

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

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Dwight D. Keen

In the Matter of the Joint Application of Westar)
Energy, Inc. and Kansas Gas and Electric) Docket No. 18-WSEE-328-RTS
Company for Approval to Make Certain Changes)
in their Charges for Electric Services.)

ORDER APPROVING NON-UNANIMOUS STIPULATION AND AGREEMENT

I.	Introduction.....	2
A.	<i>Procedural History.....</i>	2
B.	<i>Pre-filed Testimony and Other Documents</i>	3
C.	<i>Public Hearings and Comments.....</i>	5
D.	<i>Joint Motion for Non-Unanimous S&A and Testimony.....</i>	5
E.	<i>Hearing on Non-Unanimous S&A.....</i>	6
F.	<i>Jurisdiction, Authority and Legal Standards.....</i>	8
G.	<i>Background of Pleadings Related to Docket No. 16-GIME-403-GIE.....</i>	9
II.	Non-Unanimous Stipulation and Agreement	10
A.	<i>Brief Overview of the Non-Unanimous S&A</i>	11
B.	<i>Five-Part Test for Evaluating Settlement Agreements.....</i>	12
a.	Was there an opportunity for the opposing party to be heard on the reasons for opposition to the Stipulation and Agreement?	13
b.	Is the Stipulation and Agreement supported by substantial competent evidence in the record as a whole?.....	13
c.	Does the Stipulation and Agreement Conform with Applicable Law?.....	22
d.	Does the Stipulation and Agreement Result in Just and Reasonable Rates?	29
e.	Are the results of the Stipulation and Agreement in the public interest, including the interest of customers represented by any party not consenting to the Agreement?	36
C.	<i>Costs of Continued Operation of Coal-Fired Generating Units</i>	39
III.	Conclusion	41

This matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, and being fully advised in the premises, the Commission makes the following findings:

I. Introduction

A. Procedural History

1. On February 1, 2018, Westar Energy, Inc. (Westar) and Kansas Gas and Electric Company (KG&E) (Westar and KG&E collectively referred to as "Westar") filed a Joint Application requesting authorization to make certain changes to their charges for electric service in Kansas pursuant to K.S.A. 66-117 and K.A.R. 82-1-231.¹ The Joint Application stated that "[t]he testimony of 18 witnesses and the schedules required by K.A.R. 82-1-231 are filed in support of this Joint Application."² Westar's Joint Application consisted of two volumes numbering over 600 pages.

2. On March 8, 2018, the Commission issued an *Order Setting Procedural Schedule*, providing a September 27, 2018 deadline for a Commission order.³

3. The Commission granted full intervention to Kansas Industrial Consumers Group, Inc. (KIC),⁴ Cargill, Incorporated, Coffeyville Resources Refining & Marketing, LLC, Occidental Chemical Corporation, Spirit Aerosystems, Inc., Goodyear Tire & Rubber Company,⁵ HollyFrontier El Dorado Refining, LLC (HollyFrontier),⁶ the Kroger Co. (Kroger),⁷ the United States Department of Defense and all other Federal Executive Agencies

¹ Joint Application, p. 1 (Feb. 1, 2018).

² Joint Application, ¶ 24.

³ *Order Setting Procedural Schedule*, ¶ 4 (Mar. 8, 2018).

⁴ *Order Granting Intervention to Kansas Industrial Consumers Group, Inc.*, Ordering Clause A (Mar. 20, 2018).

⁵ *Order Granting Intervention to Cargill, Incorporated; Coffeyville Resources Refining & Marketing, LLC; Occidental Chemical Corporation; Spirit Aerosystems, Inc.; and the Goodyear Tire & Rubber Company*, Ordering Clause A (Mar. 22, 2018).

⁶ *Order Granting Intervention to HollyFrontier El Dorado Refining, LLC*, Ordering Clause A (Mar. 22, 2018).

⁷ *Order Granting Intervention to the Kroger Co.*, Ordering Clause A (Mar. 22, 2018).

(DOD/FEA),⁸ Unified School District #259 (USD 259),⁹ Tyson Foods and Wal-Mart Stores, Inc. (Wal-mart),¹⁰ Sierra Club,¹¹ Vote Solar,¹² KeyCorp and Midwest Power Company (MWP),¹³ CCPS Transportation, LLC,¹⁴ and Learjet Inc.¹⁵ The Commission granted limited intervention to Topeka Metropolitan Transit Authority,¹⁶ The Kansas State Board of Regents and Universities,¹⁷ and Climate and Energy Project (CEP).¹⁸

B. Pre-filed Testimony and Other Documents

4. In this proceeding, parties submitted direct testimony, cross-answering testimony, rebuttal testimony, exhibits and evidence. On June 11, 2018, the following witnesses filed direct testimony:¹⁹ Adam Gatewood, Brad A. Hutton, Chad Unrein, Darren L. Prince, Justin T. Grady, Katie L. Figgs, Kristina Luke-Fry, Leo M. Haynos, William Dunkel, Lana J. Ellis, Joshua P. Frantz and Justin W. Prentiss on behalf of Commission Utilities Staff (Staff); Andrea Crane, Brian Kalcic, and Stacey Harden on behalf of CURB; Larry Blank and Lafayette K. Morgan, Jr. on behalf of DOD/FEA; Michael P. Gorman and Brian C. Andrews on behalf of KIC; Alicia Thompson, Susan Willis, and Justin Waters on behalf of USD 259; Kevin C. Higgins on behalf of Kroger; Madeline Yozwiak and Paul L. Chernick on behalf of Sierra Club

⁸ *Order Granting Intervention to the DOD/FEA*, Ordering Clause A (Mar. 27, 2018).

⁹ *Order Granting Intervention to USD 259*, Ordering Clause A (Mar. 27, 2018).

¹⁰ *Order Granting Intervention to Tyson Foods and Wal-Mart Stores, Inc.*, Ordering Clause A (Apr. 26, 2018).

¹¹ *Order Granting Sierra Club's Petition to Intervene*, Ordering Clause A (May 3, 2018).

¹² *Order Consolidating Vote Solar and Sierra Club Interventions*, Ordering Clause A (June 7, 2018).

¹³ *Order Granting Intervention and Motion for Leave to File Intervenor Testimony to Keycorp and Midwest Power Company*, Ordering Clause A (June 14, 2018).

¹⁴ *Order Granting CCPS Transportation, LLC's Petition to Intervene*, Ordering Clause A (July 10, 2018).

¹⁵ *Order Granting Learjet Inc.'s Petition to Intervene*, Ordering Clause A (July 12, 2018).

¹⁶ *Order Granting Limited Intervention to Topeka Metropolitan Transit Authority*, Ordering Clause A (May 24, 2018).

¹⁷ *Order Granting Limited Intervention to the Kansas State Board of Regents and Universities; Order Denying Motion for Leave to File Testimony Out of Time*, Ordering Clause A (July 10, 2018).

¹⁸ *Order Granting Limited Intervention to Climate and Energy Project*, Ordering Clause A (July 10, 2018).

¹⁹ For purposes of this Order, any references to the filing of testimony includes the filing of any exhibits and/or schedules with such testimony.

and Vote Solar; Steve Chriss on behalf of Wal-mart, Inc; and Steve R. Dean on behalf of KeyCorp and MWP.

5. On June 12, 2018, Staff witness Dorothy J. Myrick filed direct testimony, and on June 13, 2018, Staff witness Robert H. Glass filed direct testimony.²⁰

6. On June 22, 2018, the following witnesses filed cross-answering testimony:²¹ Brian Kalcic and Stacey Harden on behalf of CURB; Paul L. Chernick and Madeline Yozwiak on behalf of Sierra Club and Vote Solar; Larry Blank on behalf of DOD/FEA; Kevin C. Higgins on behalf of Kroger; Michael P. Gorman and Brian C. Andrews on behalf of KIC; Steve Chriss on behalf of Wal-mart, Inc.²²

7. On July 3, 2018, the following Westar witnesses filed rebuttal testimony:²³ Robin Allacher, Ronald Amen, Jerl Banning, Jeanette Bouzianis, John Bridson, Andy Devin, Miranda Dick, Ahmad Faruqui, Rebecca Fowler, Greg Greenwood, Kevin Kongs, Travis Lincoln, Susan McGrath, Michael Rinehart, Ronald White, Larry Wilkus and John Wolfram.

8. The following errata testimony was filed: Staff's Errata to Direct Testimony of Staff Witness Kristina Luke Fry on June 12, 2018; Notice of Filing of Substitute Exhibit [Corrected Version] (for Dorothy Myrick) on June 13, 2018; Notice of Errata to KeyCorp's and Midwest Power Company's Direct Testimony on June 13, 2018; Staff's Errata to Testimony of Staff Witness Dorothy Myrick, Staff's Errata to Testimony of Staff Witness Robert H. Glass and Notice of Filing of Staff's Errata to Testimony of Staff Witness Joshua P. Frantz on June 19, 2018; Staff's Second Errata to Testimony of Staff Witness Dorothy Myrick and Staff's Second Errata to Testimony of Staff Witness Robert H. Glass on July 6, 2018.

²⁰ The direct testimony of Ms. Myrick and Dr. Glass were properly filed on June 12 and 13, respectively, pursuant to the Commission's *Order Granting Enlargements of Time for Prefiled Testimony*, Ordering Clause A (June 19, 2018).

²¹ See *Order Granting Enlargements of Time for Prefiled Testimony*, Ordering Clause B.

²² See *Order Granting Wal-Mart's Motion to Late-File Testimony*, Ordering Clause A (July 10, 2018).

²³ See *Order Granting Enlargements of Time for Prefiled Testimony*, Ordering Clause C.

9. The following additional schedules/exhibits were filed: Staff Schedules – Step 1 and Staff Schedules – Step 2 on June 11, 2018, and Exhibit B to Prefiled Testimony of Susan Willis on behalf of USD 259 on June 13, 2018.

C. Public Hearings and Comments

10. The Commission held two Public Hearings in this matter: One in Topeka on May 22, 2018 and one in Wichita on June 28, 2018. Public Hearings provide the citizens of Kansas an opportunity to address the Commission directly regarding the proposed rate changes.

11. On July 25, 2018, a report summarizing the comments received by the Commission’s Office of Public Affairs and Consumer Protection (PACP) was filed, stating that the Commission received 1,136 comments by letter, phone, email or via website between the Joint Application filing date of February 1, 2018 and the end of the comment period on July 18, 2018.²⁴ The Commission issues this Order with due consideration of the aforementioned public comments.

D. Joint Motion for Non-Unanimous S&A and Testimony

12. On July 17, 2018, Staff, Westar, CURB, KIC, USD 259, Kroger, DOD/FEA, HollyFrontier, Wal-Mart, Tyson Foods, Topeka Metropolitan Transit Authority, and The Kansas State Board of Regents (collectively, Joint Movants) filed a Joint Motion to Approve Non-Unanimous Stipulation and Agreement (NS&A or Agreement), to which the NS&A was attached.²⁵

13. On July 18, 2018, the following witnesses filed testimony in support of the NS&A: Greg A. Greenwood and Ahmad Faruqui on behalf of Westar; Justin T. Grady and

²⁴ Public Comments from Linda Berry, Director Public Affairs and Consumer Protection - Memorandum, p. 1 (July 25, 2018).

²⁵ On September 20, 2018, Staff and Westar filed a Notice of Correction to Non-Unanimous Settlement Agreement, noting that the two occurrences of the word “increase” in paragraph 38 of the NS&A should be replaced with the word “decrease.”

Robert H. Glass on behalf of Staff; Andrea C. Crane on behalf of CURB; and Michael P. Gorman on behalf of KIC. On the same day, Sierra Club, Vote Solar, and CEP (collectively, “Sierra Club”) filed an Objection to the Non-Unanimous Stipulation and Agreement and the Joint Motion to Approve the Same, stating they “are not signatories to, and oppose, the Joint Motion and NSA, and intend to participate actively in the evidentiary hearing.”²⁶ Madeline Yozwiak and Paul L. Chernick filed testimony in opposition to the NS&A.

14. On July 20, 2018, Sierra Club and Vote Solar filed an Errata to Cross-Answering Testimony and Testimony in Opposition to Non-Unanimous Stipulation and Agreement of Madeline Yozwiak.

E. Hearing on Non-Unanimous S&A

15. On July 24 and 25, 2018, at its Topeka Office, the Commission convened a hearing on the NS&A. In total, twenty-three (23) parties participated in the hearing. The parties appeared by counsel.²⁷

16. The pre-filed direct testimony, cross-answering testimony, rebuttal testimony, any errata, and testimony in support of the settlement, along with all exhibits attached to such testimony, from Westar, Staff, CURB, KIC, Kroger, Wal-mart, DOD/FEA, and USD 259 witnesses were admitted into the record in this proceeding.²⁸ Those witnesses who took the stand at the hearing had their testimony admitted into the record at that point. KeyCorp/MWP did not move for the admission of the pre-filed testimony of its witness, Steve Dean, and therefore, it was not admitted into the record.²⁹ Sierra Club moved for the admission of the

²⁶ Sierra Club, Vote Solar, and Climate and Energy Project’s Objection to the Non-Unanimous Stipulation and Agreement and the Joint Motion to Approve the Same, p. 1 (July 18, 2018).

²⁷ Hearing Transcript, Vol. 1, pp. 2-5 (July 25, 2018) (Tr.).

²⁸ See Tr., Vol. 1, pp. 56-59.

²⁹ See Tr., Vol. 1, pp. 58-59.

direct testimony and testimony in opposition to the Non-Unanimous S&A from Sierra Club witness, Paul Chernick, and these were admitted into the record.³⁰

17. Westar called Greg Greenwood, Ronald Amen, Larry Wilkus and Ahmad Faruqui to testify in support of the NS&A³¹ and moved for the admission of all their pre-filed testimony, attachments, appendices, schedules and/or exhibits into the record.³² No party opposed the motions, and the Commission admitted the testimony.³³

18. Sierra Club called Madeline Yozwiak to testify in opposition to the NS&A³⁴ and moved for the admission of all her pre-filed testimony, exhibits and errata into the record.³⁵ Staff objected to the admission of certain portions of Ms. Yozwiak's settlement testimony and direct testimony, and in the alternative, asked the Commission to give the testimony the appropriate weight.³⁶ The Commission denied Staff's request to strike any of Ms. Yozwiak's testimony and determined it would give the testimony its appropriate weight and would note Staff's objection for the record along with the portions of the testimony identified by Staff.³⁷ Thus, the Commission admitted all of Ms. Yozwiak's testimony into the record.³⁸

19. Staff called Justin Grady, Dorothy Myrick and Robert Glass to testify in support of the NS&A³⁹ and moved for the admission of all their pre-filed testimony, exhibits, and errata into the record.⁴⁰ No party opposed the motions, and the Commission admitted the testimony.⁴¹

³⁰ Tr., Vol. 1, p. 60.

³¹ Tr., Vol. 1, pp. 61-230.

³² Tr., Vol. 1, pp. 62, 131, 172, 180. The Commission accepted Mr. Greenwood's adoption of Mark Ruelle's direct testimony as his own. Tr., Vol. 1, p. 62.

³³ Tr., Vol. 1, pp. 62, 131, 172, 180.

³⁴ Tr., Vol. 2, pp. 241-245.

³⁵ Tr., Vol. 2, p. 242.

³⁶ Tr., Vol. 2, p. 243.

³⁷ Tr., Vol. 2, pp. 243-44.

³⁸ Tr., Vol. 2, pp. 243-44.

³⁹ Tr., Vol. 2, pp. 245-292.

⁴⁰ Tr., Vol. 2, pp. 246, 256, 277.

⁴¹ Tr., Vol. 2, pp. 247, 256, 277.

20. On August 6, 2018, Sierra Club and Vote Solar filed an Errata to the Hearing Transcript, proposing certain corrections to the transcript for Commission acceptance.⁴² On August 23, 2018, the Commission issued an *Order Accepting Sierra Club and Vote Solar's Errata to Hearing Transcript*, acknowledging that "the corrections to the transcript set forth by Sierra Club and Vote Solar are warranted and accept[ing] the errata filing to correct the hearing transcript."⁴³

F. Jurisdiction, Authority and Legal Standards

21. The Commission has full power, authority and jurisdiction to supervise and control electric public utilities, as defined in K.S.A. 66-101a, doing business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority and jurisdiction.⁴⁴ "Electric public utility" means any public utility, as defined in K.S.A. 66-104, which generates or sells electricity.⁴⁵ K.S.A. 66-104 defines "public utility" in part as "all companies for the production, transmission, delivery or furnishing of heat, light, water, or power."⁴⁶

22. Electric public utilities subject to the Commission's jurisdiction are "required to furnish reasonably efficient and sufficient service and facilities for the use of any and all products or services rendered, furnished, supplied or produced by such electric public utility, to establish just and reasonable rates, charges and exactions and to make just and reasonable rules, classifications and regulations."⁴⁷ The Commission thus has the power to require utilities to establish just and reasonable rates and maintain reasonably sufficient and efficient service.⁴⁸

⁴² Sierra Club and Vote Solar's Errata to Hearing Transcript, pp. 1-2 (Aug. 6, 2018).

⁴³ *Order Accepting Sierra Club and Vote Solar's Errata to Hearing Transcript*, ¶ 4 (Aug. 23, 2018).

⁴⁴ K.S.A. 66-101; K.S.A. 66-101a; K.S.A. 66-104.

⁴⁵ K.S.A. 66-101a.

⁴⁶ K.S.A. 66-104(a).

⁴⁷ K.S.A. 66-101b.

⁴⁸ K.S.A. 66-101b.

23. The authority of the Commission is liberally construed, and in the exercise of the Commission's power, authority, and jurisdiction, all incidental powers necessary to carry into effect the provisions of the Electric Public Utilities Act, K.S.A. 66-101 *et seq.*, are expressly granted to and conferred upon the Commission.⁴⁹

24. A public utility over which the Commission has control cannot make effective any changed rate, joint rate, toll, charge or classification or schedule of charges, or any rule or regulation or practice pertaining to the service or rates of such public utility except by filing the same with the Commission.⁵⁰ Accordingly, the Commission has jurisdiction to exercise control and jurisdiction over Westar for, among other things, this particular rate request.

G. Background of Pleadings Related to Docket No. 16-GIME-403-GIE

25. At the hearing in the instant case, Westar asked the Commission to take administrative notice of the entire record in the 16-GIME-403-GIE Docket (16-403 Docket),⁵¹ to which Sierra Club and Vote Solar objected.⁵² However, Sierra Club and Vote Solar did “not object to notice of official orders” from the 16-403 Docket.⁵³ The Commission noted Sierra Club’s and Vote Solar’s objection for the record, but took official notice of the 16-403 Docket.⁵⁴

26. Various pleadings in this proceeding appealed to the 16-403 Docket.⁵⁵ In its *Order on Westar’s Motion to Strike Portions of Sierra Club’s and Vote Solar’s Testimony* in this docket, “the Commission [did] not formally strike any portion of Ms. Yozwiak’s direct

⁴⁹ K.S.A. 66-101g.

⁵⁰ K.S.A. 66-117(a).

⁵¹ Tr., Vol. 1, pp. 180-81.

⁵² Tr., Vol. 1, pp. 181-82.

⁵³ Tr., Vol. 1, p. 182. *See* 16-403 Docket, *Final Order* (Sept. 21, 2017); 16-403 Docket, *Order on Petition for Reconsideration* (Nov. 2, 2017) (Order on PFR).

⁵⁴ Tr., Vol. 1, p. 182.

⁵⁵ *See e.g.* Response of Westar Energy, Inc. and Kansas Gas and Electric Company to Vote Solar’s Petition to Intervene, ¶¶ 6-7 (Apr. 26, 2018); Vote Solar’s Reply in Support of Its Petition to Intervene, ¶¶ 15-18, 20 (May 10, 2018); Motion to Strike of Westar Energy, Inc. and Kansas Gas and Electric Company, ¶¶ 6-8 (June 18, 2018); Sierra Club and Vote Solar’s Response in Opposition to Westar’s Motion to Strike, ¶¶ 7, 12-14, 16 (June 26, 2018); Glass Direct, pp. 32-33 (June 13, 2018).

testimony from the record.”⁵⁶ Instead, the Commission stated it “will give no weight to testimony it finds to be an attempt to re-litigate the policy issues addressed in the 16-403 Docket.”⁵⁷ The Commission stated it would give no weight to “any testimony arguing or implying that ‘[a] cost of service based three-part rate consisting of a customer charge, demand charge, and energy charge’ is *per se* or by its very nature unjust, unreasonable, prejudicial, disadvantageous, unduly discriminatory or unduly preferential.”⁵⁸ However, the Commission also stated it “will give due weight to any testimony addressing the questions of whether Westar’s proposed rate design for DG customers *in this docket* will result in just and reasonable rates for such customers or will subject such customers to higher rates or charges or any other prejudice or disadvantage.”⁵⁹

II. Non-Unanimous Stipulation and Agreement

27. As noted above, the Joint Movants submitted the proposed NS&A to the Commission for approval on July 17, 2018. The Joint Movants stated their belief that “the Stipulation is reasonable and is in the public interest.”⁶⁰ Staff, Westar, CURB, KIC, USD 259, Wal-mart, Tyson Foods, Kroger, DOD/FEA, and HollyFrontier signed the NS&A. Sierra Club, Vote Solar, and CEP opposed the NS&A. The NS&A is attached to this Order and is incorporated herein by reference.

