

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

STATE CORPORATION COMMISSION

MAR 16 2011



In the Matter of a General Investigation Into)
KCP&L and Westar Generation Capabilities,) Docket No. 11-GIME-492-GIE
Including as these Capabilities May Be)
Affected by Environmental Requirements.)

Responsive Comments of CURB

The Citizens' Utility Ratepayer Board (CURB) responds below to the comments of Westar Energy (Westar) and Kansas City Power & Light (KCPL) that were filed in the above-captioned docket on February 25, 2011.

CURB appreciates the companies' considerable efforts to address the questions posed by the Commission Staff. Westar, in particular, provided a wide-ranging look into the process of deciding whether to upgrade the environmental controls at the LaCygne plant, and, in our view, succeeded more so than KCPL in supplying the kind of information that the Commission will need in predetermination proceedings.

However, there is one more question that must be answered in any predetermination proceeding: **What is the definitive cost estimate for the project?** The Commission's recent experience with the litigation over KCPL's massive overruns on the Iatan II project is a perfect example of why a definitive cost estimate should be provided and used as a benchmark for prudence.

Ratepayers could have been spared millions in legal and regulatory costs on this issue alone if the Commission had required the company to provide a definitive cost estimate of the project from its inception. Without a definitive estimate of the costs to be incurred, the Commission should not predetermine the prudence of a project nor can it, in the future, avoid protracted litigation concerning

cost overruns. (See K.S.A. 66-128g). The Commission has all powers necessary and convenient to devise procedures and requirements that will enable it to fulfill its duties and reduce regulatory costs for consumers. (K.S.A. 66-101). The Commission must require a definitive cost estimate for any project or contract that is the subject of a predetermination proceeding that will serve as the benchmark for prudence, and should deny the application if a definitive cost estimate is not provided.

Respectfully submitted,



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CERTIFICATE OF SERVICE

11-GIME-492-GIE

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was placed in the United States mail, postage prepaid, or hand-delivered this 16th day of March, 2011, to the following:

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