectfully requests the right to intervene without limitation in this matter and to fully participate in all aspects of this Docket, including but not limited to the rights to serve relevant discovery, present witness testimony and other evidence, file briefs, motions, and other documents, as appropriate, and fully participating in any Commission hearings.

WHEREFORE, KIC respectfully requests the Commission grant its Petition to Intervene in this matter. KIC also requests all other relief to which the Commission determines it may be entitled.

Respectfully submitted,

/s/ **Andrew J. French**

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**Attorneys for Kansas Industrial Consumers  
Group, Inc.**

**VERIFICATION**

STATE OF KANSAS        )  
                                  )   ss:  
COUNTY OF JOHNSON    )

Andrew J. French, being duly sworn upon his oath, deposes and states that he is the Attorney for the Kansas Industrial Consumers Group, Inc., that he has read and is familiar with the foregoing *Petition to Intervene of Kansas Industrial Consumers Group, Inc.*, and the statements therein are true to the best of his knowledge, information, and belief.



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Andrew J. French

SUBSCRIBED AND SWORN to before me this 26<sup>th</sup> day of February, 2019.



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Notary Public

My Appointment Expires:



### **CERTIFICATE OF SERVICE**

I hereby certify that true copy of the foregoing was served by electronic mail (when available) or regular U.S. mail (unless otherwise noted), the 26<sup>th</sup> day of February, 2019, to the parties below:

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/s/ **Andrew J. French**

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SMITHYMAN & ZAKOURA, CHARTERED