28. At the outset, the NS&A notes that the Topeka Metropolitan Transit Authority and The Kansas State Board of Regents indicated they did not oppose the NS&A.⁶¹ Further, the NS&A stated that USD 259 was signing on to the Agreement subject to approval by its Board

⁵⁶ *Order on Westar’s Motion to Strike Portions of Sierra Club’s and Vote Solar’s Testimony*, ¶ 9 (July 10, 2018).

⁵⁷ *Order on Westar’s Motion to Strike Portions of Sierra Club’s and Vote Solar’s Testimony*, ¶ 10.

⁵⁸ *Order on Westar’s Motion to Strike Portions of Sierra Club’s and Vote Solar’s Testimony*, ¶ 10.

⁵⁹ *Order on Westar’s Motion to Strike Portions of Sierra Club’s and Vote Solar’s Testimony*, ¶ 10.

⁶⁰ Joint Motion to Approve Non-Unanimous Stipulation and Agreement, ¶ 2.

⁶¹ NS&A, p. 1, fns. 3 and 4.

of Education.⁶² At the hearing, counsel for USD 259 stated that “our Board of Directors . . . formally approved the settlement agreement.”⁶³ The NS&A refers to those supporting or not opposing the Agreement collectively as the “Parties.”⁶⁴

A. Brief Overview of the Non-Unanimous S&A

29. The NS&A provides a summary of Westar’s Application, as well as of Staff’s and the other Parties’ pre-filed positions.⁶⁵ The NS&A calls for Westar to have a net overall annual revenue decrease of \$66 million.⁶⁶

30. In addition to the aforementioned \$66 million decrease, the NS&A addresses:

- the rolling into base rates of the existing balance in the property tax surcharge;
- Westar’s Nuclear Decommissioning Trust Fund;
- the Tax Cuts and Jobs Act (TCJA) bill credit to Westar customers of approximately \$50 million;
- the Merger Order (Docket No. 18-KCPE-095-MER) up-front bill credits to Westar retail customers of approximately \$23 million;⁶⁷
- depreciation expense;
- the Western Plains Wind Farm;
- the Mid-Kansas Electric Company (MKEC) wholesale agreement revenue;
- the 8% of JEC lease payment and O&M;
- various miscellaneous and accounting matters (including ROE, weighted cost of capital, capital structure, and amortization periods); and

⁶² NS&A, p. 1, fn. 2.

⁶³ Tr., Vol. 1, p. 10.

⁶⁴ NS&A, p. 1.

⁶⁵ NS&A, pp. 2-4.

⁶⁶ NS&A, ¶ 14.

⁶⁷ See NS&A, ¶ 17; see also 18-095 Docket, *Order Approving Merger*, ¶ 15 (May 24, 2018).

- class cost of service (CCOS) and rate design.⁶⁸

The NS&A concludes with provisions pertaining to both the Commission's and the Parties' rights, waiver of cross-examination, the fact that the NS&A "represents a negotiated settlement that fully resolves the issues in this docket among the Parties," and interdependent provisions.⁶⁹ According to Westar witness Greg Greenwood, under the NS&A, all customer classes will see an average base rate decrease, and "[a]n average residential customer using 900 kWh per month will see a decrease of almost \$4 per month or about \$45 per year."⁷⁰

B. Five-Part Test for Evaluating Settlement Agreements

31. The Commission has established a five-part test to determine the reasonableness of proposed settlement agreements. The five parts are rooted in the Commission's organic statutes,⁷¹ the Kansas Administrative Procedure Act (KAPA),⁷² and the Kansas Judicial Review Act (KJRA).⁷³ The five parts are:

- Was there an opportunity for the opposing party to be heard on the reasons for opposition to the Stipulation and Agreement?
- Is the Stipulation and Agreement supported by substantial competent evidence in the record as a whole?
- Does the Stipulation and Agreement conform with applicable law?
- Does the Stipulation and Agreement result in just and reasonable rates?
- Are the results of the Stipulation and Agreement in the public interest, including the interest of customers represented by any party not consenting to the Agreement?

⁶⁸ NS&A, ¶¶ 14-51.

⁶⁹ NS&A, pp. 14-15.

⁷⁰ Greenwood Testimony in Support, p. 19.

⁷¹ See K.S.A. 66-101b; K.S.A. 66-101g.

⁷² See K.S.A. 77-501 *et seq.*

⁷³ See K.S.A. 77-601 *et seq.*

32. The Commission analyzes and presents its findings and conclusions for each part of the test below. The Commission notes that the parties opposing the NS&A, namely, Sierra Club, Vote Solar, and CEP, do so based on their opposition to the NS&A's proposed three-part RS-DG rate for the residential DG class⁷⁴ and their contention that the NS&A will burden ratepayers with the costs of ostensibly uneconomic coal-fired generating units.⁷⁵ Thus, the Commission considers the NS&A as a whole and also addresses some specific arguments pertaining to the RS-DG rate and Westar's projected spending on certain coal-fired plants.

a. Was there an opportunity for the opposing party to be heard on the reasons for opposition to the Stipulation and Agreement?

33. The Commission finds the opposing parties participated in the settlement discussions that led to the NS&A and were able to advocate for their interests in the proposed settlement.⁷⁶ The opposing parties filed testimony in opposition to the NS&A⁷⁷ and fully participated during the evidentiary hearing, including cross-examination of the witnesses who testified in support of the NS&A.⁷⁸ Thus, the Commission finds the opposing parties were granted an opportunity to be heard on their reasons for opposition to the NS&A.

b. Is the Stipulation and Agreement supported by substantial competent evidence in the record as a whole?

34. The record in this proceeding is extensive, and therefore, the Commission will not summarize the entire record here. The Commission has reviewed the direct, cross-answering and rebuttal testimony as supplied by the parties to this proceeding. Further, the Commission has given due consideration to the filed public comments. Moreover, because the proposed

⁷⁴ See Sierra Club Brief, pp. 3-35; Yozwiak Testimony in Opposition to NS&A, pp. 2-3.

⁷⁵ See Sierra Club Brief, pp. 36-43; Chernick Testimony in Opposition to NS&A, pp. 1-7.

⁷⁶ Testimony in Support of Non-Unanimous Stipulation and Agreement Prepared by Justin T. Grady, p. 16 (July 18, 2018).

⁷⁷ See Chernick Testimony in Opposition to NS&A; Yozwiak Testimony in Opposition to NS&A.

⁷⁸ See Tr., Vol. 1, p. 39 (counsel for Sierra Club and Vote Solar, and on behalf of CEP, stating in her opening remarks that the opposing parties "don't take issue with the first part of the [five-part] test, whether opposing parties have the opportunity to be heard").

NS&A is the result of extensive negotiation and compromise on the part of the signatory Parties,⁷⁹ resulting in a different overall outcome than any initially proposed by the parties in this proceeding, the Commission gave significant attention to the testimony filed in support of and in opposition to the NS&A, as well as to the testimony provided at the hearing.

Non-Unanimous S&A as a whole

35. Mr. Greenwood testified that “[t]he agreed-upon decrease in revenue requirement is clearly supported by all of the parties (Westar, Staff, KIC, CURB, and Kroger) that filed testimony regarding revenue requirement,” reflecting “an ROE supported by all parties testifying regarding ROE and is based on a capital structure supported by both Staff and Westar.”⁸⁰ Mr. Greenwood testified that the NS&A’s revenue requirement decrease includes some major drivers (i.e., TCJA, updated depreciation rates, inclusion of levelized revenue requirement for Western Plains Wind Farm, Westar’s refinancing of debt since the last rate case, and expiration of wind production tax credits) that make up “the lion’s share of what it takes to get . . . to the . . . 66 million dollar decrease,”⁸¹ as well as including “all other aspects necessary to set retail rates” for the smaller drivers of the decrease.⁸² Regarding these “other aspects,” Mr. Greenwood stated that “[t]here is a black box nature to the settlement” where the Parties “talked about most all the pieces already in our dialogue, but there is – you will get down to a component where you really don’t know who ascribed what value to what other issue. It’s just the parties felt this was a fair balance.”⁸³ Mr. Greenwood testified that “[t]he agreed-upon revenue requirement decrease stated in the S&A is a greater decrease than Westar’s rebuttal position and is clearly within the range of positions supported by the testimony of

⁷⁹ Tr., Vol. 1, p. 126.

⁸⁰ Greenwood Testimony in Support, p. 21.

⁸¹ Tr., Vol. 1, p. 77.

⁸² Greenwood Testimony in Support, p. 4; Tr., Vol. 1, p. 74.

⁸³ Tr., Vol. 1, pp. 74-75.

Westar's, Staff's, KIC's, Kroger's and CURB's witnesses."⁸⁴ In addition, Mr. Greenwood provided ample evidence indicating that multiple witnesses from diverse parties supported the various terms of the NS&A.⁸⁵

36. Mr. Grady reiterated the net revenue requirement rate reductions proposed by Staff (\$69 million), CURB (\$138.4 million), and KIC (\$54 million), as well as the net revenue requirement rate increase proposed by DOD/FEA (\$32.54 million).⁸⁶ Mr. Grady testified to the various scenarios whereby the Commission could determine the \$66 million revenue requirement reduction arrived at in the NS&A,⁸⁷ and stated that this "information demonstrates . . . that the agreed-upon revenue requirement reduction is very close to the reduction that Staff recommended before the Commission as its litigated position."⁸⁸ Mr. Grady also explained how the Parties arrived at the fixed price of \$20.70/MWh for the Western Plains Wind Farm.⁸⁹ Mr. Grady explained the calculation of the \$50,027,522 TCJA bill credit agreed to in the NS&A in his direct testimony.⁹⁰ Mr. Grady concluded that the NS&A is supported by substantial competent evidence.⁹¹

37. Dr. Glass submitted testimony in support of the NS&A, specifically testifying in support of numerous rate design terms in the S&A such as: the RS-DG rate, the RPER, the REV rate, the monthly service fee for the residential and Small General Service (SGS) customers, the new Electric Transit Rate Schedule, the Clean Charge Network Rate Schedule, changes to the Large General Service and Industrial and Large Power demand and energy rates, consolidation of lighting rates in Westar North and Westar South, and Westar's agreement to

⁸⁴ Greenwood Testimony in Support, p. 21.

⁸⁵ Greenwood Testimony in Support, pp. 22-23.

⁸⁶ Grady Testimony in Support, p. 17.

⁸⁷ Grady Testimony in Support, pp. 17-18.

⁸⁸ Grady Testimony in Support, p. 18.

⁸⁹ Grady Testimony in Support, p. 19.

⁹⁰ Grady Direct, p. 26.

⁹¹ Grady Testimony in Support, p. 25.

conduct a formal lighting study in the next general rate case.⁹² Dr. Glass also testified in support of the NS&A's allocation of income tax credits and the new 12-CP allocation factors.⁹³

38. Ms. Crane also testified that the NS&A is supported by substantial evidence in the record as a whole.⁹⁴ Ms. Crane testified that "[her] testimony did not include any costs in base rates associated with the Western Plains Wind Farm" and "[her] Direct Testimony eliminated all of [Westar's] proposed increase related to new depreciation rates."⁹⁵ Ms. Crane then stated that "[i]f CURB's proposed revenue decrease is adjusted to reflect just these two issues, then CURB's recommended reduction" would come out at \$66,743,222, "very close to the reduction of \$66 million agreed to in the S&A."⁹⁶ Ms. Crane stated that "the PPA approach adopted for the Western Plains Wind Farm is very similar to the approach that I recommended in my Direct Testimony" and "mitigates the risk to ratepayers in the event that actual production at the Western Plains Wind Farm falls short of expectations, and also mitigates other risks relating to cost increases over the life of the wind farm."⁹⁷

RS-DG rate design

39. Mr. Greenwood testified that "[t]he rate design for the Residential DG class is supported by Westar's, Staff's and CURB's testimony and represents a compromise between those three parties' positions and the reporting that Westar agreed to for this class was recommended by CURB."⁹⁸

40. Westar witness Dr. Faruqui testified that "[u]nder the current rate offering, costs are under-recovered from DG customers by roughly 38% on average."⁹⁹ He further testified

⁹² Glass Testimony in Support, pp. 2-6.

⁹³ Glass Testimony in Support, pp. 6-7.

⁹⁴ Crane Testimony in Support, p. 10.

⁹⁵ Crane Testimony in Support, p. 10.

⁹⁶ Crane Testimony in Support, p. 11.

⁹⁷ Crane Testimony in Support, pp. 11-12.

⁹⁸ Greenwood Testimony in Support, p. 23. *See* Glass Testimony in Support, pp. 2-3; Harden Direct, p. 25.

⁹⁹ Faruqui Testimony in Support, p. 3. *See* Faruqui Testimony in Support, p. 3, fns. 1 through 3.

that “[t]he RS-DG rate that was originally proposed by Westar in this proceeding would have reduced this subsidy to an under-collection of costs of only around 12%,” but “[u]nder the proposed S&A rate, Westar has estimated that costs will be under-recovered from DG customers by around 30 percent.”¹⁰⁰ Dr. Faruqui stated that the NS&A’s three-part rate for RS-DG customers “is the same rate design that I supported in my direct and rebuttal testimony.”¹⁰¹ Moreover, Dr. Faruqui testified:

A three-part rate provides customers with price signals that are more cost-reflective than those in the current rate offering. The proposed rate design is consistent with the policy direction issued by the Commission in Docket No. 16-GIME-403-GIE and will allocate costs across individual customers more fairly than the current rate. It will also give customers an actionable incentive to manage their energy use in a way that contributes to overall reductions in the cost of running the power system. This will, in turn, result in customer bill savings.¹⁰²

41. Regarding an RS-DG customer’s ability to respond to the three-part RS-DG rate design, Dr. Faruqui testified that “not everyone will respond. Some will respond a lot because they are very price sensitive.”¹⁰³ He stated that the survey results from Arizona Public Service’s (APS) three-part rate “indicate that a majority of APS’s three-part rate participants know how to control their demand, do not feel it is difficult to manage household energy cost, and are aware of the demand charge. Additionally . . . 60 percent of participants in APS’s three-part rate reduced demand after enrolling in the rate.”¹⁰⁴

¹⁰⁰ Faruqui Testimony in Support, p. 3.

¹⁰¹ Faruqui Testimony in Support, p. 2.

¹⁰² Faruqui Testimony in Support, p. 2.

¹⁰³ Tr., Vol. 1, p. 187.

¹⁰⁴ Faruqui Rebuttal, pp. 13-14.

42. CURB witness Stacey Harden recommended the Commission approve a three-part rate design for the RS-DG class, based on CURB witness Brian Kalcic's analysis.¹⁰⁵ Mr. Kalcic testified as to how he determined CURB's proposed rates for the RS-DG class.¹⁰⁶

43. Staff witness Robert Glass testified that "[t]he three signatory parties to the S&A that had proposed a residential DG rate design – Westar, CURB, and Staff – agreed that the new rate design should be a three-part tariff – service charge, demand charge, and energy charge."¹⁰⁷ He stated the NS&A's compromise position on the three-part tariff was necessary because Westar, CURB and Staff had each advocated different values for the charges, but "[w]hen the differences in revenue requirement were taken into account, the three parties' proposed values for the three different charges were close enough that a compromise rate design was achieved."¹⁰⁸

44. At the hearing, Dr. Glass testified that "in the 403 docket in the final order, the Commission identified the problem with distributed generation. The problem created by distributed generation customers was that they still had similar demand on the system, but they used less energy."¹⁰⁹ He continued:

If you don't use the adjustments that Westar put in the distributed generation billing determinants, if you just go back to the basic billing determinants before they are adjusted, then the DG customers on a per monthly basis use slightly less than 600 kwh, 596 I believe. . . . On the other hand, residential standard customers on a per monthly basis use 1,031. The difference is 42 percent, I think, 41 percent, something like that. That's the amount of demand revenue that is not collected from DG customers because they are not using the same amount of energy. By . . . putting the demand charge in there . . . it's going to increase the amount of demand they pay, reduce the amount of demand that they are avoiding currently. It's not going to go all the way.

¹⁰⁵ Harden Direct, p. 25. *See* Kalcic Direct, p. 17 (stating that "[s]ubject to the conditions in Ms. Harden's direct testimony, CURB does not oppose a three-part RS-DG rate").

¹⁰⁶ Kalcic Direct, pp. 18-19.

¹⁰⁷ Glass Testimony in Support, p. 2.

¹⁰⁸ Hearing Exhibit "Staff 1" (July 25, 2018), replacing p. 3 of Glass Testimony in Support.

¹⁰⁹ Tr., Vol. 2, p. 284.

I believe that Dr. Faruqui said they are missing collecting their revenue by 38 percent. When I did a calculation -- and it's not really the back of the envelope, but it's a conservative series of approximations -- I got about 30 percent. So it's reducing the amount that is not collected for demand from DG customers. At the same time their rates are not -- their total revenue collection from them is not going up.¹¹⁰

45. Regarding the relationship between the class cost of service studies in this docket and the RS-DG rate design, Dr. Glass testified to the dynamism of the RS-DG class, stating that “[t]hey went from in the test year, just in the test year, from 65 to 227” and that “the class cost of service is a snapshot.”¹¹¹ He continued:

I would argue that that rate of return, although accurately calculated, is probably not very reflective of the [RS-DG] class. And the fact that Mr. Amen's number is significantly different doesn't mean that he made a mistake and doesn't mean that Ms. Myrick made a mistake. It just means it's probably something that can't be accurately measured at this point. When I looked at evaluating the rate design, I didn't just look at the rate of return. I looked at other factors.¹¹²

46. Dr. Glass stated that, from Ms. Myrick's CCOS, he derived an estimated value for [a] kW of demand, for the system, of \$17.60.¹¹³ He stated that he took the \$17.60, used the full sample of DG customers from Dr. Faruqui's spreadsheet, and came up with a demand of 5.4 for DG customers.¹¹⁴ Dr. Glass then stated that regular residential standard customers have a demand of about 5.2, and thus, the DG and non-DG customers have essentially the same demand.¹¹⁵ Based on this, he provided his analysis:

There is not much difference there, but it's still 5. You multiply 5 by 17.6, you get 95 I think, something like that, is that right? 85 maybe. . . . So you get an estimate that . . . there is about \$85 worth of demand that these customers are putting on the system, which is about the same as regular residential customers. So then

¹¹⁰ Tr., Vol. 2, pp. 284-85.

¹¹¹ Tr., Vol. 2, p. 287.

¹¹² Tr., Vol. 2, p. 288.

¹¹³ Tr., Vol. 2, p. 288.

¹¹⁴ Tr., Vol. 2, pp. 288-89.

¹¹⁵ Tr., Vol. 2, p. 289.

. . . I look at well, okay, we are going to charge \$3 and \$9 per kwh. You're going to have 8 months of \$3, 4 months of \$9, average that, \$5 which is a nice number . . . Okay, \$5 times 5 is \$25. That's how much they [i.e., DG customers] are going to pay in demand charges, \$5 – or \$25, about. But they are putting \$85 on the system. So you are moving towards . . . what you want to do, but you're not – as Dr. Faruqui said, you're not actually anywhere near actually getting there, but it's a step.¹¹⁶

47. Dr. Glass concluded that “it's more than fair in the sense that . . . we didn't set a demand charge of \$17, an average of \$17. Instead it's 5. It's a very reasonable number . . . and this is obviously a compromise” that avoids rate shock for DG customers.¹¹⁷

Findings and Conclusions

48. Commission rate determinations are presumed valid unless they are not supported by substantial competent evidence.¹¹⁸ Substantial competent evidence is that which possesses something of substance and relevant consequence, and which furnishes a substantial basis of fact from which the issues can reasonably be resolved.¹¹⁹ A Commission decision is not supported by substantial competent evidence only when the evidence shows the Commission's determination is so wide of the mark as to be outside the realm of fair debate.¹²⁰ Moreover, the Commission “is not obligated to render its findings of fact in minute detail . . . [h]owever, we require its findings to be specific enough to allow judicial review of the reasonableness of the order.”¹²¹

49. Based on the above discussion, the Parties to the NS&A have provided testimony and evidence, both prior to and after settlement negotiations, that is substantial, relevant, and furnishes a substantial basis of fact by which the Commission may consider and

¹¹⁶ Tr., Vol. 2, pp. 289-90.

¹¹⁷ Tr., Vol. 2, p. 290.

¹¹⁸ *Farmland Indus., Inc. v. State Corp. Comm'n of Kansas*, 24 Kan. App. 2d 172, 176 (1997).

¹¹⁹ *Pickrell Drilling Co. v. State Corp. Comm'n of Kansas*, 232 Kan. 397, 402 (1982).

