

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

REBUTTAL TESTIMONY

OF

JEFFREY L. MARTIN

WESTAR ENERGY

DOCKET NO. 17-WSEE-147-RTS

1 **Q. PLEASE STATE YOUR NAME.**

2 A. Jeff Martin.

3 **Q. ARE YOU THE SAME JEFF MARTIN WHO FILED DIRECT**
4 **TESTIMONY IN THIS DOCKET?**

5 A. Yes.

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 A. I will provide a high-level discussion of the direct testimony filed by
8 Staff and other parties and respond to Staff witness Leo Haynos'
9 testimony regarding Westar Energy, Inc.'s (Westar) grid resiliency
10 pilot.

11 **Q. HOW WOULD YOU CHARACTERIZE THE DIRECT TESTIMONY**
12 **FILED BY STAFF AND INTERVENORS IN THIS DOCKET?**

1 A. Staff, Citizens' Utility Ratepayer Board (CURB), and the Department
2 of Defense all filed direct testimony regarding Westar's requested
3 revenue requirement increase. Staff also filed testimony discussing
4 Westar's execution of its grid resiliency pilot. IBEW 304 filed
5 testimony supporting Westar's Application and indicating its support
6 for the grid resiliency pilot and for further development into an
7 ongoing program.

8 Because Westar had filed its Application in this docket using
9 projected numbers for certain components of the revenue
10 requirement calculation, as expected, the parties tried Westar's filed
11 numbers up to the actual costs incurred. Staff also made a couple
12 of other adjustments to Westar's calculation and Westar witness
13 Rebecca Fowler will discuss those adjustments in her rebuttal
14 testimony. Generally, however, the revenue requirement increase
15 recommended by each of the parties is very close to the tried-up
16 revenue requirement that Westar has calculated.

17 Additionally, Staff witness Leo Haynos indicated that Staff
18 believes Westar's performance in executing the grid resiliency pilot
19 was exemplary and that the results of that pilot will be positive,
20 especially as benefits develop over time.

21 **Q. HOW DO YOU RESPOND TO MR. HAYNOS' TESTIMONY**
22 **REGARDING THE SUCCESS OF THE GRID RESILIENCY PILOT**

1 **AND WESTAR’S EXECUTION OF THAT PILOT IN A SHORT**
2 **PERIOD OF TIME?**

3 A. Westar appreciates the positive comments Mr. Haynos offered in his
4 direct testimony. We agree that our employees’ execution of the pilot
5 was well done, but also want to note that it was aided by the strong
6 communication and input from Mr. Haynos and his staff. We
7 appreciate Staff’s involvement throughout the pilot and their
8 willingness to work with Westar to ensure successful completion of
9 the pilot and to ensure good communication regarding the process
10 and results. Westar agrees with Mr. Haynos that the regularly
11 scheduled meetings between Westar and Staff were productive and
12 valuable and Westar intends to continue having communications
13 with Staff on grid resiliency issues. Westar looks forward to working
14 with Staff in the future on the long-term reliability of Westar’s system
15 and to find ways to work together to leverage the experience gained
16 from the pilot in ways that benefit customers, Staff, Westar and other
17 parties.

18 **Q. HOW DO YOU RESPOND TO MR. HAYNOS’**
19 **RECOMMENDATION REGARDING THE REQUIREMENT TO**
20 **SPEND A MINIMUM AMOUNT ON INFRASTRUCTURE**
21 **IMPROVEMENT PROJECTS IN THE FUTURE?**

22 A. Mr. Haynos’ recommendation that the Commission require Westar to
23 maintain a certain level of capital spending on infrastructure

1 improvement projects in the future is outside the scope of this
2 abbreviated rate case. Westar filed this case pursuant to the
3 Commission's regulations that allow Westar to make an "abbreviated
4 filing" when filing within 12 months of the Commission's order in a
5 prior rate case. In order to utilize the provisions of K.A.R. 82-1-
6 231(b)(3)(A), Westar must have obtained prior permission from the
7 Commission to file under this regulation. The Commission's order
8 authorizing Westar to file this abbreviated rate case limited the scope
9 of the case to four very specific issues:

10 The Parties agree that Westar may use the
11 abbreviated rate setting process contained in
12 K.A.R. 82-1-231 (b)(3) to update rates to include
13 capital costs related to the environmental
14 projects at LaCygne Energy Center that were
15 preapproved by the Commission in Docket No.
16 11-KCPE-581-PRE, up to the amount of costs
17 approved by the Commission in such dockets
18 but not included in rates set as a result of this
19 proceeding. The Parties also agree that Westar
20 may use the abbreviated rate setting process to
21 update rates to include capital costs related to
22 the projects at Wolf Creek Generating Station
23 described in the Direct Testimony of John
24 Bridson. The Parties request the Commission
25 to expressly grant Westar prior approval to file
26 this abbreviated rate case pursuant to K.A.R.
27 82-1-231 (b)(3). The cost of capital to be used
28 for purposes of such proceeding is to be the
29 overall rate of return stated in paragraph 30
30 above.

31
32 The Parties also agree that Westar will also use
33 the abbreviated rate setting process contained
34 in K.A.R. 82-1-231 (b)(3) to include in Westar's
35 rates the costs associated with the investment
36 in grid resiliency projects discussed above in

1 paragraph 20 and the final roll-in of ECRR costs
2 discussed above in paragraph 19.
3

4 Joint Motion to Approve Stipulation and Agreement, Docket 15-
5 WSEE-115-RTS, Stipulation and Agreement at ¶¶ 35-36 (Aug. 6,
6 2015); Order Approving Stipulation and Agreement (S&A), Docket
7 No. 15-WSEE-115-RTS (115 Docket), at ¶¶ 116 (Sept. 24, 2015).

8 The question of whether Westar should be required to
9 maintain some minimum level of investment in infrastructure
10 improvement projects in the future is not one of the four issues
11 authorized by the Commission to be addressed in this docket.
12 Instead, consideration of such a broad, technical, and somewhat
13 open-ended question is more appropriate for a general rate case
14 where all typical parties are represented and have the opportunity to
15 fully investigate and offer their positions on the issue. As a result,
16 the Commission should not consider Mr. Haynos' recommendation
17 on this issue in this limited docket.

18 **Q. THANK YOU.**