BEFORE THE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the 2017 Wolf Creek Triennial Decommissioning Financing Plan.

) Docket No. 18-WCNE-107-GIE

JOINT MOTION TO APPROVE SETTLEMENT AND AGREEMENT

COME NOW the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively), Wolf Creek Nuclear Operating Corporation ("Wolf Creek"), Kansas Gas and Electric Company d/b/a Westar Energy ("Westar"), Kansas City Power & Light Company ("KCP&L"), and Kansas Electric Power Cooperative, Inc. ("KEPCo") (collectively referred to as the "Parties") and respectfully move the Commission for an Order approving the Settlement Agreement ("Agreement") filed contemporaneously with this Motion. The Agreement is attached as Exhibit 1.

- 1. On September 1, 2017, Wolf Creek filed its 2017 Decommissioning Financing Plan for the Wolf Creek Generating Station, in accordance with the Commission's December 9, 1992 Order in Docket No. 163,561-U and the Commission's Order in Docket No. 13-WCNE-204-GIE on June 13, 2013. The December 9, 1992 Order directed the filing of a decommissioning cost study every three years after September 1, 1993. The June 13, 2013 Order directed WCNOC and the owning utilities to update the estimates of the total capital costs of the Independent Spent Fuel Storage Installation ("ISFSI") project at Wolf Creek as part of the triennial decommissioning cost study filings.¹
 - 2. CURB filed a petition to intervene, which was granted.
- 3. The parties met and discussed settlement of this docket. Following negotiations, the parties entered into an Agreement (attached as Exhibit 1) for the purpose of determining a

¹ See Docket No. 13-WCNE-204-GIE, In the Matter of a Generic Proceeding Regarding Wolf Creek Nuclear Operating Corporation to Receive Information Concerning Spent Fuel, Pursuant to the Commission's May 16, 2012 Order in Docket No. 12-WCNE-136-GIE, *Order Closing Docket*, issued Jun. 13, 2013, Ordering ¶ A.

reasonable estimate of Wolf Creek decommissioning costs to be used in addressing accrual levels of the respective owner utilities' decommissioning trust account and the appropriate escalation factor (inflation rate).

WHEREFORE, the Parties respectfully request that the Commission approve the Agreement, and for any further relief the Commission shall deem just and appropriate.

Respectfully submitted,

/s/ Robert Elliott Vincent

Robert Elliott Vincent, #26028 Senior Litigation Counsel Kansas Corporation Commission 1500 SW Arrowhead Road Topeka, KS 66604-4027 (785) 271-3273 (785) 271-3354 (Fax) Email: r.vincent@kcc.ks.gov

/s/ Robert Elliott Vincent by permission

Cathryn J. Dinges, #20848
Corporate Counsel
Kansas Gas and Electric Co.,
d/b/a Westar Energy, Inc.
818 South Kansas Avenue
Topeka, KS 66612
(785) 575-1986
(785) 575-8136 (Fax)
Email: cathy.dinges@westarenergy.com

/s/ Robert Elliott Vincent by permission

Kevin A. Meyers, Mo. # 58683 Acting General Counsel Wolf Creek Nuclear Operating Corporation 1200 Main St., 16th Floor Kansas City, Missouri 64105 O: 816.556.2251 Email: kemeyer@wcnoc.com

/s/ Robert Elliott Vincent by permission

William G. Riggins, #12080
General Counsel
Kansas Electric Power Cooperative, Inc.
P.O. Box 4877
Topeka, KS 66604-0877
(785) 273-7010
(785) 271-4888 (Fax)
Email: briggins@kepco.org

/s/ Robert Elliott Vincent by permission

Robert J. Hack, #12826 (816) 556-2791 Roger W. Steiner, #26159 (816) 556-2314 Kansas City Power & Light Company 1200 Main Street, 16th Floor Kansas City, MO 64105 (816) 556-2683 (816) 556-2787 (Fax) Email: rob.hack@kcpl.com

roger.steiner@kcpl.com

BEFORE THE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the 2017 Wolf Creek Triennial Decommissioning Financing Plan.

) Docket No. 18-WCNE-107-GIE

NON-UNANIMOUS SETTLEMENT AGREEMENT

This Non-Unanimous Settlement Agreement ("Agreement") is entered into by and between the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively), Wolf Creek Nuclear Operating Corporation ("Wolf Creek"), Kansas Gas and Electric Company d/b/a Westar Energy ("Westar"), Kansas City Power & Light Company ("KCP&L"), and Kansas Electric Power Cooperative, Inc. ("KEPCo") (collectively referred to as the "Parties").