¹²⁰ *Zinke & Trumbo, Ltd. v. State Corp. Comm'n of State of Kan.*, 242 Kan. 470, 474 (1988).

¹²¹ *Id.* at 475.

approve the terms of the NS&A. The Parties to the NS&A, who represent multiple and diverse interests, engaged in vigorous settlement discussions and relied on the evidence in this docket to strike a reasonable compromise. It is undisputed that the witnesses who testified and submitted evidence are experts in their respective fields, and therefore, the Commission finds they provided competent information for the Parties in support to use in settlement negotiations and for the Commission to rely on in determining the reasonableness of the NS&A.

50. Moreover, the Commission “of necessity, must be afforded a wide discretion in the methodology to be utilized in approaching the complex problems involved. The field of public utility regulation is a highly complex field and requires a great amount of expertise in arriving at a result which is fair and just to all interested parties.”¹²² Whether another trier of fact, or another party, could have reached a different conclusion given the same facts is irrelevant.¹²³ Further, the Commission finds that “black box” components of rate case settlements do not lack substantial competent evidence *per se*,¹²⁴ and that the Parties to the NS&A have shown the black box component of the NS&A is supported by substantial competent evidence.¹²⁵ The Commission relies on the expert testimony of the Parties in support of the NS&A as a whole, and therefore, the Commission finds the NS&A and its specific terms are supported by substantial, competent evidence in light of the entire record.

51. The Commission finds the RS-DG rate design must be considered under the same legal standards as the NS&A as a whole. Based on the above discussion, the Commission finds the expert witnesses from Westar, Staff and CURB provided an abundant, substantial, competent and compelling evidentiary basis for approving the NS&A’s three-part rate design.

¹²² *Kansas Gas & Elec. Co. v. State Corp. Comm’n*, 239 Kan. 483, 495 (1986).

¹²³ *Zinke & Trumbo, Ltd.*, 242 Kan. at 474.

¹²⁴ See Docket No. 08-ATMG-280-RTS, *Order Approving Contested Settlement Agreement*, ¶ 16 (May 12, 2008); *Citizens’ Util. Ratepayer Bd. v. State Corp. Comm’n of State of Kansas*, 28 Kan. App. 2d 313, 316 (2000).

¹²⁵ See ¶ 35 of this Order, *supra*. See also Westar’s Initial Brief, pp. 17-19; CURB’s Brief, ¶¶ 19-20.

c. Does the Stipulation and Agreement Conform with Applicable Law?

52. A Commission order is lawful if it is within the Commission's statutory authority and if the prescribed statutory and procedural rules are followed in the making of the order.¹²⁶ The Commission has wide discretion regarding rates for public utilities.¹²⁷ Although the parties in this proceeding had disputes among their respective initial positions, "[i]t is an elemental rule that the law favors compromise and settlement of disputes."¹²⁸ Thus, the Commission may consider proposed settlement agreements and "may accept a nonunanimous settlement agreement provided an independent finding is made, supported by substantial evidence in the record as a whole, that the settlement will establish just and reasonable rates."¹²⁹

53. Sierra Club claimed the RS-DG three-part rate runs afoul of K.S.A. 66-117d,¹³⁰ which provides that "[n]o electric . . . utility providing electrical . . . service in this state shall consider the use of any renewable energy source other than nuclear by a customer as a basis for establishing higher rates or charges for any service or commodity sold to such customer nor shall any such utility subject any customer utilizing any renewable energy source other than nuclear to any other prejudice or disadvantage on account of the use of any such renewable energy source." Sierra Club also argued that K.S.A. 66-1265(e) does not repeal or override K.S.A. 66-117d.¹³¹ K.S.A. 66-1265(e) states: "Each utility shall for any customer-generator which began operating its renewable energy resource under an interconnect agreement with the utility on or after July 1, 2014, have the option to propose, within an appropriate rate proceeding, the application of time-of-use rates, minimum bills or other rate structures that would apply to all such customer-generators."

¹²⁶ *Cent. Kansas Power Co. v. State Corp. Comm 'n*, 221 Kan. 505, 511 (1977).

¹²⁷ *Id.*

¹²⁸ *In the Matter of Thompson's Estates*, 226 Kan. at 440. *See Bright v. LSI Corp.* 254 Kan. 853, 858 (1994).

¹²⁹ *Citizens' Util. Ratepayer Bd.*, 28 Kan. App. 2d at 316.

¹³⁰ Sierra Club Brief, pp. 6-16.

¹³¹ Sierra Club Brief, pp. 16-17.

54. In addition, Sierra Club argued that the RS-DG rate violates 18 C.F.R. § 292.305¹³² and that the *Final Order* from the 16-403 Docket does not prevent the Commission from complying with K.S.A. 66-117d and federal law.¹³³

55. Regarding cost of service, Mr. Amen testified that many electricity customers today are choosing to be “partial requirements customers” rather than “full requirements customers,” as most people used to be.¹³⁴ He stated that such partial requirements customers “want to explore self-generation supply options for a portion of their energy requirements.”¹³⁵ However, according to Mr. Amen, “[i]n this mixed monopoly and competition model, in order to avoid subsidization by non-DG customers to DG customers, it is important that customers who elect to self-supply a portion of their energy needs continue to pay the costs not avoided by the utility.”¹³⁶ In addition, Mr. Amen testified that “fixed costs represent 76% of the total revenue requirement” for residential customers, but “only 18.25% is recovered in fixed charges.”¹³⁷

56. Dr. Glass testified similarly, stating that the RS-DG demand charge is addressing the problem of the DG customer’s “basic behavior,” namely, “that they still had similar demand on the system, but they used less energy.”¹³⁸ Thus, there is the need to add the demand charge.¹³⁹

57. Dr. Faruqi testified at hearing that customers around the country with a demand charge “have had very little difficulty in adjusting their usage profile to meet their demand charge concept.”¹⁴⁰ Moreover, he testified that for a customer to change their usage of big

¹³² Sierra Club Brief, pp. 18-20.

¹³³ Sierra Club Brief, pp. 20-22.

¹³⁴ Amen Direct, pp. 31-32.

¹³⁵ Amen Direct, p. 32.

¹³⁶ Amen Direct, p. 32.

¹³⁷ Amen Direct, Appendix B, p. 2.

¹³⁸ Tr., Vol. 2, p. 284.

¹³⁹ See Tr., Vol. 2, p. 285.

¹⁴⁰ Tr., Vol. 1, p. 190.

appliances, and thus, their demand on the system “has nothing to do with solar.”¹⁴¹ He also agreed that “if . . . a DG customer . . . had a monthly usage of 900 kilowatts on average and had a demand lower than 5 kilowatts, they would pay less under the DG rate than they would under the residential rate.”¹⁴²

Findings and Conclusions

58. The Commission finds the crucial facts about K.S.A. 66-117d are that customer use of renewable energy cannot be used *as a basis for* establishing higher rates or charges, and customers using renewable energy cannot be prejudiced or disadvantaged *on account of* their use of such energy.¹⁴³ The evidence discussed in this Order above demonstrates that RS-DG customers’ use of renewable energy is not the “basis for” their paying a different rate than their non-DG counterparts. Rather, the evidence shows that RS-DG customers will pay a different rate than non-DG customers on the basis of the RS-DG customers’ different usage patterns.¹⁴⁴ Indeed, an RS-DG customer may even pay less than he or she would under the non-DG residential rate by adjusting his or her usage profile.¹⁴⁵ Westar’s RS-DG rate is a consequence of “basic behavior” and self-supply, not of renewable energy use.¹⁴⁶

59. Moreover, the RS-DG customers are not prejudiced or disadvantaged “on account of” their use of renewable energy because the evidence demonstrates they are not prejudiced or disadvantaged at all. The Commission may approve “a rate structure imposing differing rates on different classes . . . if there is a reasonable basis to support it.”¹⁴⁷ The Commission has already found compelling evidence to support the three-part RS-DG rate

¹⁴¹ Tr., Vol. 1, p. 225.

¹⁴² Tr., Vol. 1, p. 224.

¹⁴³ Emphasis added.

¹⁴⁴ See Amen Direct, pp. 31-32; Tr., Vol. 2, pp. 284-85.

¹⁴⁵ See Tr., Vol. 1, p. 190.

¹⁴⁶ See Tr., Vol. 2, p. 284; Amen Direct, p. 32.

¹⁴⁷ *Midwest Gas User Ass’n v. State Corp. Comm’n*, 5 Kan. App. 2d 653. 663 (1981).

design,¹⁴⁸ and agrees with Dr. Glass that the RS-DG rate design is only “a step” towards ending the subsidization of Westar’s DG customers by its non-DG customers.¹⁴⁹

60. The Commission finds that there is no merit to the assertion that RS-DG customers are disadvantaged by any alleged difficulty in understanding or responding to the three-part RS-DG rate.¹⁵⁰ The Commission agrees with Westar that by Ms. Yozwiak’s own testimony, more than two-thirds of customers enrolled in APS’s three part rate knew their rate had a demand charge and knew how to manage their energy costs.¹⁵¹ Further, Dr. Faruqui made it clear that customers around the country with demand charges have had no difficulty changing their usage, and this “has nothing to do with solar.”¹⁵² Moreover, Sierra Club’s attack on the three-part rate design as difficult to understand, and therefore prejudicial, is a *per se* attack on the very nature of the three-part rate design. Not only does Sierra Club lack sufficient evidence for its assertion, but its argument is counter to the Commission’s finding in the 16-403 Docket that a cost-of-service based three-part rate consisting of a customer charge, demand charge, and energy charge is an appropriate rate design option.¹⁵³

61. The Commission finds Sierra Club’s contention that Westar’s proposed RS-DG tariff language constitutes a violation of K.S.A. 66-117d unavailing because Westar has alleviated this concern by its willingness “to change the RS-DG tariff to apply to all customers with self-generation, regardless of the type of generation.”¹⁵⁴

62. The Commission also finds that Sierra Club’s interpretation of K.S.A. 66-117d would foreclose any application of the statute to any circumstance where a renewable energy

¹⁴⁸ See Tr., Vol. 2, pp. 284-285.

¹⁴⁹ See Tr., Vol. 2, pp. 288-290.

¹⁵⁰ See Sierra Club Brief, pp. 13-16.

¹⁵¹ See Westar Reply Brief, pp. 6-7.

¹⁵² See ¶ 57 of this Order, *supra*.

¹⁵³ 16-403 Docket, *Final Order*, ¶ 23.

¹⁵⁴ Westar Reply Brief, p. 9.

user could be charged a higher rate than a non-renewable energy user, and that such an interpretation would fly in the face of the “as a basis for” and “on account of the use of” language in the statute. Thus, the Commission finds that Sierra Club is again contending that a cost of service based three-part rate design for solar DG customers consisting of a customer charge, demand charge, and energy charge is *per se* unjust, unreasonable, prejudicial, disadvantageous, unduly discriminatory or unduly preferential.¹⁵⁵ For these and other reasons otherwise set out herein, the Commission gives no weight to such an argument. Based on the above, the Commission finds Westar’s RS-DG three-part rate does not violate K.S.A. 66-117d.

63. Given the Commission’s finding that the RS-DG rate does not violate K.S.A. 66-117d, Sierra Club’s assertion that 66-117d is not repealed or overridden by K.S.A. 66-1265(e) is irrelevant. However, the Commission finds that the plain language of K.S.A. 66-1265(e) does not preclude the Commission from imposing higher rates on residential DG customers relative to residential non-DG customers. This is consistent with Kansas law providing that the Commission may implement “a rate structure imposing differing rates on different classes . . . if there is a reasonable basis to support it.”¹⁵⁶

64. The Commission finds Sierra Club’s argument that the RS-DG rate violates 18 C.F.R. § 292.305 is without any merit. Substantial evidence shows, contrary to Sierra Club’s assertions, that DG and non-DG customers do *not* have “similar load or other cost-related characteristics,” “similar usage,” or “identical . . . energy use.”¹⁵⁷ This evidence corroborates the Commission’s finding in the 16-403 Docket that “the current two-part residential design is problematic for utilities and residential private DG customers because DG customers use the electric grid as a backup system resulting in their consuming less energy than non-DG

¹⁵⁵ See *Order on Westar’s Motion to Strike Portions of Sierra Club’s and Vote Solar’s Testimony*, ¶ 10.

¹⁵⁶ *Midwest Gas User Ass’n*, 5 Kan. App. 2d at 663.

¹⁵⁷ See Sierra Club Brief, pp. 18, 20. See Tr., Vol. 2, pp. 284-85, 287-90.

customers, which results in DG customers not paying the same proportion of fixed costs as non-DG customers,” and thus, “DG customers are . . . being subsidized by non-DG customers.”¹⁵⁸ Further, § 292.305 does not nullify the principles enshrined in Kansas law that, (1) rate design allocation need not be limited to cost of service factors, and (2) with respect to rate design issues “a structure imposing different rates on different classes will be upheld if there is a reasonable basis for it.”¹⁵⁹ “[N]ot all discrimination between customers is unlawful with the prohibition applying only to those differences in treatment which are unjust or unreasonable.”¹⁶⁰ There is abundant evidence in this case of a just and reasonable basis for the RS-DG rate design in the NS&A. Thus, there is no discrimination pursuant to 18 C.F.R. § 292.305.

65. Moreover, Sierra Club’s understanding of what constitutes a denial of an interclass or intraclass subsidy is erroneous. The evidence in this case demonstrates that the RS-DG class does not pay a proper share of its demand on Westar’s system, and under the RS-DG rate, they will still not pay a proper share, but they will move closer to paying it.¹⁶¹ In other words, the evidence demonstrates that non-DG customers are paying the costs the DG customer class is avoiding,¹⁶² rather than demonstrating Sierra Club’s false claim that “RS customers receive a subsidy that RS-DG customers do not receive (and, in fact, pay for) based solely on the fact that they self-generate.”¹⁶³

¹⁵⁸ 16-403 Docket, *Final Order*, ¶ 22.

¹⁵⁹ *Farmland Indus., Inc. v. Kansas Corp. Comm’n*, 29 Kan. App. 2d 1031, 1047 (2001) (holding that “the KCC has broad discretion in making decisions in rate design types of issues”). See *Midwest Gas User Ass’n*, 5 Kan. App. 2d at 663; *State ex rel. Schneider v. Liggett*, 223 Kan. 610, 616 (1978) (quoting *McGowan v. Maryland*, 366 U.S. 420, 425-26 in holding that “[a] statutory discrimination will not be set aside if any state of facts reasonably may be conceived to justify it”).

¹⁶⁰ *Midwest Gas Users Ass’n v. State Corp. Comm’n*, 3 Kan. App. 2d 376, 388 (1979).

¹⁶¹ See Tr., Vol. 2, pp. 284-85.

¹⁶² See Tr., Vol. 2, pp. 284-90.

¹⁶³ Sierra Club Brief, p. 20.

66. Finally, the Commission rejects Sierra Club's argument that the RS-DG rate somehow imposes a different "costing principle" on solar DG customers.¹⁶⁴ Sierra Club seems to be arguing that the rate design for the RS-DG class and the RS class should hone in on individual customers, "look[] inside the class," as it were.¹⁶⁵ However, such a methodology is not required in designing rates, and as Dr. Faruqi testified, "Generally you assign a rate for a class and not individual customers. Clearly if you were to design it for individual customers, it would first of all not be practical. . . . The reality is that you have customer friendliness as an aspect of the rate and not just exact cost activity . . . to the extent that you just wanted to have exact cost reflected, you would have a very complicated rate structure."¹⁶⁶ Dr. Glass made it clear that when he was evaluating the RS-DG rate design, he "didn't just look at the rate of return. I looked at other factors,"¹⁶⁷ which he may properly do.¹⁶⁸ Indeed, "not jerking the [RS-DG] customer immediately to what, you know, probably it should be" was one of those factors.¹⁶⁹ Based on the above, the Commission finds the RS-DG rate in the NS&A does not violate 18 C.F.R. § 292.305.

67. Regarding the 16-403 Docket, the Commission finds the RS-DG rate proposed in the NS&A is consistent with the Commission's orders in the 16-403 Docket. Westar has properly relied on the 16-403 Docket's policy of allowing a three-part rate design for DG customers.¹⁷⁰ Moreover, Westar has not shirked its burden of showing that its proposed rate design will result in non-discriminatory, just and reasonable rates¹⁷¹ nor its requirement to

¹⁶⁴ Sierra Club Brief, p. 19.

¹⁶⁵ Sierra Club Brief, p. 19. *See* Tr., Vol. 1, p. 205.

¹⁶⁶ Tr., Vol. 1, pp. 206, 209.

¹⁶⁷ Tr., Vol. 2, p. 288.

¹⁶⁸ *See Midwest Gas Users Ass'n*, 3 Kan. App. 2d at 391.

¹⁶⁹ Tr., Vol. 2, p. 290.

¹⁷⁰ 16-403 Docket, *Final Order*, ¶ 23.

¹⁷¹ 16-403 Docket, *Final Order*, ¶ 24.

implement a customer education program for the RS-DG customers.¹⁷² Because the Commission has already found that the NS&A's RS-DG rate complies with K.S.A. 66-117d and federal law, Sierra Club's concern about a conflict between those laws and the findings of the 16-403 Docket are moot. The Commission will take up the question of the justness and reasonableness of the RS-DG rate in the next section below.

68. Based on the above, the Commission finds the NS&A complies with applicable law.

d. Does the Stipulation and Agreement Result in Just and Reasonable Rates?

69. Westar is required to provide reasonably efficient and sufficient service and establish just and reasonable rates, charges and exactions that are not unreasonably discriminatory or unduly preferential.¹⁷³ Just and reasonable rates are those that fall within a "zone of reasonableness," which balances the interests of the utility's investors, the present and future ratepayers, and the public.¹⁷⁴ The Commission has broad discretion in determining what constitutes a just and reasonable rate.¹⁷⁵ The Kansas Supreme Court has recognized that "the touchstone of public utility law is the rule that one class of consumers shall not be burdened with costs created by another class."¹⁷⁶ In addition to cost causation, the Commission may consider matters of public policy, such as gradualism to minimize rate shock, revenue stability for the company, economic development and energy efficiency.¹⁷⁷

¹⁷² 16-403 Docket, *Final Order*, ¶ 25.

¹⁷³ K.S.A. 66-101b.

¹⁷⁴ *Kansas Gas and Elec. Co. v. State Corp. Comm 'n*, 239 Kan. 483, 488 (1986).

¹⁷⁵ *Citizens' Util. Ratepayer Bd. v. State Corp. Comm 'n of State*, 47 Kan. App. 2d 1112, 1131 (2012).

¹⁷⁶ *Jones v. Kansas Gas & Electric Co.*, 222 Kan. 390, 401 (1977).

¹⁷⁷ Docket No. 16-KCPE-446-TAR, *Final Order*, ¶ 91 (June 22, 2017). See *Midwest Gas Users Ass'n*, 3 Kan. App. 2d at 380-81.

70. The NS&A results in a rate decrease for all Westar customers,¹⁷⁸ and a substantial decrease for many of them,¹⁷⁹ including reductions stemming from the TCJA and the commitments Westar made in the recent Merger Docket (18-095 Docket).¹⁸⁰ The NS&A gives Westar recovery of Mid-Kansas Electric Company (MKEC) lost revenue and a way to recover future costs related to its lease on 8% of JEC, while removing any JEC cost over-recovery from base rates now.¹⁸¹

71. Mr. Grady testified that “Staff’s Direct Testimony was filed with the intention of balancing all of the interests represented in this case and the agreed upon total revenue reduction is a substantial reduction in rates from Westar’s filed position.”¹⁸² Mr. Grady continued:

Settlement negotiations for a docket like this one are an exhaustive, extensive, and dynamic process. The Parties that are involved in this Docket are all represented by professional and experienced accountants, economists, engineers, financial analysts, rate analysts and attorneys with decades of combined experience amongst them. The presence of professional expert witnesses and attorneys helps ensure that any unreasonable position(s) taken by any party are eliminated by opposing parties through the Settlement process. More specifically, while an unreasonable position(s) may or may not be discussed explicitly in settlement, each party is generally unwilling to make concessions to unreasonable position(s) and will exclude such unreasonable position(s) from their respective Settlement positions. Simply put, a Settlement that is able to satisfy each of these very diverse and competing interests is not easy to accomplish. The fact that all parties in this case, with diverse and often competing interests, have found common ground for resolving the revenue requirement and policy issues strongly supports Staff’s contention that the Settlement in this case will result in just and reasonable rates that are in the public interest.¹⁸³

¹⁷⁸ See Tr., Vol. 2, pp. 285-86.

¹⁷⁹ Greenwood Testimony in Support, p. 23.

¹⁸⁰ Greenwood Testimony in Support, p. 23.

¹⁸¹ Greenwood Testimony in Support, p. 24.

¹⁸² Grady Testimony in Support, p. 20.

¹⁸³ Grady Testimony in Support, pp. 21-22.

