

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the 2023 Wolf Creek Triennial )  
Decommissioning Financing Plan ) 24-WCNE-235-GIE

STAFF TESTIMONY IN SUPPORT OF SETTLEMENT AGREEMENT

PREPARED BY

ASHLYN M. HEFLEY

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

June 28, 2024

**Testimony of Ashlyn M. Hefley in Support of Settlement Agreement  
Docket No. 24-WCNE-235-GIE**

1 **Q. Would you please state your name and business address?**

2 **A.** My name is Ashlyn M. Hefley. My business address is 1500 Southwest Arrowhead Road,  
3 Topeka Kansas, 66604.

4 **Q. Are you the same Ashlyn M. Hefley who filed direct testimony in this docket on May**  
5 **10, 2024?**

6 **A.** Yes, I am.

7 **Q. What is the purpose of your testimony?**

8 **A.** My testimony supports the Joint Motion to Approve the Settlement Agreement filed in this  
9 docket.

10 **Q. What is the purpose of the Settlement Agreement?**

11 **A.** The Settlement Agreement (Agreement) agrees that a reasonable estimate of the Wolf  
12 Creek Generating Station (Wolf Creek) decommissioning costs is \$1.171 billion in 2023  
13 dollars. This estimate is based on the decommissioning alternative known as DECON.  
14 The details for this estimate can be found in Section 2.1 of the Triennial Decommissioning  
15 Cost Study (DCS) that was filed in this docket as Attachment 2 to the Joint Pleading  
16 concerning the Decommissioning Financing Plan (Plan) for Wolf Creek.<sup>1</sup> Section 6 of the  
17 DCS provides a summary of the DCS results comparing the cost estimates for the two  
18 evaluated decommissioning methodologies.

19 **Q. In past reviews of the Plan, has the Commission approved plans using the cost**  
20 **estimate methodology proposed in the Agreement?**

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<sup>1</sup> The total annual expenditures by cost-category for the DECON methodology are shown in Table 3.1 of Section 3 in the DCS. This schedule of expenditures will be used in Phase 2 of the triennial review.

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1    **A.**     With the exception of the Plan review approved in Docket 18-WCNE-107-GIE (18-107),  
2           the Commission has approved the DECON methodology. In the 18-107 review, the  
3           Commission selected the cost estimate using the SAFSTOR methodology because it more  
4           closely reflected the total cost of decommissioning with the inclusion of on-site storage of  
5           spent nuclear fuel.<sup>2</sup>

6    **Q.**     **Does the DECON methodology presented in the current DCS differ from previous**  
7           **DECON cost estimates with respect to the costs associated with spent fuel**  
8           **management?**

9    **A.**     Yes. Prior to 2017, the DECON cost estimates had assumed the U.S. Department of Energy  
10           (DOE) would accept all spent fuel from Wolf Creek within six years after the facility quit  
11           operating in 2045. The DECON cost estimate contained in the Application assumes the  
12           DOE accepts spent fuel from Wolf Creek from 2038 through 2078. Because the plant is  
13           still expected to cease operations in 2045, the current DECON alternative in the DCS  
14           includes costs to store the majority of the spent fuel on-site in an Independent Spent Fuel  
15           Storage Installation (ISFSI) until transfer to DOE is complete in 2078.

16   **Q.**     **Is the assumption that DOE will accept spent fuel beginning in 2038 realistic?**

17   **A.**     In the context of a cost estimate, I believe it is appropriate to assume the DOE may begin  
18           to meet their obligation within the next 18 years. By assuming that DOE only picks up a  
19           portion of the spent fuel within the first six years after operations cease, the cost estimate  
20           acknowledges DOE’s responsibility to take possession of the fuel while also recognizing  
21           the reality of spent fuel interim storage costs. In this way, I believe the cost estimate

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<sup>2</sup> Paras. 16-18, Order, Docket 18-WCNE-107-GIE.

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1 provides a reasonable and balanced approach for estimating the costs related to spent fuel  
2 management based on current industry knowledge.