- 1. On September 1, 2017, Wolf Creek filed its 2017 Decommissioning Financing Plan for the Wolf Creek Generating Station, in accordance with the Commission's December 9, 1992 Order in Docket No. 163,561-U and the Commission's Order in Docket No. 13-WCNE-204-GIE on June 13, 2013. The December 9, 1992 Order directed the filing of a decommissioning cost study every three years after September 1, 1993. The June 13, 2013 Order directed WCNOC and the owning utilities to update the estimates of the total capital costs of the Independent Spent Fuel Storage Installation ("ISFSI") project at Wolf Creek as part of the triennial decommissioning cost study filings.² CURB filed a petition to intervene, which was granted.
- 2. The Parties met to discuss settlement of the issues in this docket. The terms of the resulting Agreement are set forth below.

Exhibit 1 Page 1 of 4

² See Docket No. 13-WCNE-204-GIE, In the Matter of a Generic Proceeding Regarding Wolf Creek Nuclear Operating Corporation to Receive Information Concerning Spent Fuel, Pursuant to the Commission's May 16, 2012 Order in Docket No. 12-WCNE-136-GIE, *Order Closing Docket*, issued Jun. 13, 2013, Ordering ¶ A.

I. TERMS OF THE SETTLEMENT AGREEMENT

- 3. This Agreement is entered into for the purpose of determining a reasonable estimate of the Wolf Creek Generating Station decommissioning costs to be used in addressing accrual levels of the respective owner utilities' Decommissioning Trust Accounts.
- 4. The cost for decommissioning funding is agreed to be \$1.088 billion in 2017 dollars as set forth in the Decommissioning Cost Analysis (DECON Alternative with Long-Term Spent Fuel Management as described in Appendix E of the Cost Analysis) for the Wolf Creek Generating Station filed in this docket on September 1, 2017, which is hereby incorporated by reference. This number will be used by Westar, KCP&L and KEPCo in their respective proposals for setting a funding level for each company's Decommissioning Trust Account. This will be done in individual dockets, separate from the instant docket.
- 5. Westar, KCP&L and KEPCo agree to use an escalation rate of 2.91% per year to escalate the 2017 decommissioning cost estimate of \$1.088 billion from 2017 dollars to the appropriate dollar amount in the year that the decommissioning costs will occur.
- 6. In support of the Agreement, the Parties agree to prefile the testimony and schedules of the following witnesses:

Adam Gatewood and Leo Haynos for Staff.

Jim Gilligan for KCP&L, Westar and KEPCo.

Larry Wilkus for KCP&L and Westar.

7. The Parties agree the terms of this Agreement are in the public interest and should be approved by the Commission.

³ 18-KCPE-480-RTS (KCP&L); 18-WSEE-328-RTS (Westar).

II. RESERVATIONS

- 8. Except as specified in this Agreement, none of the Parties to the agreement shall be deemed to have approved or acquiesced in any question of the Commission authority, decommissioning methodology, rate making principle, valuation methodology, cost of service methodology or determination, rate design methodology, or cost allocation that may underlie this Agreement.
- 9. This Agreement fully resolves issues specifically addressed in this document between the Parties. The terms of this Agreement constitute a fair and reasonable resolution of the issues addressed herein.
- 10. The terms and provisions of this Agreement have resulted from negotiations between the signatories and are interdependent. In the event the Commission does not approve and adopt the terms of the Agreement in total, any party has the option to terminate this Agreement and, if so terminate, none of the signatories hereto shall be bound by, prejudiced, or in any way affected by any of the agreements or provisions hereof, unless otherwise provided herein.
- 11. If the Commission accepts this Agreement in its entirety and incorporates the same into its final order in this docket, the Parties intend to be bound by its terms and the Commission's order incorporating its terms as to all issues addressed herein, and will not appeal the Commission's order on those issues.
- 12. Parties agree to waive cross-examination of other Parties' witnesses, right to present oral argument and written briefs pursuant to Commission rules and right to judicial review pursuant to Kansas law. This waiver applies only to those matters explicitly addressed by this Agreement.

13. The Agreement shall be binding on all Parties upon signing and shall continue to be binding thereafter unless rejected, conditioned or otherwise modified by the Commission.

IN WITNESS HERETO, the Parties have executed and approved this Agreement effective by subscribing their signatures below.