72. According to Mr. Grady, the NS&A balances Westar's desire to be sure it can meet its financial obligations while keeping customer rates low and service reliable.¹⁸⁴ The NS&A allows Westar recovery of its costs for the Western Plains Wind Farm in a manner that addresses the risks both to Westar and to the customers.¹⁸⁵

73. Ms. Crane testified that "the revenue reduction is very close to the revenue reduction recommended by CURB, as adjusted to reflect Staff's recommended depreciation rates and the ratemaking treatment for the Western Plains Wind Farm."¹⁸⁶ Ms. Crane also stated that the NS&A reasonably distributes the rate reduction among customer classes.¹⁸⁷

74. Based on the above, the Commission finds that the NS&A as a whole results in non-discriminatory, just and reasonable rates.

75. Regarding the justness and reasonableness of rates for the residential RS-DG customers, the Commission reviews the relevant findings from the 16-403 Docket. The Commission found in its 16-403 Docket *Final Order* that "DG customers should be uniquely identified within the ratemaking process because of their potentially significant usage characteristics."¹⁸⁸ The Commission also found that "[u]tilities may create a separate residential class or sub-class for DG customers with their own rate design, which appropriately recovers the fixed costs of providing service to residential private DG customers," but such "[a] separate rate class for DG customers is not meant to punish those customers."¹⁸⁹ In addition, the Commission found "the current two-part residential rate design is problematic for utilities and residential private DG customers because DG customers use the electric grid as a backup system resulting in their consuming less energy than non-DG customers, which results in DG customers

¹⁸⁴ Grady Testimony in Support, pp. 20-21.

¹⁸⁵ Grady testimony in Support, p. 21.

¹⁸⁶ Crane Testimony in Support, p. 12.

¹⁸⁷ Crane Testimony in Support, p. 12.

¹⁸⁸ 16-403 Docket, *Final Order*, ¶ 20.

¹⁸⁹ 16-403 Docket, *Final Order*, ¶ 20.

not paying the same proportion of fixed costs as non-DG customers,” and thus, “DG customers are . . . being subsidized by non-DG customers.”¹⁹⁰ However, the Commission also found that no particular rate design serves as a predetermination that such rate designs will result in just and reasonable rates.¹⁹¹ Rather, “the sponsoring utility of a new DG rate design [has] the burden to show that any proposed rate design will result in non-discriminatory, just and reasonable rates.”¹⁹²

76. In the 16-403 Docket, the Commission found that private residential DG customer rates should be cost-based and not based on any unquantifiable value of resource approach.¹⁹³ The Commission also found that, although “DG customers are not paying their full fixed costs and are thus being cross-subsidized by the other residential customers, there is not sufficient evidence for the Commission to determine whether that cross-subsidization results in an unduly preferential rate . . . The record suggests that information would only be available after the utilities completed a class cost of service study in their next rate case.”¹⁹⁴

77. The implications of the 16-403 Docket findings for this proceeding are: (1) Westar’s current two-part rate for DG customers is problematic because it results in a cross-subsidy from non-DG customers to DG customers; (2) Westar may create a separate class or sub-class for its residential DG customers and design a three-part rate for that class or sub-class; and (3) Westar must demonstrate that the three-part rate is cost-based, resulting in non-discriminatory, just and reasonable rates for the DG customer class or sub-class.

78. The Commission’s finding that the S&A in the 16-403 Docket did not change rates or rate design for any customer and that, at the time of the *Final Order*, the existing rates

¹⁹⁰ 16-403 Docket, *Final Order*, ¶ 22.

¹⁹¹ 16-403 Docket, *Final Order*, ¶ 24.

¹⁹² 16-403 Docket, *Final Order*, ¶ 24.

¹⁹³ 16-403 Docket, *Final Order*, ¶ 26.

¹⁹⁴ 16-403 Docket, *Final Order*, ¶ 36.

should continue,¹⁹⁵ does not negate the Commission's finding that "DG customers are not paying their full fixed costs and are thus being cross-subsidized by the other residential customers."¹⁹⁶ The Commission left it for this specific rate proceeding to determine whether, in Westar's case, the cross-subsidization is resulting in an unduly preferential rate for the DG customers.¹⁹⁷

79. The Commission finds that, in Westar's case, under the two-part rate design for DG customers currently in place, the DG customers are receiving a preferential rate. Dr. Glass testified that DG customers put \$85 of demand on the system, but even under the NS&A's residential RS-DG rate, the DG customers will only be paying \$25 in demand charges.¹⁹⁸ Thus, according to Dr. Glass, "you are moving towards what you want to do, but you're not — as Dr. Faruqi said, you're not actually anywhere near actually getting there, but it's a step. And I also think there is a real advantage to only going partial, and this is really going partial way."¹⁹⁹

80. Dr. Glass's conclusion is well-illustrated by his Table 1 below,²⁰⁰ showing that under the NS&A, residential DG customers will see no increase in their service charge, a substantial *decrease* in their energy charge, and the very modest demand charge to which Dr. Glass has testified above:

¹⁹⁵ 16-403 Docket, *Final Order*, ¶ 33.

¹⁹⁶ 16-403 Docket, *Final Order*, ¶ 36.

¹⁹⁷ 16-403 Docket, *Final Order*, ¶ 36.

¹⁹⁸ Tr., Vol. 2, p. 289.

¹⁹⁹ Tr., Vol. 2, pp. 289-90.

²⁰⁰ Glass Testimony in Support, p. 3. See Hearing Exhibit "Staff 1."

Table 1

Current & New Residential - Distributed Generation Rates			
	Current Rates	New Rates	Percentage Change
Service Charge	\$14.50	\$14.50	
Energy Charge			
Winter			
1st block - 500 kWh	\$0.076833	\$0.045840	-40.34%
2nd block - 400 kWh	\$0.076833	\$0.045840	-40.34%
3rd block - additional kWh	\$0.062804	\$0.045840	-27.01%
Summer			
1st block - 500 kWh	\$0.076833	\$0.045840	-40.34%
2nd block - 400 kWh	\$0.076833	\$0.045840	-40.34%
3rd block - additional kWh	\$0.084752	\$0.045840	-45.91%
Demand Charge			
Winter		\$3.00	
Summer		\$9.00	

81. The question now is whether Westar has shown that the RS-DG rate is cost-based, as well as just and reasonable. The Commission finds that strict adherence to a class cost of service study is not necessary to demonstrate that a rate and/or rate design is cost based. When Staff witness Myrick was asked by Sierra Club counsel whether she “would . . . agree that . . . the class ROR relative to the total system ROR can serve as a guide in determining how to allocate a revenue requirement reduction among the classes, Ms. Myrick stated: “It’s just one of the many things that we use to do that . . . one factor.”²⁰¹

82. Regarding the CCOSS’s in this case, Dr. Faruqui testified that a CCOSS “cannot be used mechanically to do rate design. It’s suggestive and it tells us there are three elements of cost.”²⁰² Regarding the design of the demand charge, he testified that “the design of rates requires a trade-off between the principles of cost-reflectivity, equity, and simplicity, among

²⁰¹ Tr., Vol. 2, p. 271.

²⁰² Tr., Vol. 1, p. 210.

others. Approximations must be made in the design of residential rates.”²⁰³ Moreover, according to Dr. Faruqui:

The demand charge applies on a monthly basis, providing customers with a consistent, predictable price signal. Measurement of demand is constrained to peak hours of the day, which aligns the demand charge with the hours of the day that drive capacity investment. And seasonal differentiation of the demand charge reflects the primarily summer-driven nature of new capacity needs. All of these features align the RS-DG rate with costs while keeping its design simple enough for customers to understand.²⁰⁴

83. Again, Dr. Glass stated the residential DG customer class is “a very dynamic class,” growing “just in the test year, from 65 to 227,” and “the class cost of service is a snapshot.”²⁰⁵ Hence, according to Dr. Glass, the “rate of return, although accurately calculated, is probably not very reflective of the class . . . [I]t’s probably something that can’t be accurately measured at this point. When I looked at evaluating the rate design, I didn’t just look at the rate of return.”²⁰⁶ Indeed, the Kansas Court of Appeals has held that cost of service studies are “a tool the KCC can use to help it set fair rates,”²⁰⁷ noting they are often “unreliable when made,”²⁰⁸ and held that “the weight to be given the resulting data [from a cost study] when offered is peculiarly within the domain of the KCC.”²⁰⁹ Thus, while the Commission considered Ms. Yozwiak’s arguments that Westar over-collects from the residential DG customer class,²¹⁰ the Commission rejects her arguments based on the evidence from Dr. Faruqui and Dr. Glass as set forth in this Order.

²⁰³ Faruqui Rebuttal, p. 8.

²⁰⁴ Faruqui Rebuttal, pp. 8-9.

²⁰⁵ Tr., Vol. 2, p. 287.

²⁰⁶ Tr., Vol. 2, p. 288.

²⁰⁷ *Farmland Industries, Inc. v. State Corp. Comm’n*, 25 Kan. App. 2d 849, 855 (1999).

²⁰⁸ *Midwest Gas Users Ass’n*, 3 Kan. App. 2d at 391.

²⁰⁹ *Id.*

²¹⁰ See Yozwiak Direct, pp. 12-32; Yozwiak Cross-Answering, pp. 3-9; Yozwiak Testimony in Opposition, pp. 4-9, 11-14.

84. Notwithstanding the above, Dr. Glass pulled data from Staff's CCOSS, which led to his cost-based analysis of DG customer demand versus non-DG customer demand on the system, explained in paragraphs 45-47 above.²¹¹ Moreover, when explaining how he designed the DG rate to be revenue neutral versus the RS rate, Dr. Glass stated:

I took Staff's billing determinants, not Westar's billing determinants, I took those billing determinants. I set demand at \$3 and \$9. I set . . . the service charge at \$15. And then I just solved for the energy charge that gave me the same revenue as was collected using the previous rate design, which was the residential standard rate design.²¹²

85. Based on the above, the Commission is persuaded by substantial competent evidence that the RS-DG rate proposed in the NS&A is cost-of-service based. Moreover, given that the residential DG customer class is being given a rate decrease when the evidence demonstrates they could be receiving a rate increase, the Commission agrees with Dr. Glass that the RS-DG rate is "more than fair in the sense that" it keeps the residential DG customers from facing significant rate shock.²¹³ Therefore, consistent with its finding on the NS&A as a whole, the Commission finds the RS-DG rate is non-discriminatory, just and reasonable.

e. Are the results of the Stipulation and Agreement in the public interest, including the interest of customers represented by any party not consenting to the Agreement?

86. Mr. Grady testified that, "[g]enerally speaking, the public interest is served when ratepayers are protected from unnecessarily high prices[,] discriminatory prices and/or unreliable service."²¹⁴ Mr. Grady further testified that the parties negotiating the NS&A were: CURB, who represents residential and small general service ratepayers; Westar, who represents its management and shareholders; KIC, who represents large industrial users; DOD/FEA, Wal-

²¹¹ See Tr., Vol. 2, pp. 288-289.

²¹² Tr., Vol. 2, pp. 291-92.

²¹³ Tr., Vol. 2, p. 290.

²¹⁴ Grady Testimony in Support, p. 24.

mart, Kroger, USD 259, Tyson, HollyFrontier, the Topeka Metropolitan Transit Authority, and The Kansas State Board of Regents, who represent varied individual interests; and Staff, who represents the public generally and attempts to balance each of the above interests.²¹⁵ According to Mr. Grady, “[b]ecause these varied interests were able to collaborate and present a unanimous resolution of most of the issues in this case, the public interest has been met.”²¹⁶

87. Dr. Glass testified that continuous, reliable utility operation benefits ratepayers while the rate design proposed in the NS&A allows Westar sufficient revenues to cover its costs.²¹⁷ Dr. Glass further stated that the only burden from this docket that could potentially rest on future generations of ratepayers, namely Westar’s ownership of the Western Plains Wind Farm, has been properly addressed in the NS&A by the fixed price PPA mechanism pertaining to that wind farm.²¹⁸

88. Regarding the Western Plains Wind Farm, Mr. Greenwood noted that protections are provided by the NS&A for both the customers and Westar, depending on whether the wind farm operates at a lower or higher capacity factor than anticipated.²¹⁹ Regarding the 8% interest in JEC that Westar leases from WTC, Mr. Greenwood testified that the NS&A “prevent[s] any over-recovery by Westar but allow[s] Westar to recover[] actual expenses incurred if Westar negotiates a new lease [or] purchase of the 8% interest in JEC that is in the customers’ best interests.”²²⁰

89. Ms. Crane noted the \$66 million revenue reduction, the bill credit related to the TCJA, the PPA-type mechanism related to the Western Plains Wind Farm, the mechanism related to the 8% interest in JEC, and the possible \$2 million in base rate funding of the

²¹⁵ Grady Testimony in Support, pp. 23-24.

²¹⁶ Grady Testimony in Support, p. 24.

²¹⁷ Glass Testimony in Support, p. 8.

²¹⁸ Glass Testimony in Support, p. 8.

²¹⁹ Greenwood Testimony in Support, p. 27.

²²⁰ Greenwood Testimony in Support, p. 28.

decommissioning trust, which CURB recommended.²²¹ Ms. Crane also noted the increased rate stability for customers with the NS&A's elimination of a Phase II rate change, the retention of current customer charges for RS and SGS customers, and the reporting requirements for several new rate schedules and for DG customers.²²²

90. KIC witness Mr. Gorman testified:

Resolving rate cases based on a negotiated settlement I believe is consistent with the true objective of regulation – to emulate a competitive marketplace. In a competitive marketplace, buyers and sellers come together to negotiate price, terms and conditions of service. In this proceeding, this settlement represents a reasonable compromise of the disputed issues presented in this case and does result in a fair and balanced result for both Westar and customers.²²³

91. Regarding the residential RS-DG rate in particular, which specifically pertains to the interests of the parties not consenting to the NS&A, the Commission reiterates Dr. Glass's testimony that, although the residential DG customers could be facing a rate increase based on the evidence, they are getting a rate decline.²²⁴ Thus, the RS-DG rate design in the NS&A is in the interests of the residential DG customer class.

92. Based on the above, the Commission finds the NS&A is in the public interest. The Commission also finds that approval of the NS&A furthers administrative efficiency by avoiding more protracted litigation and by promoting the public policy of encouraging settlements.

²²¹ Crane Testimony in Support, p. 13.

²²² Crane Testimony in Support, p. 13.

²²³ Testimony in Support of Stipulated Settlement of Michael P. Gorman on Behalf of Kansas Industrial Consumers Group, Inc., p. 4 (July 18, 2018).

²²⁴ See Tr., Vol. 2, pp. 285-86.

C. Costs of Continued Operation of Coal-Fired Generating Units

93. Sierra Club witness Mr. Chernick alleged his direct testimony shows that certain Westar coal units “are likely to be uneconomic.”²²⁵ Mr. Chernick asserted that “Westar plans to spend hundreds of millions of dollars in capital additions to its coal plants over the next five years”²²⁶ and that “the costs of keeping these two coal plants (i.e., Lawrence and JEC) operating are likely to exceed the value of the plants to ratepayers.”²²⁷ He also stated that fixed O&M and capital costs for the LaCygne power plant support his original conclusions.²²⁸

94. Mr. Chernick testified that “the costs of running each of Westar’s coal plants appear to exceed the market value of the plant’s energy.”²²⁹ He alleged that “Westar’s coal fleet is losing money, so any incremental spending on the plants are likely to increase the net cost to Westar’s ratepayers, for what appear to be imprudent spending on uneconomic plants.”²³⁰ He recommended the Commission require Westar to investigate the cost-effectiveness of its coal units and evaluate a least-cost plan to replace uneconomic units with purchased power, renewables, efficiency, demand response, and storage.²³¹

95. Regarding Westar’s Integrated Resource Plan (IRP), Mr. Chernick asserted he has “no insight into the IRP framework that Westar, KCP&L, Staff, and CURB are developing, though I do believe that any reasonable and reliable IRP process would necessarily include analyses similar to those I recommended.”²³² Mr. Chernick opined that the Commission should

²²⁵ Chernick Testimony in Opposition, p. 2.

²²⁶ Chernick Testimony in Opposition, p. 3.

²²⁷ Chernick Testimony in Opposition, p. 3.

²²⁸ Chernick Testimony in Opposition, p. 3.

²²⁹ Chernick Testimony in Opposition, p. 3.

²³⁰ Chernick Testimony in Opposition, p. 4. Sierra Club’s Brief, p. 37, stated that Mr. Chernick “concluded that at least the Lawrence and Jeffrey units have *likely* been losing money.” (Emphasis added).

²³¹ Chernick Testimony in Opposition, p. 4.

²³² Chernick Testimony in Opposition, p. 5.

put Westar on notice that “any capital additions to its coal plants, other than to address immediate health and safety concerns, are subject to retrospective prudence review.”²³³

96. Ultimately, Mr. Chernick recommended rejection of the NS&A.²³⁴ He recommended the Commission initiate a proceeding to investigate Westar’s coal unit spending and coal unit cost-effectiveness and prevent Westar from being penalized for retiring uneconomic plants.²³⁵ He also recommended that Westar forego acquisition of the 8% in JEC barring payment from Wilmington Trust and “stop scheduling and dispatching its coal units uneconomically.”²³⁶

Findings and Conclusions

97. The Commission rejects Mr. Chernick’s recommendations for the following reasons. First, Mr. Chernick testified about what is “likely” and what “appear[s] to” be the case. Such statements amount to conjecture lacking evidentiary substance, and therefore, the Commission affords them no weight. Second, the rates proposed in the NS&A stem from and are based on Westar’s costs during the test year,²³⁷ not from projected and uncertain future investments²³⁸ that Westar determined pre-Merger (18-095 Docket). Sierra Club provided no evidence on expenses pertaining to the relevant coal plants incurred during the test year, which are the only expenses that would be included in the NS&A’s rates. Moreover, any evaluation of the projected investments became even more speculative post-Merger because according to Mr. Greenwood, “the O&M values for those plants on [Sierra Club Hearing Exhibits 3 and 4] would be significantly lower,” post-Merger.²³⁹ Thus, the Commission finds the projected future

²³³ Chernick Testimony in Opposition, p. 6.

²³⁴ Chernick Testimony in Opposition, p. 2.

²³⁵ Chernick Testimony in Opposition, pp. 6-7.

²³⁶ Chernick Testimony in Opposition, p. 7.

²³⁷ See Kristina Luke Fry Direct, p. 9.

²³⁸ See Tr., Vol. 1, pp. 78-79; Sierra Club Hearing Exhibits 3 and 4.

²³⁹ Tr., Vol. 1, p. 128.

investments in Sierra Club Hearing Exhibits 3 and 4 are irrelevant to the justness and reasonableness of the rates established by the NS&A.

98. Third, the Commission rejects Sierra Club's proclamation that the Commission is legally bound to evaluate Westar's projected investments in the relevant coal plants before approving the NS&A.²⁴⁰ There is no legal basis for such a claim, and Sierra Club, beyond its proclamation, provides none. As found and noted above, Westar's projected costs for coal plant investments are irrelevant to the justness and reasonableness of the NS&A's rates because such costs are not included in those rates.²⁴¹ Moreover, having already mandated that the Signatories to the Merger Agreement in the 18-095 Docket develop an IRP process and submit it for Commission approval,²⁴² which process the Commission found "should address the Sierra Club's concerns,"²⁴³ the Commission is satisfied that no further process is necessary at this juncture.

99. The Commission finds that Sierra Club's arguments and contentions regarding Westar's investment in coal generation provide no basis for rejecting the NS&A.

III. Conclusion

100. The Commission has examined the legal standards required for a rate change request and has considered the extensive record as a whole developed in this proceeding. Upon review of the NS&A, the Commission accepts and adopts the terms as detailed and presented

²⁴⁰ See Sierra Club Brief, p. 41.

²⁴¹ See Tr., Vol. 1, pp. 99-100, as corrected by Sierra Club and Vote Solar's Errata to Hearing Transcript, p. 2 (Mr. Greenwood testifying that "[t]his is a cost of service rate case. So we are talking about prudent cost of service as it relates to a historical test year. We are not talking about . . . resource planning or capital planning").

²⁴² Docket No. 18-KCPE-095-MER, *Order Approving Merger*, Ordering Clause B (May 24, 2018). See Docket No. 18-KCPE-095-MER, *Order Denying Petitions for Reconsideration from the Sierra Club and Kansas Industrial Consumers*, ¶ 22 (June 28, 2018) (finding that "[t]he primary purpose of the Capital Plan Report is to present the Commission with information to interpret forecasted capital expenditures over a five-year period").

²⁴³ 18-095 Docket, *Order Approving Merger* at ¶ 74.

within the NS&A, as corrected by the September 20, 2018 Notice of Correction to Non-Uniform Settlement Agreement.

101. The Commission finds that approval of the NS&A will result in non-discriminatory, just and reasonable rates that are not unduly preferential and that will enable Westar to continue to provide sufficient and efficient service. The Commission finds the NS&A represents a fair and reasonable compromise of the disputed issues in this case and establishes rates that properly balance the interests of the parties to this proceeding, both current and future ratepayers, and the public. The Commission finds the NS&A satisfies the five-factor test used by the Commission to determine whether to approve settlement agreements.