3 **Q. Is there any indication that DOE will begin accepting spent fuel for final disposal in**  
4 **the next 15 years?**

5 **A.** To my knowledge, DOE has not developed a national solution for the disposition of this  
6 type of waste. Therefore, on-site storage of spent fuel will be required until a national  
7 solution is developed.

8 **Q. Please provide an overview of the cost estimate in the recommended DECON**  
9 **alternative.**

10 **A.** The DECON cost estimate presented in this Docket is comprised of three subcategories:  
11 NRC License Termination; Spent Fuel Management; and Site Restoration.<sup>3</sup> Although the  
12 costs associated with each subcategory may influence the other two, the DCS provides the  
13 following breakdown of costs:<sup>4</sup>

Cost Element	Total (\$000 2023 Dollars)
License Termination	736,220
Spent Fuel Management	364,576
Site Restoration	70,567
Total	1,171,364

14  
15 **Q. Are additional issues discussed in the Agreement?**

16 **A.** Yes. The Agreement includes the appropriate escalation factor that is to be used in  
17 conjunction with the decommissioning cost estimate in setting accrual levels of the

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<sup>3</sup> Definitions of subcategories can be found on page 19 of 172, Attachment 2 to the Application.

<sup>4</sup> Page 21 of 172, Attachment 2 to Application.

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1            respective owner utilities' decommissioning trust accounts. Staff witness Adam Gatewood  
2            is providing testimony supporting that element of the Agreement.

3    **Q.    Does the Agreement include any reporting provisions for future filings of the triennial**  
4            **report on decommissioning?**

5    **A.**    Yes. Over the last few triennial reports, the Parties have included an updated summary of  
6            the nuclear power plant decommissioning experience in the United States.<sup>5</sup> In addition to  
7            updating the status of the nation's nuclear power plants, the Agreement requires the  
8            Companies and KEPCo to include in the next triennial report general information on the  
9            industry's progress in obtaining supplemental licensing for extending the term of operating  
10           licenses for nuclear plants, including an update of any action or plans to extend the  
11           operating license of Wolf Creek.

12 **Q.    Was the Agreement unanimous?**

13 **A.**    Yes. The Applicant, all Interveners<sup>6</sup>, and Staff are signatories to the Agreement.

14 **Q.    Have you reviewed the five factor test used by the Commission to evaluate a**  
15            **settlement agreement?**

16 **A.**    Yes. It is my understanding the Commission must make an independent finding that  
17           settlement is supported by substantial competent evidence in the record. To perform this  
18           evaluation for Unanimous settlements, it is my understanding the Commission uses the  
19           following three factors:

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<sup>5</sup> See Appendix G to Attachment 2 of the Application, Page 150 of 172.

<sup>6</sup> The interveners consist of CURB and the Wolf Creek owner-utilities. The owner-utilities are as follows: Evergy Kansas Metro [f/k/a Kansas City Power & Light] owns 47%; Evergy Kansas Central [f/k/a Westar Energy, Inc.] and Evergy Kansas South [f/k/a Kansas Gas & Electric] owns 47%; and Kansas Electric Power Cooperative owns 6%.

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1 (1) Is the Agreement supported by substantial competent evidence in the record as a  
2 whole?

3 (2) Will the Agreement result in just and reasonable rates?

4 (3) Are the results of the Agreement in the public interest?

5 **The Agreement is Supported by Substantial Competent Evidence in the Record**

6 **Q. Is the Agreement supported by substantial competent evidence in the record as**  
7 **a whole?**

8 **A.** Yes. The Agreement essentially adopts Staff's filed position regarding escalation rates and  
9 decommission cost forecasts. The escalation rate adopted by Staff is the same proposed  
10 by the Applicant. The Applicant provided detailed information as attachments to the  
11 Application. Staff also provided testimony in support of its position. I also note that no  
12 intervener has taken issue with the accuracy of the proposed decommissioning plan or its  
13 estimates.

