

1 A. KU is recommending an overall rate of return on capital of 10.30%, including the
2 currently approved 10.00% return on equity and adjusted capitalization, to be used to
3 calculate the environmental surcharge. This is based on capitalization as of August 31,
4 2015 and the Commission’s Order of June 30, 2015 in Case No. 2014-00371 and use
5 of the 2015 gross-up revenue factor that excludes the §199 manufacturing tax
6 deduction. Please see the response and attachment to Commission Staff’s Request for
7 Information Question No. 5 following this testimony.

8 **Q. What is your recommendation to the Commission in this case?**

9 A. KU makes the following recommendations to the Commission in this case:

10 a) The Commission should approve the proposed increase to the Environmental
11 Surcharge Revenue Requirement of \$654,866 per month for two months
12 beginning in the second full billing month following the Commission’s Order
13 in this proceeding;

14 b) The Commission should determine the environmental surcharge amount for the
15 six-month billing period ending October 31, 2015 to be just and reasonable;

16 c) The Commission should approve the use of an overall rate of return on capital
17 of 10.30%, using a return on equity of 10.00%, beginning in the second full
18 billing month following the Commission’s Order in this proceeding.

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

20 A. Yes.