102. Therefore, the Commission finds that the Joint Motion to Approve Non-Uniform Stipulation and Agreement, as corrected by the September 20, 2018 Notice of Correction to Non-Uniform Settlement Agreement, should be granted, with an effective date of September 27, 2018.

THEREFORE, THE COMMISSION ORDERS:

A. The Joint Motion to Approve Non-Uniform Stipulation and Agreement, as corrected by the September 20, 2018 Notice of Correction to Non-Uniform Settlement Agreement, is hereby granted, with an effective date of September 27, 2018. The Non-Uniform Stipulation and Agreement is hereby approved and adopted as part of this Order.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).²⁴⁴

C. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it deems necessary.

²⁴⁴ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 09/27/2018

A handwritten signature in cursive script, reading "Lynn M. Retz".

Lynn M. Retz
Secretary to the Commission

MJD

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Applications of Westar)
Energy, Inc. and Kansas Gas and Electric)
Company for Approval to) Docket No. 18-WSEE-328-RTS
Make Certain Changes in their Charges for)
Electric Service.)

**JOINT MOTION TO APPROVE NON-UNANIMOUS STIPULATION AND
AGREEMENT**

COME NOW, the Staff of the State Corporation Commission of the State of Kansas (Staff), Westar Energy, Inc. and Kansas Gas and Electric Company (referred to herein as “Westar” collectively), Citizens’ Utility Ratepayer Board (CURB), Kansas Industrial Consumers Group, Inc., on its own behalf and on behalf of its members (KIC)¹, Unified School District No. 259 (USD 259),² The Kroger Co. (Kroger), U.S. Department of Defense and all other Federal Executive Agencies (DOD/FEA), HollyFrontier El Dorado Refining LLC (Frontier), Wal-Mart Stores, Inc. (Wal-Mart), Tyson Foods, Inc., the Topeka Metropolitan Transit Authority,³ and The Kansas State Board of Regents⁴ (collectively, “Joint Movants”) and respectfully move the Commission for an Order approving the Non-Uniform Stipulation and Agreement (“Stipulation”) filed concurrently with this Motion. The Stipulation is attached as Attachment 1.

¹ KIC members that have been admitted as parties to this docket are Cargill, Incorporated, Coffeyville Resources Refining & Marketing, LLC, Occidental Chemical Corporation, Spirit AeroSystems, Inc., CCPS Transportation, LLC, Goodyear Tire & Rubber Company, and Learjet Inc.

² USD 259 signs subject to approval by its Board of Education. KASB signs subject to approval by its board of directors. Counsel for USD 259 and KASB will file a letter with the Commission confirming approval by the Board of Education and KASB board of directors.

³ Counsel for the Topeka Metropolitan Transit Authority has indicated it does not oppose the Stipulation and Agreement.

⁴ The Kansas State Board of Regents was unable to meet to review and approve support for the Stipulation and Agreement; however, counsel for the Board of Regents has indicated that it does not oppose the Agreement.

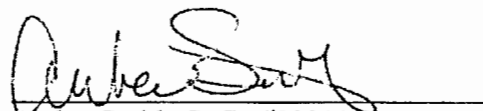
1. On March 8, 2018, the Commission issued a procedural order in this docket setting a settlement conference for July 8, 2019, a prehearing conference on July 18, 2018, and technical hearings commencing on July 23, 2018, continuing as necessary through July 27, 2018.

2. The Joint Movants have been working diligently to resolve the issues in this docket and have reached agreement settling all of the disputed matters and are filing the Stipulation with the Commission for approval. Joint Movants believe the Stipulation is reasonable and is in the public interest. Joint Movants respectfully request that the Stipulation be approved. To facilitate the Commission's consideration of the terms of the Stipulation, Joint Movants will submit testimony in support of the Stipulation by July 18, 2018.

WHEREFORE, Joint Movants respectfully request that the Commission approve the Stipulation as proposed by the signatory parties thereto.

Respectfully submitted,

BY:



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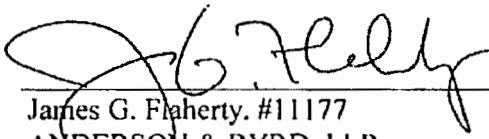
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VERIFICATION

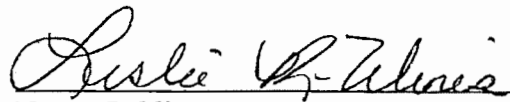
STATE OF KANSAS)
)
COUNTY OF SHAWNEE) ss:

Cathryn Dinges, being duly sworn upon her oath deposes and says that she is one of the attorneys for Westar Energy, Inc. and Kansas Gas and Electric Company; that she is familiar with the foregoing **Joint Motion to Approve Non-Unanimous Stipulation and Agreement**; and that the statements therein are true and correct to the best of her knowledge and belief.



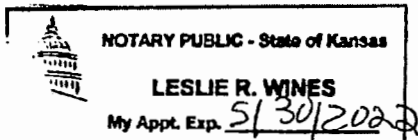
Cathryn Dinges

SUBSCRIBED AND SWORN to before me this 16th day of July, 2018.



Notary Public

My Appointment Expires:



CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of July, 2018, the foregoing **Joint Motion to Approve Non-Unanimous Stipulation and Agreement** was electronically filed with the Commission and that one copy was delivered electronically to all parties on the service list in the above-captioned docket.


Cathryn Dinges

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Applications of)	
Westar Energy, Inc. and Kansas Gas)	
and Electric Company for Approval to)	Docket No. 18-WSEE-328-RTS
Make Certain Changes in their Charges)	
for Electric Service.)	

NON-UNANIMOUS STIPULATION AND AGREEMENT

As a result of extensive discussions between the Staff of the State Corporation Commission of the State of Kansas (Staff), Westar Energy, Inc. and Kansas Gas and Electric Company (referred to herein as “Westar” collectively), Citizens’ Utility Ratepayer Board (CURB), Kansas Industrial Consumers Group, Inc., on its own behalf and on behalf of its members (KIC)¹, Unified School District No. 259 (USD 259),² The Kroger Co. (Kroger), U.S. Department of Defense and all other Federal Executive Agencies (DOD/FEA), HollyFrontier El Dorado Refining LLC (Frontier), Wal-Mart Stores, Inc. (Wal-Mart), Tyson Foods, Inc., the Topeka Metropolitan Transit Authority,³ and The Kansas State Board of Regents⁴ (referred to collectively as the “Parties”), the Parties hereby submit to the Kansas Corporation Commission (“Commission”) for its consideration and approval the following Non-Unanimous Stipulation and Agreement (Stipulation) to resolve all outstanding issues in Docket No. 18-WSEE-328-RTS:

¹ KIC members that have been admitted as parties to this docket are Cargill, Incorporated, Coffeyville Resources Refining & Marketing, LLC, Occidental Chemical Corporation, Spirit AeroSystems, Inc., CCPS Transportation, LLC, Goodyear Tire & Rubber Company, and Learjet Inc.

² USD 259 signs subject to approval by its Board of Education. KASB signs subject to approval by its board of directors. Counsel for USD 259 and KASB will file a letter with the Commission confirming approval by the Board of Education and KASB board of directors.

³ Counsel for the Topeka Metropolitan Transit Authority has indicated it does not oppose this Stipulation and Agreement.

⁴ The Kansas State Board of Regents was unable to meet to review and approve support for this Stipulation and Agreement; however, counsel for the Board of Regents has indicated that it does not oppose this Agreement.

I. WESTAR'S APPLICATION

1. On February 1, 2018, Westar filed an Application with the Commission to make certain changes in its rates and charges for electric service, which was docketed as the above-captioned proceeding. Pursuant to a Commission Order, the effective date of this Application was suspended until September 27, 2018. First, Westar proposed to implement the proposed rate change in two steps. The first step would be a rate decrease of \$1.56 million to be effective in September 2018, at the time of the Commission's order in this docket (the "Step 1 rate adjustment"). This amount includes the reduced revenue requirement that occurs as a result of the reduction in the federal corporate tax rate as a result of the Tax Cuts and Jobs Act of 2017 and as a result of the refinancing of debt at lower cost since the last rate case, the impact of the revenue requirement associated with Westar's investment in the Western Plains wind farm and the impact of the change in depreciation rates proposed by Westar in this case. Second, Westar proposed a rate increase of \$54.2 million to be effective on February 1, 2019 (the "Step 2 rate adjustment"). This amount includes the impact of the expiration of the production tax credits (PTCs) associated with Westar's initial investment in wind generation 10 years ago which expire in February 2019 and the impact of the expiration of a wholesale agreement that will occur in January of 2019. Westar also indicated its intent to roll into base rates the existing balance in the property tax surcharge (PTS) and allocate the discount provided to Interruptible Service Rider (ISR) as part of the base rate change in this docket.

2. In support of its Application, Westar submitted the testimony of 18 witnesses and the schedules required by K.A.R. 82-1-231.

3. After Westar's filing in this matter, on May 24, 2018, the Commission approved the merger of Westar and Great Plains Energy, Incorporated by its Order Approving Merger (the "Merger Order") in Docket No. 18-KCPE-095-MER (the "Merger Docket"). In connection with

the merger and as reflected in the Merger Order, Westar and the settling parties in the Merger Docket made a number of agreements and commitments which were approved by the Commission and which affect the revenue requirements requested in this proceeding.

II. STAFF AND OTHER PARTIES' PRE-FILED POSITIONS

4. On June 11, 2018, Staff filed its direct testimony in the above docket,⁵ recommending an overall rate adjustment to implement a decrease of approximately \$69.0 million for Westar. Staff made recommendations regarding return on equity and adjustments to the income statement and rate base, as well as policy recommendations regarding several of Westar's proposals.

5. Also, on June 11, 2018, CURB filed testimony in which it recommended an overall rate adjustment to decrease Westar's annual revenue requirement by approximately \$138.4 million. CURB also made recommendations regarding return on equity and adjustments to the income statement and rate base, as well as policy recommendations regarding several of Westar's proposals.

6. Also on June 11, 2018, KIC as a group filed testimony in which it recommended a Step 1 rate adjustment to decrease Westar's requested revenue requirement in this case by approximately \$54 million. KIC made recommendations regarding various adjustments to Westar's income statement and rate base.

7. Also on June 11, 2018, Kroger filed testimony in which it recommended an adjustment related to the Mid-Kansas Electric Company (MKEC) wholesale contract, resulting in a decrease to Westar's requested retail revenue requirement of \$41.5 million.

⁵ Testimony of two of Staff's witnesses were filed on June 12 and 13 pursuant to an extension of time granted by the Commission.

8. Also on June 11, 2018, USD 259 filed testimony in which they discussed the impacts of a rate increase on schools.

9. Also on June 11, 2018, KeyCorp and Midwest Power Company (together as “Key”) filed testimony in which it made certain cost of service and policy recommendations.

10. In addition, Staff, CURB, KIC, USD 259, Kroger, USD 259, Wal-Mart, U.S. Department of Defense, Vote Solar and Sierra Club filed testimony addressing certain cost of service, rate design, and tariff issues.

11. On June 22, 2018, CURB, KIC, Kroger, Walmart, U.S. Department of Defense, Vote Solar and Sierra Club filed Cross-Answering Testimony on various rate design matters.

12. Westar filed rebuttal testimony on July 3, 2018. In its rebuttal testimony, Westar agreed with certain recommendations made by Staff and also made adjustments to reflect the commitments made in the settlement agreement approved by the Commission in the Merger Docket, resulting in an adjusted position of a Step One rate decrease of \$37,800,506 and a Step Two rate increase of \$4,327,758.

13. Subsequently, on July 9 through 12, 2018, the parties met collectively to discuss the possible settlement of the issues in this matter.

III. TERMS OF THE STIPULATION

After extensive negotiations, the Parties have agreed upon the following terms:

A. Stipulated Revenue Requirement

14. The Parties agree that Westar’s net overall annual revenue decrease to be effective September 27, 2018, should be \$66 million. The Parties agree that there should not be a second step revenue requirement change as initially requested by Westar. This revenue requirement decrease does not include costs recoverable through Commission-approved riders.

15. The Parties agree that Westar should roll into base rates the existing balance in the property tax surcharge. Including the roll-in of the property tax surcharge, the total base rate revenue requirement decrease is \$50,311,893.46. The property tax amount to be rolled into base rates are reflected in Appendix C.

16. The Parties agree that the revenue requirement decrease stated above includes up to \$2 million of increased revenue for Westar's Nuclear Decommissioning Trust Fund accrual.

B. Tax Cuts and Jobs Act Bill Credits

17. The Parties agree that Westar will provide to customers a one-time bill credit of \$50,027,522 to provide customers with the benefit of the Tax Cuts and Jobs Act (TCJA) from January 1, 2018, through the September 27, 2018, as proposed by Staff witness Grady. This one-time bill credit will be distributed to customers as recommended by Staff witness Glass for the up-front bill credits related to the merger and the credit will be reflected in customer bills beginning the first billing cycle that starts following 60 days after the Commission issues its order in this case. Westar agrees to sync up the timing of these tax credits with the timing of the merger related up-front bill credits that will be provided pursuant to the Commission's Merger Order.

C. Depreciation

18. The Parties agree that Westar will create a regulatory liability to capture the amount of depreciation expense included in Westar's revenue requirement beginning when each of the following units is retired and depreciation expense is no longer recorded on Westar's books: Tecumseh Unit 7, Gordon Evans Units 1 and 2 and Murray Gill Units 3 and 4. The depreciation amounts will accumulate in the regulatory liability account until new customer rates are established in a subsequent rate case. At that time, the regulatory liability account will be closed into accumulated depreciation. Additionally, the closing of this regulatory liability into accumulated depreciation will be reflected in rates that are established in that rate case.

19. The Parties agree that depreciation rates set in this proceeding shall be the depreciation rates recommended by Staff and reflected in Appendix A. Westar's acceptance of these depreciation rates does not indicate acceptance with all of the policy issues that were used to derive the rates. Agreement to these rates does not indicate acceptance of any depreciation study put forth by any party in the docket.

D. Western Plains Wind Farm

20. The Parties agree that the Western Plains Wind Farm will be recovered by Westar through a fixed price PPA approach. The revenue requirement decrease agreed to by the Parties and stated above includes a levelized revenue requirement for Western Plains of \$23,697,593, which assumes a 46.57% capacity factor, and 1,144,717 MWhs, which equates to \$20.70/MWh.

21. In the event that the Western Plains Wind Farm has a capacity factor of greater than 48.57%, producing more than 1,193,878 MWhs in any calendar year based on a rolling three-year average, beginning with the three-year average period ending December 2020, the Parties agree that Westar will be allowed to include a charge in the ACA filing to the benefit of Westar that equates to the difference between the actual production and the 1,193,878 MWhs, multiplied by \$20.70/MWh.

22. In the event that the Western Plains Wind Farm has a capacity factor of less than 44.57%, producing less than 1,095,556 MWhs in any calendar year based on a rolling three-year average beginning in 2020 and using the three-year average for 2018-2020, the Parties agree that there will be a credit in the ACA filing to return to ratepayers any shortfall in MWhs from 1,095,556 MWhs, multiplied by \$20.70/MWh.

23. In the event of changes in law or regulations, or the occurrence of events outside the control of Westar that result in a material adverse impact to Westar with respect to recovery of the Western Plains revenue requirement, Westar, as applicable, may file an application with the

Commission proposing methods to address the impact of the events, including adjusting the credit due to customers through the ACA described above. The other Parties to this settlement shall have the right to contest any such application, including whether the impact of the change or event is material to Westar, and whether the proposed remedy in the application is reasonable.

24. The Parties agree that Westar is free to realize any residual value of the wind farm at the end of 20-years, which is February 23, 2037. This includes any wholesale margins the wind farm may produce and any asset or land sales related to the acquisition.

E. Mid-Kansas Electric Company Wholesale Agreement Revenue

25. The Parties agree that the revenue credit associated with the Mid-Kansas Electric Company (MKEC) wholesale agreement will remain in base rates.

26. The Parties also agree that Westar's Retail Energy Cost Adjustment (RECA) will be amended consistent with the language proposed by Staff witness Grady on pages 36-37 of his direct testimony to allow the lost revenue from the expiration of the MKEC contract to flow through the RECA. Westar agrees to withdraw its request to amend the RECA to allow changes in revenue from additional wholesale contracts to flow through the RECA. The Parties agree that the lost revenue from the expiration of the MKEC contract will be reflected in the Annual Cost Adjustment (ACA) true-up process following the January 3, 2019 expiration. At the time of Westar's next rate case, Westar will remove the collection of MKEC lost revenue credits from the RECA and adjust base rates accordingly. Any unrecovered revenue credit shortfall will be recovered through the ACA process.

F. 8% of JEC Lease Payment and O&M

27. The Parties agree that the \$8.3 million of lease payment expense associated with Westar's lease of the 8% interest of Jeffrey Energy Center (JEC) that is currently owned by Midwest Power Company will be removed from base rates and that such removal is reflected in

the revenue requirement decrease agreed to by the Parties and stated above. In addition, the Parties agree that the 8% portion of the non-fuel operating and maintenance (NFOM) expense related to the portion of JEC currently owned by Midwest Power Company that is approximately \$6.9 million will be removed from base rates and that such removal is reflected in the revenue requirement decrease agreed to by the Parties and stated above.

28. In the event that Westar enters into a new lease for this 8% share of JEC, or purchases the 8% portion of JEC outright, the Parties agree that Westar will be permitted to file a request to include these expenses (lease expenses and NFOM) through the RECA. Any additional wholesale sales that are directly attributable to this lease extension or purchase shall also be included in the RECA in the event that the Commission approves this request. Westar shall be allowed to utilize a regulatory asset to defer actual lease expense and/or NFOM associated with the 8% portion of JEC in the event that a new lease or purchase agreement is reached. In the filing before the Commission, Westar shall have the burden of showing that the new lease or purchase agreement is a prudent decision for its retail customers.

29. In the event that the Commission approves Westar's filing, it may also include the amortization of the regulatory asset into the RECA. In the event that the Commission denies Westar's filing, Westar shall not be allowed to recover the regulatory asset containing deferred lease and NFOM expenses, and Westar shall be allowed to retain any wholesale sales that are directly attributable to the 8% portion of JEC for which the Commission denies Westar recovery of the incurred cost of owning or leasing and operating the 8% portion of JEC. In the event that Westar ends up negotiating a zero-cost transfer of ownership (defined as \$0 or \$1),⁶ Westar is

⁶ The zero-cost transfer of ownership is intended only as a mechanism to shift regulatory burden and is not intended to represent either the fair market value of the 8% portion of JEC or the value of the 8% portion of JEC that may ultimately be deemed to be reasonable by the Commission.

automatically entitled to begin recovering actual NFOM expenses and fuel expenses associated with the 8% ownership of JEC without prior Commission approval.

30. The Parties agree that Westar shall also be allowed to defer any of the 8% of NFOM or capital costs it is unable to recover from Midwest Power Company (or any other third-party owner) as a regulatory asset. Specifically, Westar shall be entitled to begin accruing unrecovered costs to the regulatory asset when Midwest Power Company (or any other third-party owner) is more than 60 days late in making a payment. If Midwest Power Company (or the other third-party owner) ultimately makes payment, the regulatory asset will be reduced for such payment. At the time of Westar's next general rate case, Westar may request recovery of the balance of unrecovered costs that have been deferred in the regulatory asset upon a showing that Westar made reasonable efforts to recover the costs from Midwest Power Company, or any other third-party owner.

31. Nothing in this settlement is intended to prejudice Westar's claim for recovery of the unrecovered NFOM and capital costs deferred in the regulatory asset; recoverability will be determined by the Commission at the time that Westar makes its request for recovery of the regulatory asset. Staff, CURB, and other intervenors specifically reserve their right to make any argument with regard to recovery of the regulatory asset, including the right to argue that none of the regulatory asset should be recovered from customers.

32. Additionally, Staff and CURB agree that in the event Westar is unable to recover any of the NFOM or capital costs for which Midwest Power Company, or any third-party owner is responsible after the expiration of the lease for the 8% portion of JEC, Staff and CURB will consider taking steps to encourage the Commission to exercise its jurisdiction over Midwest Power Company (or any other third-party owner) and enforce the party's payment obligations

G. Miscellaneous issues

33. The Parties agree that Westar should be permitted to recover non-Western Plains payments in lieu of taxes (PILOT) payments through its property tax surcharge (PTS), as recommended by Westar and Staff.

34. The Parties agree that recovery of non-Western Plains royalty payments will remain in base rates as proposed by Staff and CURB and will not move to the RECA as was initially proposed by Westar and is reflected in the revenue requirement decrease agreed to by the Parties and stated above.

35. The Parties agree that the modifications to the General Terms and Conditions of Westar's Tariff, as recommended by Staff witness Haynos and proposed in the Errata Filing to John Wolfram's Direct Testimony on May 22, 2018, should be approved. The parties further agree that Westar will review its construction standards to determine if there are reasonable construction methods that can be used for reducing the overall cost of installing conduit for service lines or methods that can reduce the potential for disruption of the ground surface from excavation.