14 **The Agreement will Result in Just and Reasonable Rates**

15 **Q. Will the Agreement result in just and reasonable rates?**

16 **A.** In this case, the Commission is being asked to determine if the Plan is appropriate and  
17 complete. By determining the appropriate cost estimate and funding mechanism, the  
18 Commission will establish the amount necessary for the Joint Owners to collect from its  
19 ratepayers. Once the amount is established, the reasonableness of the recovery rate for the  
20 joint owners that are public utilities will be set in future rate cases. This Docket serves as  
21 the evidentiary basis for establishing a particular rate for funding Wolf Creek's anticipated  
22 decommissioning costs, because it represents the most accurate cost and inflationary  
23 forecasts available at this time regarding nuclear plant decommissioning. Therefore, using

1           this data to set funding levels eventually recovered through rates helps ensure the ultimate  
2           rates approved are just and reasonable.

3           **The Results of the Agreement are in the Public Interest**

4           **Q. Do you believe the Agreement based on the increased cost estimate is in the public**  
5           **interest?**

6           **A.** Yes. I believe it is in the public interest to develop a decommissioning strategy that reflects  
7           the reality of on-site spent fuel storage. As the decommissioning date draws closer, I  
8           believe it is in the interest of all parties to be prepared for this likely increase in costs over  
9           previous estimates using the DECON methodology in the earlier versions of the triennial  
10          report.

11          **Q. What is the rate impact of this decommission funding strategy?**

12          **A.** The per-customer impact is utility-specific and depends on factors present in their  
13          respective retail rate proceedings. This docket is often referred to as Phase 1, where  
14          escalation rates and cost estimates are updated. Phase 2 is where these updated escalation  
15          rates and cost estimates are input into a utility's revenue requirement.

16          **Q. Does this conclude your testimony?**

17          **A.** Yes.

STATE OF KANSAS )  
 ) ss.  
COUNTY OF SHAWNEE )

**VERIFICATION**

Ashlyn Hefley, being duly sworn upon her oath deposes and states that she is a Utilities Engineer for the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that she has read and is familiar with the foregoing *Direct Testimony*, and attests that the statements contained therein are true and correct to the best of her knowledge, information and belief.



Ashlyn Hefley  
Utilities Engineer  
State Corporation Commission of the  
State of Kansas

Subscribed and sworn to before me this 26 day of June, 2024.



Notary Public

My Appointment Expires: 4/28/25



NOTARY PUBLIC - State of Kansas  
ANN M. MURPHY  
My Appt. Expires 4/28/25



## CERTIFICATE OF SERVICE

24-WCNE-235-GIE

I, the undersigned, certify that a true and correct copy of the above and foregoing Testimony was served via electronic service this 28th day of June, 2024, to the following:

JOSEPH R. ASTRAB, ATTORNEY  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
j.astrab@curb.kansas.gov

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

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

SHONDA RABB  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
s.rabb@curb.kansas.gov

DELLA SMITH  
CITIZENS' UTILITY RATEPAYER BOARD  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
d.smith@curb.kansas.gov

CATHRYN J. DINGES, SR DIRECTOR & REGULATORY  
AFFAIRS COUNSEL  
EVERGY KANSAS CENTRAL, INC  
818 S KANSAS AVE  
PO BOX 889  
TOPEKA, KS 66601-0889  
cathy.dinges@evergy.com

ROGER W. STEINER, CORPORATE COUNSEL  
EVERGY KANSAS CENTRAL, INC  
818 S KANSAS AVE  
PO BOX 889  
TOPEKA, KS 66601-0889  
roger.steiner@evergy.com

BRIAN G. FEDOTIN, GENERAL COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
brian.fedotin@ks.gov

CARLY MASENTHIN, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
carly.masenthin@ks.gov

KYLER C. WINEINGER, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
kyler.wineinger@ks.gov

**CERTIFICATE OF SERVICE**

24-WCNE-235-GIE

SUSAN B. CUNNINGHAM, SVP, REGULATORY AND  
GOVERNMENT AFFAIRS, GENERAL COUNSEL  
KANSAS ELECTRIC POWER CO-OP, INC.  
600 SW CORPORATE VIEW  
PO BOX 4877  
TOPEKA, KS 66604-0877  
scunningham@kepco.org

*Ann Murphy*  
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Ann Murphy