

Before the House Committee on Energy, Utilities, and Telecommunications

February 8, 2024

Neutral Testimony On House Bill 2597

Submitted by Jeff McClanahan, Director, Utilities Division
On Behalf of
The Staff of the Kansas Corporation Commission

Chair Delperdang, Vice Chair Turner, Ranking Minority Member Ohaebosim, and members of the Committee, thank you for the opportunity to provide testimony today on behalf of the Staff of the Kansas Corporation Commission (Commission).

The Staff of the Commission (Staff) is neutral with respect to House Bill 2597 (HB 2597). HB 2597 amends K.S.A. 66-1239 to extend the timeline for the Commission to make a determination regarding rate-making treatment for electric generating or transmission facilities from 180 days to 240 days. The process outlined in K.S.A. 66-1239 is generally referred to as a “Predetermination Filing”.

The last Predetermination Filing the Commission authorized was a Kansas City Power & Light application in Docket No. 11-KCPE-581-PRE. This Predetermination Filing involved environmental upgrades to the LaCygne coal-fired generation facility that cost in excess of \$1 billion. In setting the procedural schedule in this docket, the Commission moved its hearing date from the schedule agreed upon by the parties up by four days. This four day movement caused Staff and several other parties to file responsive comments with the Commission expressing their respective concerns regarding compression of the procedural schedule.¹ In its responsive filing, Staff outlined the complexity of the issues and the challenges in receiving discovery responses in a timely enough manner to complete its investigation. Staff also noted that its concern over the initial agreed-upon procedural schedule’s deadline for testimony was continuing to increase prior to the Commission’s decision to move the hearing date by four days. Staff uses this docket as an example of how difficult it can be for Staff and other parties to perform analysis, render opinions, and prepare testimony within a 180 day statutory timeline in a Predetermination Filing.

The above being said, the Committee should also be aware that Docket No. 11-KCPE-581-PRE was filed prior to the implementation of Everygy’s Integrated Resource Planning (IRP). Everygy’s IRP process provides annual reviews of forecasted generation resource plans and the review process is sufficiently granular to aid in the decision making process for any generation related

¹ Attached to this testimony is *Staff’s Responsive Comments to Prehearing Officer’s Report and Recommendation* in Docket No. 11-KCPE-581-PRE. A quick review of paragraphs 6 through 9 outlines the concerns expressed by Staff regarding the compressed schedule.

Predetermination Filing Every might request. However, the extent to which the IRP process would aid in reducing schedule compression concerns in the current 180 day timeline for Predetermination Filings is unclear at this time.

From Staff's perspective, each Predetermination Filing should be based on a case-by-case determination of the complexity of the application. More specifically, for less complex Predetermination Filing applications, parties can consider a procedural schedule that is less than 240 days, while larger and more complex applications can utilize the full 240 days. Therefore, the Legislature would be providing more flexibility for parties if it determines that 240 days is a more appropriate timeline.

Thank you for the opportunity to appear before your Committee and offer Staff's perspective on the proposed bill.