36. The Parties agree that Westar's transmission delivery charge (TDC) between this rate case and the next base rate case will be allocated by the 12 CP factors listed in the table in Appendix B. Parties recognize that the first TDC filing after the Order in this case will use these factors. In subsequent years, until a new 12 CP is set in the next base rate case, the amounts will be calculated by applying the adjustment factor to the TDC unit charges, pursuant to the requirements specified in Westar's TDC tariff.

H. Accounting matters

37. This settlement includes a 9.3% stated return on equity and a weighted cost of capital of 7.0570%. This pre-tax rate of return is based on a capital structure of 48.3349% Long-Term Debt, 51.2370% Common Equity, and 0.4281% Post 1970 ITC.

38. The Parties agree that the Kansas jurisdictional, non-transmission related, retail property tax expense in base rates after this agreed-upon rate increase in this case is \$122,359,118 and that this amount shall be the basis for property tax balance used for purposes of future property tax surcharge filings for the time period when the new rates are applicable. In order to calculate future property tax surcharges, the property tax surcharge expense assumed to be collected in base rates will begin with the effective date of the rate increase resulting from this docket, until the amount is reset in a Commission order.

39. The Parties agree that Westar's cost-of-service deferred income tax expense and amortization of investment tax credits complies with the tax normalization requirements of the Internal Revenue Code of 1986 as amended.

40. Regulatory Asset/Liability amortization periods are established as follows:

- a. Westar's rate case expense – five years;
- b. Regulatory asset associated with SmartStar Lawrence – five years;
- c. Regulatory asset associated with SCR Catalyst – 54 months;
- d. Regulatory asset associated with Baghouse – six years;
- e. Regulatory liability associated with Stateline purchased power – five years;
- f. Pension tracker authorized by Docket No. 10-WSEE-135-ACT in the annual amount of (\$4,014,344) – five years
- g. Regulatory asset associated with Distributed Generation Docket – five years
- h. Regulatory asset associated with Wolf Creek Outage – 18 months
- i. Regulatory asset associated with analog meter retirements – five years
- j. Regulatory asset associated with grid security tracker – five years
- k. Regulatory asset associated with Occidental revenue loss – five years

- l. Regulatory asset associated with prepay pilot program expenses – five years
- m. Excess Deferred Income Taxes
 - i. Protected Plant – amortized pursuant to the Average Rate Assumption Method (ARAM), as discussed in Westar witness Devin’s testimony
 - ii. Non-Protected Plant – amortized pursuant to the ARAM, as discussed in Westar witness Devin’s testimony
 - iii. NOLs – amortized pursuant to the ARAM, as discussed in Staff witness Grady’s testimony and agreed to above
 - iv. Miscellaneous Non-plant – ten years

41. For the purposes of calculating Westar’s pension tracker going forward, the Parties agree that the base rates agreed to in this Stipulation include the following expenses associated with Westar’s pension plan:

Westar Pension Expense	\$27,670,300
Westar FAS 106 Expense	(\$721,285)
Westar FAS 112 Expense	\$358,191
WCNOC Pension Expense	\$11,228,705

I. Class Cost of Service and Rate Design

42. The Parties agree that the billing determinants, cost allocation and rate design agreed to in this settlement reflect a negotiated settlement and that agreement on these items does not indicate agreement to any specific methodology or approach.

43. The Parties agree that the rate decrease should be allocated among the respective classes of customers according to the amounts indicated for each class as shown on Appendix C hereto, that the billing determinants to be used to develop the rates for each class are reflected in Appendix D and that rates should be adjusted as shown on Appendix E hereto.

44. The Parties agree that there will be no change to the monthly basic service fee for all residential classes and for the Small General Service (SGS) customers.

45. The Parties agree that Westar will implement the optional tariffs for residential customers proposed by Westar – Residential Peak Efficiency Rate (“RPER”) and Residential Electric Vehicle (“REV”) – as permanent rate schedules with rates that mirror the rates agreed to for the Residential Distributed Generation (DG) class. Westar will allow customers taking service under the RPER and REV rates a one-year opt out provision, as Westar initially proposed for the RPER rate. Westar will also be permitted to establish a regulatory asset or liability account to track the revenue impact of rate switching for customers switching to either the RPER or REV rates.

46. The Parties agree that Westar will implement a three-part rate for the Residential DG class with a demand charge of \$9.00 for the summer and of \$3.00 for the winter.

47. The Parties agree that Westar will implement the Electric Transit Rate Schedule using Westar’s proposed methodology that was supported by Staff and the Clean Charge Network Rate Schedule consolidating the residential standard rate to create the Level 2 energy charge and setting the Level 3 energy charge 20% higher than the Level 2 energy charge.

48. The Parties agree that Westar will consolidate rates between Westar North and Westar South for the lighting classes and apply the lighting portion of the PTS roll-in to all lights. Westar also agrees to conduct a formal lighting cost study for consideration in its next general rate case, as was recommended by Staff.

49. Westar will submit an annual report to the Staff and CURB regarding the RPER and REV rates that includes the number of customers participating in the voluntary programs, the

number of customers that chose to opt-out, and a report regarding the participants' change in energy consumption.

50. Westar will submit an annual report to Staff and CURB regarding the residential DG class that includes the number of residential DG customers taking service from the RS-DG, the demand charge and energy charge during the year, analysis regarding the customers' change in energy consumption, and a report of the bill impacts for each RS-DG customer.

51. The Parties agree that Westar will implement KIC's "Alternate Proposal for Energy Rate Voltage Differentials," as described in the Direct Testimony of KIC witness Brian C. Andrews and set forth in Table 8 (p. 23) of Mr. Andrews' Direct Testimony. The Parties also agree that Westar will implement the transmission-level demand rate differentials for LGS and ILP as reflected in the proposal made by DoD-FEA witness Blank in his Exhibit LB-2. Both of these rate design proposals are reflected in the rates shown in Appendix E.

IV. MISCELLANEOUS PROVISIONS

A. The Commission's Rights

52. Nothing in this Stipulation is intended to impinge or restrict, in any manner, the exercise by the Commission of any statutory right, including the right of access to information, and any statutory obligation, including the obligation to ensure that Westar is providing efficient and sufficient service at just and reasonable rates.

B. Parties' Rights

53. The Parties, including Staff, shall have the right to present pre-filed testimony in support of this Stipulation. Such testimony shall be filed formally in the docket and presented by witnesses at a hearing on this Stipulation. Such testimony will be filed on July 18, 2018 in accordance with the procedural schedule in this matter.

C. Waiver of Cross-Examination

54. The Parties waive cross-examination on all testimony filed prior to the filing of this Stipulation. The Parties also waive cross-examination on all testimony filed in support of the Stipulation. The Parties agree that all such prefiled testimony and testimony filed in support of the Stipulation may be incorporated into the record without objection.


D. Negotiated Settlement

55. This Stipulation represents a negotiated settlement that fully resolves the issues in this docket among the Parties. The Parties represent that the terms of this Stipulation constitute a fair and reasonable resolution of the issues addressed herein. Except as specified herein, the Parties shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Stipulation in the instant proceeding. If the Commission accepts this Stipulation in its entirety and incorporates the same into a final order without material modification, the Parties shall be bound by its terms and the Commission's order incorporating its terms as to all issues addressed herein and in accordance with the terms hereof, and will not appeal the Commission's order on these issues.

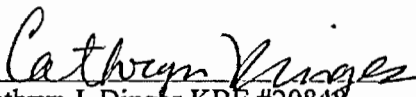
E. Interdependent Provisions

56. The provisions of this Stipulation have resulted from negotiations among the Parties and are interdependent. In the event that the Commission does not approve and adopt the terms of this Stipulation in total, it shall be voidable and no Party hereto shall be bound, prejudiced, or in any way affected by any of the agreements or provisions hereof. Further, in such event, this Stipulation shall be considered privileged and not admissible in evidence or made a part of the record in any proceeding.

IN WITNESS WHEREOF, the Parties have executed and approved this Stipulation and Agreement, effective as of the 16th day of July, 2018, by subscribing their signatures below.

BY: 
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Phoenix Anshutz, S. Ct. #27617
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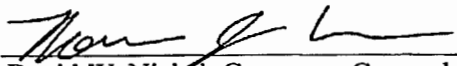
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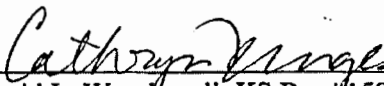
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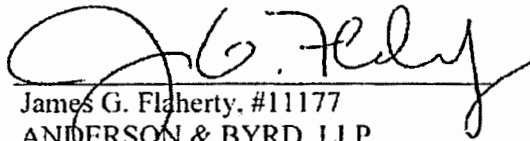
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**ATTORNEY FOR FRONTIER EL
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Westar Energy
Summary of Depreciation Rates

Account	Proposed Rates
A	
STEAM PRODUCTION PLANT	
311.00 Structures and Improvements	3.00%
312.00 Boiler Plant Equipment	3.21%
312.10 Boiler Plant Equipment (AQC)	3.93%
312.20 Boiler Plant Equipment - Train Cars	3.88%
314.00 Turbogenerator Units	3.18%
315.00 Accessory Electric Equipment	3.58%
316.00 Miscellaneous Power Plant Equipment	3.56%
TOTAL STEAM PRODUCTION PLANT	3.49%
NUCLEAR PRODUCTION PLANT	
321.00 Structures and Improvements	1.60%
322.00 Reactor Plant Equipment	2.14%
323.00 Turbogenerator Units	2.38%
324.00 Accessory Electric Equipment	1.77%
325.00 Miscellaneous Power Plant Equipment	2.44%
352.00 Structures and Improvements	1.55%
353.00 Station Equipment	2.28%
355.00 Poles and Fixtures	1.99%
356.00 Overhead Conductors and Devices	1.85%
362.00 Station Equipment	3.23%
391.00 Office Furniture and Equipment	3.78%
397.00 Communication Equipment	0.33%
TOTAL NUCLEAR PRODUCTION PLANT	2.05%
OTHER PRODUCTION PLANT	
341.00 Structures and Improvements	2.22%
342.00 Fuel Holders, Producers, and Accessories	1.64%
344.00 Generators and Devices	2.87%
345.00 Accessory Electric Equipment	2.76%
346.00 Miscellaneous Power Plant Equipment	2.25%
TOTAL OTHER PRODUCTION PLANT	2.79%
TRANSMISSION PLANT	
352.00 Structures and Improvements	1.75%
352.50 Structures and Improvements - 34.5 kV	1.75%
353.00 Station Equipment	1.71%

353.50	Station Equipment - 34.5 kV	1.74%
354.00	Towers and Fixtures	1.59%
354.50	Towers and Fixtures - 34.5 kV	1.85%
355.00	Poles and Fixtures	2.58%
355.50	Poles and Fixtures - 34.5 kV	2.76%
356.00	OH Conductors and Devices	2.52%
356.50	OH Conductors and Devices - 34.5 kV	2.77%
357.00	Underground Conduit	1.06%
357.50	Underground Conduit - 34.5 kV	1.65%
358.00	UG Conductors and Devices	1.99%
358.50	UG Conductors and Devices - 34.5 kV	1.99%
359.00	Roads and Trails	0.70%
TOTAL TRANSMISSION PLANT		2.21%

DISTRIBUTION PLANT

361.00	Structures and Improvements	1.81%
362.00	Station Equipment	1.71%
364.00	Poles, Towers, and Fixtures	2.45%
365.00	Overhead Conductors and Devices	2.63%
366.10	Underground Conduit - Network	1.58%
366.20	Underground Conduit	1.71%
367.10	UG Conductors and Devices - Network	2.25%
367.20	UG Conductors and Devices	2.30%
368.00	Line Transformers - Overhead	2.37%
368.10	Line Transformers - Underground	2.00%
368.20	Line Capacitors	2.44%
369.10	Services - Overhead	2.00%
369.20	Services - Network	1.95%
369.30	Services - Underground	2.13%
370.10	AMI Meters	3.98%
372.00	Leased Prop. on Customers' Premises	5.01%
373.00	Street Lighting and Signal Systems	3.77%
TOTAL DISTRIBUTION PLANT		2.37%

GENERAL PLANT**Depreciable**

390.10	Structures and Improvements	1.58%
392.00	Transportation Equipment	7.46%
396.00	Power Operated Equipment	2.23%
Total Depreciable		2.33%

Amortizable

391.00	Office Furniture and Equipment	4.00%
391.10	Computers and Other Electronic Equip.	10.09%
393.00	Stores Equipment	4.00%
394.00	Tools, Shop, and Garage Equipment	4.00%
395.00	Laboratory Equipment	4.00%
397.00	Communication Equipment	3.08%

398.00	Miscellaneous Equipment	5.75%
	Total Amortizable	4.84%
	TOTAL GENERAL PLANT	3.83%
	TOTAL WESTAR ENERGY	2.74%

WESTAR NORTH
STEAM PRODUCTION PLANT

311.00	Structures and Improvements	3.29%
312.00	Boiler Plant Equipment	3.24%
312.10	Boiler Plant Equipment (AQC)	4.14%
312.20	Boiler Plant Equipment - Train Cars	4.03%
314.00	Turbogenerator Units	3.45%
315.00	Accessory Electric Equipment	3.91%
316.00	Miscellaneous Power Plant Equipment	3.83%
	TOTAL STEAM PRODUCTION PLANT	3.71%

OTHER PRODUCTION PLANT

341.00	Structures and Improvements	2.22%
342.00	Fuel Holders, Producers, and Accessories	1.64%
344.00	Generators and Devices	2.87%
345.00	Accessory Electric Equipment	2.76%
346.00	Miscellaneous Power Plant Equipment	2.25%
	TOTAL OTHER PRODUCTION PLANT	2.79%

TRANSMISSION PLANT

352.00	Structures and Improvements	1.75%
352.50	Structures and Improvements - 34.5 kV	1.75%
353.00	Station Equipment	1.74%
353.50	Station Equipment - 34.5 kV	1.74%
354.00	Towers and Fixtures	2.01%
354.50	Towers and Fixtures - 34.5 kV	1.85%
355.00	Poles and Fixtures	2.57%
355.50	Poles and Fixtures - 34.5 kV	2.77%
356.00	OH Conductors and Devices	2.58%
356.50	OH Conductors and Devices - 34.5 kV	2.77%
357.00	Underground Conduit	0.00%
357.50	Underground Conduit - 34.5 kV	1.65%
358.00	UG Conductors and Devices	0.00%
358.50	UG Conductors and Devices - 34.5 kV	1.99%
359.00	Roads and Trails	0.00%
	TOTAL TRANSMISSION PLANT	2.22%

DISTRIBUTION PLANT

361.00	Structures and Improvements	1.82%
362.00	Station Equipment	1.71%
364.00	Poles, Towers, and Fixtures	2.42%
365.00	Overhead Conductors and Devices	2.64%
366.10	Underground Conduit - Network	1.37%
366.20	Underground Conduit	1.54%
367.10	UG Conductors and Devices - Network	2.10%
367.20	UG Conductors and Devices	2.32%
368.00	Line Transformers - Overhead	2.46%
368.10	Line Transformers - Underground	2.01%
368.20	Line Capacitors	2.44%
369.10	Services - Overhead	1.89%
369.20	Services - Network	1.90%
369.30	Services - Underground	2.01%
370.10	AMI Meters	3.98%
372.00	Leased Prop. on Customers' Premises	5.20%
373.00	Street Lighting and Signal Systems	3.88%
TOTAL DISTRIBUTION PLANT		2.40%

GENERAL PLANT**Depreciable**

390.10	Structures and Improvements	1.72%
392.00	Transportation Equipment	8.22%
396.00	Power Operated Equipment	3.02%
Total Depreciable		2.49%

Amortizable

391.00	Office Furniture and Equipment	4.00%
391.10	Computers and Other Electronic Equip.	9.72%
393.00	Stores Equipment	4.00%
394.00	Tools, Shop, and Garage Equipment	4.00%
395.00	Laboratory Equipment	4.00%
397.00	Communication Equipment	2.79%
398.00	Miscellaneous Equipment	5.97%
Total Amortizable		5.34%

TOTAL GENERAL PLANT	4.08%
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TOTAL WESTAR NORTH	3.02%
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WESTAR NORTH STEAM PRODUCTION*Jeffrey*

311.00	Structures and Improvements	2.49%
312.00	Boiler Plant Equipment	2.79%
312.10	Boiler Plant Equipment (AQC)	3.51%

312.20	Boiler Plant Equipment - Train Cars	2.59%
314.00	Turbogenerator Units	2.90%
315.00	Accessory Electric Equipment	2.84%
316.00	Miscellaneous Power Plant Equipment	3.07%
Total Jeffrey		3.08%

Jeffrey Unit 1

311.00	Structures and Improvements	2.47%
312.00	Boiler Plant Equipment	2.69%
312.10	Boiler Plant Equipment (AQC)	3.84%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	3.13%
315.00	Accessory Electric Equipment	2.79%
316.00	Miscellaneous Power Plant Equipment	2.96%
Total Jeffrey Unit 1		3.33%

Jeffrey Unit 2

311.00	Structures and Improvements	1.98%
312.00	Boiler Plant Equipment	2.66%
312.10	Boiler Plant Equipment (AQC)	3.28%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	2.94%
315.00	Accessory Electric Equipment	2.80%
316.00	Miscellaneous Power Plant Equipment	3.35%
Total Jeffrey Unit 2		2.94%

Jeffrey Unit 3

311.00	Structures and Improvements	2.10%
312.00	Boiler Plant Equipment	2.60%
312.10	Boiler Plant Equipment (AQC)	3.18%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	2.65%
315.00	Accessory Electric Equipment	2.60%
316.00	Miscellaneous Power Plant Equipment	3.27%
Total Jeffrey Unit 3		2.78%

Jeffrey Common

311.00	Structures and Improvements	2.83%
312.00	Boiler Plant Equipment	3.38%
312.10	Boiler Plant Equipment (AQC)	3.55%
312.20	Boiler Plant Equipment - Train Cars	2.59%
314.00	Turbogenerator Units	3.58%
315.00	Accessory Electric Equipment	3.44%
316.00	Miscellaneous Power Plant Equipment	2.95%
Total Jeffrey Common		3.25%

Lawrence Energy Center

311.00	Structures and Improvements	4.72%
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312.00	Boiler Plant Equipment	4.02%
312.10	Boiler Plant Equipment (AQC)	5.42%
312.20	Boiler Plant Equipment - Train Cars	3.48%
314.00	Turbogenerator Units	4.04%
315.00	Accessory Electric Equipment	4.54%
316.00	Miscellaneous Power Plant Equipment	4.57%

Total Lawrence Energy Center	4.76%
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Lawrence Unit 4

311.00	Structures and Improvements	4.97%
312.00	Boiler Plant Equipment	3.97%
312.10	Boiler Plant Equipment (AQC)	5.43%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	4.36%
315.00	Accessory Electric Equipment	4.61%
316.00	Miscellaneous Power Plant Equipment	5.36%

Total Lawrence Unit 4	4.90%
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Lawrence Unit 5

311.00	Structures and Improvements	4.50%
312.00	Boiler Plant Equipment	3.63%
312.10	Boiler Plant Equipment (AQC)	5.31%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	3.91%
315.00	Accessory Electric Equipment	4.64%
316.00	Miscellaneous Power Plant Equipment	5.23%

Total Lawrence Unit 5	4.57%
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Lawrence Common

311.00	Structures and Improvements	4.73%
312.00	Boiler Plant Equipment	5.18%
312.10	Boiler Plant Equipment (AQC)	5.69%
312.20	Boiler Plant Equipment - Train Cars	3.48%
314.00	Turbogenerator Units	5.06%
315.00	Accessory Electric Equipment	3.32%
316.00	Miscellaneous Power Plant Equipment	3.88%

Total Lawrence Common	4.94%
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Tecumseh Energy Center

311.00	Structures and Improvements	5.58%
312.00	Boiler Plant Equipment	6.09%
312.10	Boiler Plant Equipment (AQC)	9.08%
312.20	Boiler Plant Equipment - Train Cars	5.39%
314.00	Turbogenerator Units	6.24%
315.00	Accessory Electric Equipment	7.61%
316.00	Miscellaneous Power Plant Equipment	6.27%

Total Tecumseh Energy Center	6.76%
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Tecumseh Unit 7

311.00	Structures and Improvements	2.67%
312.00	Boiler Plant Equipment	5.95%
312.10	Boiler Plant Equipment (AQC)	7.86%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	6.01%
315.00	Accessory Electric Equipment	8.51%
316.00	Miscellaneous Power Plant Equipment	10.36%
Total Tecumseh Unit 7		6.74%