/s/ Robert Elliott Vincent

Robert Elliott Vincent, #26028 Senior Litigation Counsel Kansas Corporation Commission 1500 SW Arrowhead Road Topeka, KS 66604-4027 (785) 271-3273 (785) 271-3354 (Fax) Email: r.vincent@kcc.ks.gov

/s/ Robert Elliott Vincent by permission

Cathryn J. Dinges, #20848
Corporate Counsel
Kansas Gas and Electric Co.,
d/b/a Westar Energy, Inc.
818 South Kansas Avenue
Topeka, KS 66612
(785) 575-1986
(785) 575-8136 (Fax)
Email: cathy.dinges@westarenergy.com

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Kevin A. Meyers Acting General Counsel Wolf Creek Nuclear Operating Corporation 1200 Main St., 16th Floor Kansas City, Missouri 64105 O: 816.556.2251 Email: kemeyer@wcnoc.com /s/ Robert Elliott Vincent by permission

William G. Riggins, #12080 General Counsel Kansas Electric Power Cooperative, Inc. P.O. Box 4877 Topeka, KS 66604-0877 (785) 273-7010 (785) 271-4888 (Fax) Email: briggins@kepco.org

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STATE OF KANSAS)
) ss
COUNTY OF SHAWNEE)

VERIFICATION

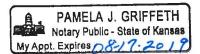
Robert E. Vincent, being duly sworn upon his oath deposes and states that he is Litigation Counsel for the State Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Joint Motion to Approve Settlement and Agreement* and that the statements contained therein 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 22nd day of June, 2018.



Notary Public

My Appointment Expires: August 17, 2019

CERTIFICATE OF SERVICE

18-WCNE-107-GIE

I, the undersigned, certify that a true and correct copy of the above and foregoing Joint Motion to Approve Settlement and Agreement was served by electronic service on this 22nd day of June, 2018, to the following:

CARY CATCHPOLE, ACCOUNTANT/ECONOMIST CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax: 785-271-3116 c.catchpole@curb.kansas.gov

TODD E. LOVE, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax: 785-271-3116 t.love@curb.kansas.gov

SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
s.rabb@curb.kansas.gov

ROBERT J. HACK, LEAD REGULATORY COUNSEL KANSAS CITY POWER & LIGHT COMPANY ONE KANSAS CITY PL, 1200 MAIN ST 19TH FLOOR (64105 PO BOX 418679 KANSAS CITY, MO 64141-9679 Fax: 816-556-2787 rob.hack@kcpl.com

BRIAN G. FEDOTIN, DEPUTY GENERAL COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax: 785-271-3354 b.fedotin@kcc.ks.gov THOMAS J. CONNORS, ATTORNEY AT LAW CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax: 785-271-3116 tj.connors@curb.kansas.gov

DAVID W. NICKEL, CONSUMER COUNSEL CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax: 785-271-3116 d.nickel@curb.kansas.gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax: 785-271-3116
d.smith@curb.kansas.gov

ROGER W. STEINER, CORPORATE COUNSEL KANSAS CITY POWER & LIGHT COMPANY ONE KANSAS CITY PL, 1200 MAIN ST 19TH FLOOR (64105 PO BOX 418679 KANSAS CITY, MO 64141-9679 Fax: 816-556-2787 roger.steiner@kcpl.com

ROBERT VINCENT, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax: 785-271-3354 r.vincent@kcc.ks.gov

CERTIFICATE OF SERVICE

18-WCNE-107-GIE

WILLIAM G. RIGGINS, GENERAL COUNSEL KANSAS ELECTRIC POWER CO-OP, INC. 600 SW CORPORATE VIEW (66615) PO BOX 4877 TOPEKA, KS 66604-0877 Fax: 785-271-4884 briggins@kepco.org

DEBBIE L HENDELL, GENERAL COUNSEL AND SECRETARY WOLF CREEK NUCLEAR OPERATING CORPORATION 1550 OXEN LANE NE PO BOX 411 BURLINGTON, KS 66839 Fax: 620-364-4017 dehende3@wcnoc.com CATHRYN J DINGES, CORPORATE COUNSEL KANSAS GAS & ELECTRIC CO. D/B/A WESTAR ENERGY 818 S KANSAS AVE PO BOX 889 TOPEKA, KS 66601-0889 Fax: 785-575-8136 cathy.dinges@westarenergy.com

Pamela Griffeth

Administrative Specialist