Tecumseh Common

311.00	Structures and Improvements	6.19%
312.00	Boiler Plant Equipment	6.31%
312.10	Boiler Plant Equipment (AQC)	11.83%
312.20	Boiler Plant Equipment - Train Cars	5.39%
314.00	Turbogenerator Units	12.71%
315.00	Accessory Electric Equipment	5.43%
316.00	Miscellaneous Power Plant Equipment	5.76%
Total Tecumseh Common		6.78%

WESTAR NORTH OTHER PRODUCTION***Central Plains Wind Farm***

341.00	Structures and Improvements	4.99%
342.00	Fuel Holders, Producers, and Accessories	0.00%
344.00	Generators and Devices	4.99%
345.00	Accessory Electric Equipment	4.98%
346.00	Miscellaneous Power Plant Equipment	5.15%
Total Central Plains Wind Farm		4.99%

Emporia Energy Center

341.00	Structures and Improvements	1.80%
342.00	Fuel Holders, Producers, and Accessories	1.85%
344.00	Generators and Devices	1.87%
345.00	Accessory Electric Equipment	1.82%
346.00	Miscellaneous Power Plant Equipment	1.84%
Total Emporia Energy Center		1.86%

Emporia Gas Turbines Unit 1

341.00	Structures and Improvements	1.82%
342.00	Fuel Holders, Producers, and Accessories	1.83%
344.00	Generators and Devices	1.90%
345.00	Accessory Electric Equipment	1.81%
346.00	Miscellaneous Power Plant Equipment	1.81%
Total Emporia Gas Turbines Unit 1		1.88%

Emporia Gas Turbines Unit 2

341.00	Structures and Improvements	1.82%
342.00	Fuel Holders, Producers, and Accessories	1.86%

344.00	Generators and Devices	1.88%
345.00	Accessory Electric Equipment	1.82%
346.00	Miscellaneous Power Plant Equipment	1.81%
Total Emporia Gas Turbines Unit 2		1.88%

Emporia Gas Turbines Unit 3

341.00	Structures and Improvements	1.82%
342.00	Fuel Holders, Producers, and Accessories	1.86%
344.00	Generators and Devices	1.89%
345.00	Accessory Electric Equipment	1.81%
346.00	Miscellaneous Power Plant Equipment	1.81%
Total Emporia Gas Turbines Unit 3		1.88%

Emporia Gas Turbines Unit 4

341.00	Structures and Improvements	1.82%
342.00	Fuel Holders, Producers, and Accessories	1.84%
344.00	Generators and Devices	1.89%
345.00	Accessory Electric Equipment	1.82%
346.00	Miscellaneous Power Plant Equipment	1.81%
Total Emporia Gas Turbines Unit 4		1.88%

Emporia Gas Turbines Unit 5

341.00	Structures and Improvements	1.82%
342.00	Fuel Holders, Producers, and Accessories	1.83%
344.00	Generators and Devices	1.83%
345.00	Accessory Electric Equipment	1.81%
346.00	Miscellaneous Power Plant Equipment	1.81%
Total Emporia Gas Turbines Unit 5		1.83%

Emporia Gas Turbines Unit 6

341.00	Structures and Improvements	1.86%
342.00	Fuel Holders, Producers, and Accessories	1.87%
344.00	Generators and Devices	1.88%
345.00	Accessory Electric Equipment	1.86%
346.00	Miscellaneous Power Plant Equipment	1.86%
Total Emporia Gas Turbines Unit 6		1.88%

Emporia Gas Turbines Unit 7

341.00	Structures and Improvements	1.86%
342.00	Fuel Holders, Producers, and Accessories	1.87%
344.00	Generators and Devices	1.87%
345.00	Accessory Electric Equipment	1.86%
346.00	Miscellaneous Power Plant Equipment	1.86%
Total Emporia Gas Turbines Unit 7		1.87%

Emporia Common

341.00	Structures and Improvements	1.80%
342.00	Fuel Holders, Producers, and Accessories	1.79%

344.00	Generators and Devices	1.97%
345.00	Accessory Electric Equipment	1.79%
346.00	Miscellaneous Power Plant Equipment	1.85%
Total Emporia Common		1.84%

Flat Ridge Wind Farm

341.00	Structures and Improvements	5.65%
342.00	Fuel Holders, Producers, and Accessories	0.00%
344.00	Generators and Devices	5.83%
345.00	Accessory Electric Equipment	5.53%
346.00	Miscellaneous Power Plant Equipment	6.34%
Total Flat Ridge Wind Farm		5.78%

Gordon Evans Energy Center CTs

341.00	Structures and Improvements	1.53%
342.00	Fuel Holders, Producers, and Accessories	1.61%
344.00	Generators and Devices	1.63%
345.00	Accessory Electric Equipment	1.54%
346.00	Miscellaneous Power Plant Equipment	1.96%
Total Gordon Evans Energy Center CTs		1.61%

Gordon Evans Unit 1

341.00	Structures and Improvements	1.54%
342.00	Fuel Holders, Producers, and Accessories	1.73%
344.00	Generators and Devices	1.69%
345.00	Accessory Electric Equipment	1.55%
346.00	Miscellaneous Power Plant Equipment	2.75%
Total Gordon Evans Unit 1		1.66%

Gordon Evans Unit 2

341.00	Structures and Improvements	1.54%
342.00	Fuel Holders, Producers, and Accessories	1.75%
344.00	Generators and Devices	1.67%
345.00	Accessory Electric Equipment	1.56%
346.00	Miscellaneous Power Plant Equipment	2.86%
Total Gordon Evans Unit 2		1.65%

Gordon Evans Unit 3

341.00	Structures and Improvements	1.53%
342.00	Fuel Holders, Producers, and Accessories	1.70%
344.00	Generators and Devices	1.56%
345.00	Accessory Electric Equipment	1.53%
346.00	Miscellaneous Power Plant Equipment	2.79%
Total Gordon Evans Unit 3		1.55%

Gordon Evans Common

341.00	Structures and Improvements	1.53%
342.00	Fuel Holders, Producers, and Accessories	1.53%

344.00	Generators and Devices	1.77%
345.00	Accessory Electric Equipment	1.77%
346.00	Miscellaneous Power Plant Equipment	1.58%
Total Gordon Evans Common		1.59%

Hutchinson Energy Center GTs

341.00	Structures and Improvements	-1.47%
342.00	Fuel Holders, Producers, and Accessories	0.05%
344.00	Generators and Devices	-1.01%
345.00	Accessory Electric Equipment	0.90%
346.00	Miscellaneous Power Plant Equipment	1.83%
Total Hutchinson Energy Center GTs		-0.82%

Hutchinson Unit 1

341.00	Structures and Improvements	-0.50%
342.00	Fuel Holders, Producers, and Accessories	-0.53%
344.00	Generators and Devices	0.82%
345.00	Accessory Electric Equipment	0.88%
346.00	Miscellaneous Power Plant Equipment	3.31%
Total Hutchinson Unit 1		0.82%

Hutchinson Unit 2

341.00	Structures and Improvements	-0.36%
342.00	Fuel Holders, Producers, and Accessories	-1.15%
344.00	Generators and Devices	-0.08%
345.00	Accessory Electric Equipment	0.67%
346.00	Miscellaneous Power Plant Equipment	-1.28%
Total Hutchinson Unit 2		-0.07%

Hutchinson Unit 3

341.00	Structures and Improvements	-0.36%
342.00	Fuel Holders, Producers, and Accessories	0.31%
344.00	Generators and Devices	-0.18%
345.00	Accessory Electric Equipment	2.45%
346.00	Miscellaneous Power Plant Equipment	-1.28%
Total Hutchinson Unit 3		0.02%

Hutchinson Unit 4

341.00	Structures and Improvements	-6.14%
342.00	Fuel Holders, Producers, and Accessories	-4.97%
344.00	Generators and Devices	-4.38%
345.00	Accessory Electric Equipment	-4.68%
346.00	Miscellaneous Power Plant Equipment	-4.83%
Total Hutchinson Unit 4		-4.52%

Hutchinson Common

341.00	Structures and Improvements	-1.00%
342.00	Fuel Holders, Producers, and Accessories	2.76%

344.00	Generators and Devices	0.00%
345.00	Accessory Electric Equipment	1.93%
346.00	Miscellaneous Power Plant Equipment	1.88%
Total Hutchinson Common		-0.06%

Spring Creek Energy Center GTs

341.00	Structures and Improvements	1.84%
342.00	Fuel Holders, Producers, and Accessories	1.86%
344.00	Generators and Devices	1.85%
345.00	Accessory Electric Equipment	2.18%
346.00	Miscellaneous Power Plant Equipment	1.85%
Total Spring Creek Energy Center GTs		1.89%

Spring Creek Unit 1

341.00	Structures and Improvements	1.84%
342.00	Fuel Holders, Producers, and Accessories	1.84%
344.00	Generators and Devices	1.84%
345.00	Accessory Electric Equipment	2.08%
346.00	Miscellaneous Power Plant Equipment	0.00%
Total Spring Creek Unit 1		1.86%

Spring Creek Unit 2

341.00	Structures and Improvements	1.84%
342.00	Fuel Holders, Producers, and Accessories	1.84%
344.00	Generators and Devices	1.84%
345.00	Accessory Electric Equipment	2.03%
346.00	Miscellaneous Power Plant Equipment	0.00%
Total Spring Creek Unit 2		1.86%

Spring Creek Unit 3

341.00	Structures and Improvements	1.84%
342.00	Fuel Holders, Producers, and Accessories	1.84%
344.00	Generators and Devices	1.89%
345.00	Accessory Electric Equipment	2.39%
346.00	Miscellaneous Power Plant Equipment	0.00%
Total Spring Creek Unit 3		1.96%

Spring Creek Unit 4

341.00	Structures and Improvements	1.84%
342.00	Fuel Holders, Producers, and Accessories	1.84%
344.00	Generators and Devices	1.84%
345.00	Accessory Electric Equipment	2.07%
346.00	Miscellaneous Power Plant Equipment	0.00%
Total Spring Creek Unit 4		1.86%

Spring Creek Common

341.00	Structures and Improvements	2.01%
342.00	Fuel Holders, Producers, and Accessories	2.42%

344.00	Generators and Devices	2.23%
345.00	Accessory Electric Equipment	1.97%
346.00	Miscellaneous Power Plant Equipment	1.85%
Total Spring Creek Common		1.93%

Western Plains Wind Farm

341.00	Structures and Improvements	
342.00	Fuel Holders, Producers, and Accessories	
344.00	Generators and Devices	
345.00	Accessory Electric Equipment	
346.00	Miscellaneous Power Plant Equipment	
Total Western Plains Wind Farm		

WESTAR SOUTH**STEAM PRODUCTION PLANT**

311.00	Structures and Improvements	2.15%
312.00	Boiler Plant Equipment	3.16%
312.10	Boiler Plant Equipment (AQC)	3.44%
312.20	Boiler Plant Equipment - Train Cars	1.75%
314.00	Turbogenerator Units	2.67%
315.00	Accessory Electric Equipment	2.92%
316.00	Miscellaneous Power Plant Equipment	3.03%
TOTAL STEAM PRODUCTION PLANT		3.08%

NUCLEAR PRODUCTION PLANT

321.00	Structures and Improvements	1.60%
322.00	Reactor Plant Equipment	2.14%
323.00	Turbogenerator Units	2.38%
324.00	Accessory Electric Equipment	1.77%
325.00	Miscellaneous Power Plant Equipment	2.44%
352.00	Structures and Improvements	1.55%
353.00	Station Equipment	2.28%
355.00	Poles and Fixtures	1.99%
356.00	Overhead Conductors and Devices	1.85%
362.00	Station Equipment	3.28%
391.00	Office Furniture and Equipment	3.78%
397.00	Communication Equipment	0.33%
TOTAL NUCLEAR PRODUCTION PLANT		2.05%

TRANSMISSION PLANT

352.00	Structures and Improvements	1.74%
352.50	Structures and Improvements - 34.5 kV	0.00%
353.00	Station Equipment	1.67%
353.50	Station Equipment - 34.5 kV	1.77%
354.00	Towers and Fixtures	1.43%
354.50	Towers and Fixtures - 34.5 kV	0.00%
355.00	Poles and Fixtures	2.59%
355.50	Poles and Fixtures - 34.5 kV	2.60%

356.00	OH Conductors and Devices	2.46%
356.50	OH Conductors and Devices - 34.5 kV	2.77%
357.00	Underground Conduit	1.06%
357.50	Underground Conduit - 34.5 kV	1.66%
358.00	UG Conductors and Devices	1.99%
358.50	UG Conductors and Devices - 34.5 kV	1.95%
359.00	Roads and Trails	0.70%
TOTAL TRANSMISSION PLANT		2.21%

DISTRIBUTION PLANT

361.00	Structures and Improvements	1.78%
362.00	Station Equipment	1.72%
364.00	Poles, Towers, and Fixtures	2.49%
365.00	Overhead Conductors and Devices	2.61%
366.10	Underground Conduit - Network	1.81%
366.20	Underground Conduit	1.86%
367.10	UG Conductors and Devices - Network	2.34%
367.20	UG Conductors and Devices	2.29%
368.00	Line Transformers - Overhead	2.26%
368.10	Line Transformers - Underground	2.00%
368.20	Line Capacitors	2.45%
369.10	Services - Overhead	2.11%
369.20	Services - Network	1.96%
369.30	Services - Underground	2.22%
370.10	AMI Meters	3.99%
372.00	Leased Prop. on Customers' Premises	4.69%
373.00	Street Lighting and Signal Systems	3.64%
TOTAL DISTRIBUTION PLANT		2.35%

GENERAL PLANT**Depreciable**

390.10	Structures and Improvements	1.19%
392.00	Transportation Equipment	6.12%
396.00	Power Operated Equipment	0.42%
Total Depreciable		1.92%

Amortizable

391.00	Office Furniture and Equipment	4.00%
391.10	Computers and Other Electronic Equip.	13.95%
393.00	Stores Equipment	4.00%
394.00	Tools, Shop, and Garage Equipment	4.00%
395.00	Laboratory Equipment	4.00%
397.00	Communication Equipment	3.33%
398.00	Miscellaneous Equipment	5.39%
Total Amortizable		4.02%

TOTAL GENERAL PLANT**3.33%**

TOTAL WESTAR SOUTH	2.42%
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WESTAR SOUTH STEAM PRODUCTION
Gordon Evans Energy Center

311.00	Structures and Improvements	2.25%
312.00	Boiler Plant Equipment	3.29%
312.10	Boiler Plant Equipment (AQC)	5.13%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	3.51%
315.00	Accessory Electric Equipment	3.85%
316.00	Miscellaneous Power Plant Equipment	4.38%
Total Gordon Evans Energy Center		3.45%

Gordon Evans Unit 1

311.00	Structures and Improvements	0.58%
312.00	Boiler Plant Equipment	2.93%
312.10	Boiler Plant Equipment (AQC)	8.27%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	2.65%
315.00	Accessory Electric Equipment	3.37%
316.00	Miscellaneous Power Plant Equipment	2.70%
Total Gordon Evans Unit 1		2.93%

Gordon Evans Unit 2

311.00	Structures and Improvements	1.42%
312.00	Boiler Plant Equipment	3.52%
312.10	Boiler Plant Equipment (AQC)	4.46%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	3.89%
315.00	Accessory Electric Equipment	5.83%
316.00	Miscellaneous Power Plant Equipment	6.91%
Total Gordon Evans Unit 2		3.94%

Gordon Evans Common

311.00	Structures and Improvements	2.55%
312.00	Boiler Plant Equipment	3.29%
312.10	Boiler Plant Equipment (AQC)	2.58%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	3.46%
315.00	Accessory Electric Equipment	0.95%
316.00	Miscellaneous Power Plant Equipment	3.92%
Total Gordon Evans Common		2.66%

Jeffrey Energy Center

311.00	Structures and Improvements	2.01%
312.00	Boiler Plant Equipment	2.38%
312.10	Boiler Plant Equipment (AQC)	3.30%
312.20	Boiler Plant Equipment - Train Cars	2.21%

314.00	Turbogenerator Units	2.52%
315.00	Accessory Electric Equipment	2.46%
316.00	Miscellaneous Power Plant Equipment	2.74%
Total Jeffrey Energy Center		2.74%

Jeffrey Unit 1

311.00	Structures and Improvements	2.08%
312.00	Boiler Plant Equipment	2.24%
312.10	Boiler Plant Equipment (AQC)	3.73%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	2.83%
315.00	Accessory Electric Equipment	2.43%
316.00	Miscellaneous Power Plant Equipment	2.68%
Total Jeffrey Unit 1		3.06%

Jeffrey Unit 2

311.00	Structures and Improvements	1.48%
312.00	Boiler Plant Equipment	2.22%
312.10	Boiler Plant Equipment (AQC)	3.04%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	2.57%
315.00	Accessory Electric Equipment	2.38%
316.00	Miscellaneous Power Plant Equipment	2.89%
Total Jeffrey Unit 2		2.58%

Jeffrey Unit 3

311.00	Structures and Improvements	1.62%
312.00	Boiler Plant Equipment	2.17%
312.10	Boiler Plant Equipment (AQC)	2.87%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	2.19%
315.00	Accessory Electric Equipment	2.18%
316.00	Miscellaneous Power Plant Equipment	3.06%
Total Jeffrey Unit 3		2.37%

Jeffrey Common

311.00	Structures and Improvements	2.35%
312.00	Boiler Plant Equipment	3.09%
312.10	Boiler Plant Equipment (AQC)	3.37%
312.20	Boiler Plant Equipment - Train Cars	2.21%
314.00	Turbogenerator Units	3.35%
315.00	Accessory Electric Equipment	3.26%
316.00	Miscellaneous Power Plant Equipment	2.60%
Total Jeffrey Common		2.97%

La Cygne Energy Center

311.00	Structures and Improvements	2.34%
312.00	Boiler Plant Equipment	3.50%

312.10	Boiler Plant Equipment (AQC)	3.53%
312.20	Boiler Plant Equipment - Train Cars	1.72%
314.00	Turbogenerator Units	2.22%
315.00	Accessory Electric Equipment	2.99%
316.00	Miscellaneous Power Plant Equipment	2.95%
Total La Cygne Energy Center		3.31%

La Cygne Unit 1

311.00	Structures and Improvements	1.84%
312.00	Boiler Plant Equipment	3.21%
312.10	Boiler Plant Equipment (AQC)	3.53%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	2.13%
315.00	Accessory Electric Equipment	3.01%
316.00	Miscellaneous Power Plant Equipment	2.93%
Total La Cygne Unit 1		3.18%

La Cygne Unit 2

311.00	Structures and Improvements	2.59%
312.00	Boiler Plant Equipment	2.36%
312.10	Boiler Plant Equipment (AQC)	3.31%
312.20	Boiler Plant Equipment - Train Cars	1.27%
314.00	Turbogenerator Units	5.12%
315.00	Accessory Electric Equipment	2.08%
316.00	Miscellaneous Power Plant Equipment	1.94%
Total La Cygne Unit 2		2.49%

La Cygne Common

311.00	Structures and Improvements	3.70%
312.00	Boiler Plant Equipment	4.00%
312.10	Boiler Plant Equipment (AQC)	0.00%
312.20	Boiler Plant Equipment - Train Cars	2.83%
314.00	Turbogenerator Units	2.50%
315.00	Accessory Electric Equipment	3.47%
316.00	Miscellaneous Power Plant Equipment	3.07%
Total La Cygne Common		3.92%

Murray Gill Energy Center

311.00	Structures and Improvements	2.31%
312.00	Boiler Plant Equipment	3.22%
312.10	Boiler Plant Equipment (AQC)	6.14%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	2.04%
315.00	Accessory Electric Equipment	2.71%
316.00	Miscellaneous Power Plant Equipment	2.49%
Total Murray Gill Energy Center		2.76%

Murray Gill Unit 3

311.00	Structures and Improvements	-0.07%
312.00	Boiler Plant Equipment	3.95%
312.10	Boiler Plant Equipment (AQC)	5.55%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	2.56%
315.00	Accessory Electric Equipment	1.00%
316.00	Miscellaneous Power Plant Equipment	3.04%
Total Murray Gill Unit 3		3.07%

Murray Gill Unit 4

311.00	Structures and Improvements	0.08%
312.00	Boiler Plant Equipment	2.66%
312.10	Boiler Plant Equipment (AQC)	5.30%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	1.15%
315.00	Accessory Electric Equipment	2.42%
316.00	Miscellaneous Power Plant Equipment	3.04%
Total Murray Gill Unit 4		2.06%

Murray Gill Common

311.00	Structures and Improvements	2.67%
312.00	Boiler Plant Equipment	2.41%
312.10	Boiler Plant Equipment (AQC)	6.37%
312.20	Boiler Plant Equipment - Train Cars	0.00%
314.00	Turbogenerator Units	1.86%
315.00	Accessory Electric Equipment	4.33%
316.00	Miscellaneous Power Plant Equipment	2.48%
Total Murray Gill Common		3.03%

12 CP Allocation Factors

Class	Load	Allocation %
RES	1,297.0	37.98%
DG	0.3	0.01%
SGS	682.3	19.98%
MGS	446.7	13.08%
LGS	530.9	15.55%
ILP	151.6	4.44%
LTM	17.0	0.50%
INT	9.4	0.28%
SPL	130.3	3.82%
RITOD	2.8	0.08%
SCH	144.0	4.22%
LIGHT	2.7	0.08%
TOTAL	3,415.1	100.00%

:

REVENUE ALLOCATION	Settled Decrease		PTS		Total Settlement
					Decrease
	\$	(66,000,000.00)	\$	15,688,106.54	
Residential	\$	(25,828,735.46)	\$	5,128,777.34	\$ (20,699,958.11)
Residential Distrib. Generation	\$	(5,000.00)	\$	896.87	\$ (4,103.13)
Small General Service	\$	(12,154,328.39)	\$	2,860,255.56	\$ (9,294,072.82)
Medium General Service	\$	(7,890,606.48)	\$	2,082,945.99	\$ (5,807,660.49)
Large General Service	\$	(10,907,161.77)	\$	3,082,027.49	\$ (7,825,134.28)
Industrial and Large Power	\$	(3,669,117.92)	\$	910,810.17	\$ (2,758,307.76)
Large Tire Manufacturer	\$	(391,348.30)	\$	102,702.21	\$ (288,646.09)
Interruptible Contract Service	\$	(66,657.70)	\$	14,353.04	\$ (52,304.65)
Special Contracts	\$	(1,937,924.14)	\$	854,976.67	\$ (1,082,947.47)
Churches	\$	(95,269.91)	\$	12,530.18	\$ (82,739.73)
Schools	\$	(2,700,334.21)	\$	503,974.88	\$ (2,196,359.33)
Lighting	\$	(353,515.71)	\$	133,856.11	\$ (219,659.60)
	\$	(66,000,000.00)	\$	15,688,106.54	\$ (50,311,893.46)

Billing Determinants

Rate Class		Adjusted Annual Energy	Annual Bills
RS	Residential Standard	5,350,416,482	5,287,498
RS-CU	Residential Conservation	815,105,238	1,975,787
RS-PM	Peak Management	129,535,856	79,036
RSCU-R	Residential Restricted Conservation	6,905,396	27,583
RS-MD	Multi-Dwelling	2,111,683	595
R-TOU	Residential Time-of-Use	286,830	253
RS-DG	Distributed Generation	1,918,300	1,877
SGS	General Service	3,503,854,191	1,017,743
SGS-RL	Recreational Lighting	8,735,786	5,467
SGS-CO	Church Option	123,797	72
SGS-UM	Unmetered Service	233,631	852
ST	Short-Term Service	4,743,251	15,707
GSS	Substitution Service	41,329,704	735
OPS	Peak Service	14,510,860	130
DOR	Off-Peak Rider	141,529	14
MGS	General Service	2,685,649,638	17,327
LGS	General Service	3,806,072,560	2,579
RITODS	Institution	15,388,165	3,720
REIS	Educational Institutional	286,149,082	6,415
R-TESC	Total Elec School & Church	12,672,964	901
PS-R	Schools Restricted	171,173,395	7,886
SES	Education Service	153,746,687	4,064
ILP	ILP	1,135,517,255	36
LTM	Tire Manuf	128,040,000	12
ICS	Contract Service	17,894,102	12
SAL	Area Lighting	93,465,099	0
SL	Street Lighting	69,731,492	0
TS	Signal Service	3,678,395	0
SC	Special Contracts	1,065,909,000	24

Westar Energy, Inc - Total Company
Proof of Revenue - 2018 General Rate Case

2023 of Revenue - 2019 General Rate Case				Total Increase		
Residential Standard Service				Existing Rate	Proposed Rate	(Decrease)
Energy	Block 1	Winter		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 2	Winter		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 3	Winter		\$ 0.062804	\$ 0.060089	\$ (0.002715)
Energy	Block 1	Summer		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 2	Summer		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 3	Summer		\$ 0.084752	\$ 0.081088	\$ (0.003664)
Basic Service Fee				\$ 14.50	\$ 14.50	\$ -
Residential Standard Distributed Generation				There is one Energy Charge as agreed.		
Energy	Block 1	Winter		\$ 0.076833	\$ 0.045840	\$ (0.030993)
	Block 2	Winter		\$ 0.076833	\$ 0.045840	\$ (0.030993)
	Block 3	Winter		\$ 0.062804	\$ 0.045840	\$ (0.016964)
Energy	Block 1	Summer		\$ 0.076833	\$ 0.045840	\$ (0.030993)
	Block 2	Summer		\$ 0.076833	\$ 0.045840	\$ (0.030993)
	Block 3	Summer		\$ 0.084752	\$ 0.045840	\$ (0.038912)
Demand		Winter		\$ 3.00	\$ 3.000000	
Demand		Summer		\$ 9.00	\$ 9.000000	
Basic Service Fee				\$ 14.50	\$ 14.50	\$ -
Residential Conservation Service						
Energy	Block 1	Winter		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 2	Winter		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 3	Winter		\$ 0.062804	\$ 0.060089	\$ (0.002715)
Energy	Block 1	Summer		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 2	Summer		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 3	Summer		\$ 0.084752	\$ 0.081088	\$ (0.003664)
Basic Service Fee				\$ 14.50	\$ 14.50	\$ -
Residential Restricted Conservation						
Energy	Block 1			\$ 0.051915	\$ 0.049653	\$ (0.002262)
Basic Service Fee				\$ 14.50	\$ 14.50	\$ -
Residential - Peak Management						
Energy	Block 1			\$ 0.046644	\$ 0.044623	\$ (0.002021)
Demand		Summer		\$ 6.91	\$ 6.91	\$ -
Demand		Winter		\$ 2.13	\$ 2.13	\$ -
Basic Service Fee				\$ 16.50	\$ 16.50	\$ -
Residential Multi Dwelling Service						
Energy	Block 1	Winter		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 2	Winter		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 3	Winter		\$ 0.062804	\$ 0.060089	\$ (0.002715)
Energy	Block 1	Summer		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 2	Summer		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 3	Summer		\$ 0.084752	\$ 0.081088	\$ (0.003664)
Basic Service Fee				\$ 14.50	\$ 14.50	\$ -
Residential Multi Dwelling-Space heatService						
Energy	Block 1	Winter		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 2	Winter		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 3	Winter		\$ 0.062804	\$ 0.060089	\$ (0.002715)
Energy	Block 1	Summer		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 2	Summer		\$ 0.076833	\$ 0.073512	\$ (0.003321)
	Block 3	Summer		\$ 0.084752	\$ 0.081088	\$ (0.003664)
Basic Service Fee				\$ 14.50	\$ 14.50	\$ -
Residential Time Of Use Service						
Energy	Block 1	Winter- On-Peak		\$ 0.091548	\$ 0.087590	\$ (0.003958)
	Block 2	Winter - Intermediate Peak		\$ -	\$ -	\$ -
	Block 3	Winter - Off Peak		\$ 0.056614	\$ 0.054167	\$ (0.002447)
Energy	Block 1	Summer - On-Peak		\$ 0.155288	\$ 0.148575	\$ (0.006713)
	Block 2	Summer - Intermediate-Peak		\$ 0.107719	\$ 0.103062	\$ (0.004657)
	Block 3	Summer - Off-Peak		\$ 0.068868	\$ 0.065891	\$ (0.002977)
Basic Service Fee				\$ 14.50	\$ 14.50	\$ -
Small General Service						
Demand	Block 1	Winter		\$ -	\$ -	\$ -
	Block 2	Winter		\$ 4.43	\$ 4.43	\$ -
Demand	Block 1	Summer		\$ -	\$ -	\$ -
	Block 2	Summer		\$ 8.56	\$ 8.56	\$ -
Energy	Block 1			\$ 0.070417	\$ 0.067079	\$ (0.003338)
	Block 2			\$ 0.051246	\$ 0.048818	\$ (0.002428)
Basic Service Fee				\$ 22.73	\$ 22.73	\$ -
Small General Service - Recreational Lighting						
Energy	Block 1			\$ 0.089160	\$ 0.084920	\$ (0.004240)
Basic Service Fee				\$ 22.73	\$ 22.73	\$ -

Appendix E Public Version

Small General Service - Unmetered service

Energy	Block 1		\$ 0.070417	\$ 0.067079	\$ (0.003338)
	Block 2		\$ 0.051246	\$ 0.048818	\$ (0.002428)
Basic Service Fee			\$ 22.73	\$ 22.73	\$ -

Small General Service - Church Option

Energy	Block 1		\$ 0.070417	\$ 0.067079	\$ (0.003338)
	Block 2		\$ 0.051246	\$ 0.048818	\$ (0.002428)
Demand	Block 1	Summer	\$ -	\$ -	\$ -
	Block 2	Summer	\$ 2.50	\$ 2.50	\$ -
Demand	Block 1	Winter	\$ -	\$ -	\$ -
	Block 2	Winter	\$ 1.37	\$ 1.37	\$ -
Basic Service Fee			\$ 22.73	\$ 22.73	\$ -

Short Term Service

Demand	Block 1	Winter	\$ -	\$ -	\$ -
	Block 2	Winter	\$ 4.43	\$ 4.43	\$ -
Demand	Block 1	Summer	\$ -	\$ -	\$ -
	Block 2	Summer	\$ 8.56	\$ 8.56	\$ -
Energy	Block 1		\$ 0.070417	\$ 0.067079	\$ (0.003338)
Basic Service Fee			\$ 22.73	\$ 22.73	\$ -

Generation Substitution Service

Energy	Block 1		\$ 0.057119	\$ 0.054397	\$ (0.002722)
	Block 2		\$ 0.048991	\$ 0.046654	\$ (0.002337)
	Block 3		\$ 0.041912	\$ 0.039911	\$ (0.002001)
Basic Service Fee			\$ 40.41	\$ 51.00	\$ 10.590000

Off Peak Service

Demand	Block 1	Peak	\$ 12.06	\$ 12.06	\$ -
	Block 2	Off-Peak	\$ 2.37	\$ 2.37	\$ -
	Block 3		\$ 43.29	\$ 43.29	\$ -
Energy	Block 1		\$ 0.020559	\$ 0.019570	\$ (0.000989)
Basic Service Fee			\$ 101.03	\$ 128.00	\$ 26.970000

Dedicated Off-Peak Service

Energy	Block 1		\$ 0.048425	\$ 0.046115	\$ (0.002310)
	Block 2		\$ 0.039080	\$ 0.037213	\$ (0.001867)
	Block 3		\$ 0.019823	\$ 0.018869	\$ (0.000954)
Basic Service Fee			\$ 22.73	\$ 22.73	\$ -

Medium General Service

Demand			\$ 15.770063	\$ 16.150000	\$ 0.379937
Energy		Winter	\$ -	\$ -	\$ -
		Summer	\$ 0.014772	\$ 0.011839	\$ (0.002933)
			\$ 0.019452	\$ 0.015590	\$ (0.003862)
Basic Service Fee			\$ 100.99	\$ 118.40	\$ 17.410000

Large General Service

Demand	Secondary distribution		\$ 15.206611	\$ 15.206611	\$ -
Demand	Primary distribution		\$ 14.199799	\$ 14.199799	\$ -
Demand	Transmission		\$ 12.317061	\$ 12.117061	\$ (0.200000)
Energy	Secondary distribution		\$ 0.015495	\$ 0.014325	\$ (0.001170)
Energy	Primary distribution		\$ 0.015495	\$ 0.013295	\$ (0.002200)
Energy	Transmission		\$ 0.015495	\$ 0.012605	\$ (0.002890)
Basic Service Fee			\$ 251.70	\$ 320.00	\$ 68.300000

Industrial and Large Power

Demand	Secondary distribution		\$ 15.206611	\$ 15.206611	\$ -
Demand	Primary distribution		\$ 14.199799	\$ 14.199799	\$ -
Demand	Transmission		\$ 12.317061	\$ 11.538250	\$ (0.778811)
Energy	Secondary distribution		\$ 0.015495	\$ 0.014424	\$ (0.001071)
Energy	Primary distribution		\$ 0.015495	\$ 0.014424	\$ (0.001071)
Energy	Transmission		\$ 0.015495	\$ 0.013734	\$ (0.001761)
Basic Service Fee			\$ 251.70	\$ 320.00	\$ 68.300000

Large Tire Manufacturing

Base demand with energy per kVA			\$ 16.622941	\$ 15.586478	\$ (1.036463)
Excess Energy			\$ 0.018270	\$ 0.017130	\$ (0.001140)
Facility charge			\$ 3,794.74	\$ 3,794.74	\$ -

Interruptible Contract Service

Energy			\$ 0.044431	\$ 0.041490	\$ (0.002941)
Basic Service Fee			\$ 101.07	\$ 128.00	\$ 26.930000

Special Contract (a)

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Special Contract (b)

Restricted Institution Time of Day

Energy	Block 1	Winter	\$	2.082060	\$	1.949303	\$	(0.132757)
	Weekday use		\$	0.077450	\$	0.072512	\$	(0.004938)
	Weekday evening		\$	0.077450	\$	0.072512	\$	(0.004938)
	Night and weekend		\$	0.052210	\$	0.048881	\$	(0.003329)
	Block 1	Summer	\$	2.082060	\$	1.949303	\$	(0.132757)
	Weekday use		\$	0.191924	\$	0.179686	\$	(0.012238)
	Weekday evening		\$	0.077450	\$	0.072512	\$	(0.004938)
	Night and weekend		\$	0.052210	\$	0.048881	\$	(0.003329)

Restricted Total Electric - School and Church

Energy	Block 1		\$	0.057425	\$	0.053214	\$	(0.004211)
Winter - kWh	Block 1		\$	0.069783	\$	0.064665	\$	(0.005118)
Summer - kWh	Block 1							

Restricted Service To Schools

Energy	Block 1		\$	0.074798	\$	0.069313	\$	(0.005485)
	Block 2		\$	0.055317	\$	0.051260	\$	(0.004057)
	Separately metered heat		\$	0.055317	\$	0.051260	\$	(0.004057)
Basic Service Fee			\$	22.81	\$	29.00	\$	6.190000

Restricted Educational Institution Service

Energy	Block 1		\$	0.057824	\$	0.053583	\$	(0.004241)
	Block 2		\$	0.045482	\$	0.042146	\$	(0.003336)
	Block 3		\$	0.032982	\$	0.030563	\$	(0.002419)
Summer - kWh	Block 1		\$	0.057824	\$	0.053583	\$	(0.004241)
	Block 2		\$	0.065359	\$	0.060566	\$	(0.004793)
	Block 3		\$	0.067435	\$	0.062489	\$	(0.004946)
Basic Service Fee			\$	22.81	\$	29.00	\$	6.190000

Standard Educational Service

Energy			\$	0.027177	\$	0.025184	\$	(0.001993)
Demand			\$	8.42	\$	8.42	\$	-
Basic Service Fee			\$	22.81	\$	29.00	\$	6.190000

Security Area Lighting - See Lighting worksheet

Street Lighting - see Lighting worksheet

Traffic Signals

Energy			\$	0.096015	\$	0.094732	\$	(0.001283)
Minimum bill			\$	10.00	\$	10.00	\$	-

Electric Transit Service

Energy - Off Peak			\$	0.020847				
Energy - On Peak			\$	0.142257				
Basic Service Fee			\$	29.00				

Residential Electric Vehicle

Energy			\$	0.045840				
Demand	Winter		\$	3.00				
Demand	Summer		\$	9.00				
Basic Service Fee			\$	14.50				

Residential Peak Efficiency

Energy			\$	0.045840				
Demand	Winter		\$	3.00				
Demand	Summer		\$	9.00				
Basic Service Fee			\$	14.50				

Public Electric Vehicle Charging Station

Energy Charge	Level 2		\$	0.087588				
Energy Charge	Level 3		\$	0.105106				

Westar Energy, Inc - Total Company
Proof of Revenue - 2018 General Rate Case

Security Area Lighting

	Lumen	Wattage	North Existing Rate	South Existing Rate	Consolidated Rate	New Rate	Difference
LED Lamps	4,763	48	\$ 12.41	\$ 11.75	\$ 12.20	\$ 12.05	\$ (0.15)
	6,436	72	\$ 18.84	\$ 17.26	\$ 18.48	\$ 18.26	\$ (0.22)
	8,261	80	\$ 19.88	\$ 18.21	\$ 19.50	\$ 19.27	\$ (0.23)
	19,372	215	\$ 45.99	\$ 38.64	\$ 42.92	\$ 42.41	\$ (0.51)
	22,525	240	\$ 46.96	\$ 40.98	\$ 45.47	\$ 44.93	\$ (0.54)
High Pressure Sodium Lamps	5,700	70	\$ 12.41	\$ 11.75	\$ 12.10	\$ 11.96	\$ (0.14)
	14,500	150	\$ 18.84	\$ 17.26	\$ 18.20	\$ 17.99	\$ (0.21)
	14,500	150	\$ 19.88	\$ 18.21	\$ 19.25	\$ 19.02	\$ (0.23)
	45,000	400	\$ 45.99	\$ 38.64	\$ 42.33	\$ 41.83	\$ (0.50)
	45,000	400	\$ 46.96	\$ 40.98	\$ 45.46	\$ 44.92	\$ (0.54)
Metal Halide Lamps	13,500	250	\$ 34.32	\$ 34.32	\$ 34.32	\$ 33.91	\$ (0.41)
	24,000	400	\$ 46.88	\$ 46.88	\$ 46.88	\$ 46.33	\$ (0.55)
Mercury Vapor	7,000	175	\$ 10.40	\$ 10.40	\$ 10.40	\$ 10.28	\$ (0.12)
	20,000	400	\$ 18.96	\$ 19.35	\$ 19.06	\$ 18.83	\$ (0.23)
	20,000	400	\$ 23.10	\$ 32.17	\$ 24.85	\$ 24.55	\$ (0.30)
	52,000	1000	\$ -	\$ 35.85	\$ 35.85	\$ 35.43	\$ (0.42)
	59,000	1000	\$ 43.93	\$ 58.73	\$ 45.44	\$ 44.90	\$ (0.54)
Filament Lamps	4,000	300	\$ -	\$ 14.55	\$ 14.55	\$ 14.38	\$ (0.17)
Fluorescent Lamps	6,900	110	\$ -	\$ 13.79	\$ 13.79	\$ 13.63	\$ (0.16)

Street Lighting

	Lumen	Wattage	North Existing Rate	South Existing Rate	Consolidated Rate	New Rate	Difference
LED Lamps	4,624	48	\$ 7.92	\$ 7.92	\$ 7.92	\$ 7.86	\$ (0.06)
	6,249	72	\$ 10.57	\$ 10.57	\$ 10.57	\$ 10.50	\$ (0.07)
	8,619	95	\$ 13.13	\$ 13.53	\$ 13.22	\$ 13.13	\$ (0.09)
	18,570	215	\$ 21.25	\$ 23.72	\$ 23.46	\$ 23.29	\$ (0.17)
	18,570	215	\$ 17.61	\$ 19.15	\$ 18.19	\$ 18.06	\$ (0.13)
	24,921	284	\$ 23.67	\$ 25.80	\$ 24.17	\$ 24.00	\$ (0.17)
High Pressure Sodium Lamps	5,700	70	\$ 7.92	\$ 7.92	\$ 7.92	\$ 7.86	\$ (0.06)
	8,500	100	\$ 10.57	\$ 10.57	\$ 10.57	\$ 10.50	\$ (0.07)
	14,500	150	\$ 13.53	\$ 13.53	\$ 13.32	\$ 13.22	\$ (0.10)
	25,600	250	\$ 19.15	\$ 19.15	\$ 18.48	\$ 18.35	\$ (0.13)
	25,600	250	\$ 23.72	\$ 23.72	\$ 23.20	\$ 23.03	\$ (0.17)
	45,000	400	\$ 25.80	\$ 25.80	\$ 24.42	\$ 24.25	\$ (0.17)
High Pressure Sodium Lamps	8,500	100	\$ 16.02	n/a	\$ 16.02	\$ 15.91	\$ (0.11)
	13,500	150	\$ 10.82	n/a	\$ 10.82	\$ 10.74	\$ (0.08)
	13,500	150	\$ 16.17	n/a	\$ 16.17	\$ 16.06	\$ (0.11)
	14,500	150	\$ 16.98	n/a	\$ 16.98	\$ 16.86	\$ (0.12)
	20,700	215	\$ 12.22	n/a	\$ 12.22	\$ 12.13	\$ (0.09)
	20,700	215	\$ 17.31	n/a	\$ 17.31	\$ 17.19	\$ (0.12)
	25,600	250	\$ 21.65	n/a	\$ 21.65	\$ 21.50	\$ (0.15)
	40,500	360	\$ 16.94	n/a	\$ 16.94	\$ 16.82	\$ (0.12)
	40,500	360	\$ 21.96	n/a	\$ 21.96	\$ 21.80	\$ (0.16)
	45,000	400	\$ 27.97	n/a	\$ 27.97	\$ 27.77	\$ (0.20)
Metal Halide Lamp	8,800	175	\$ 28.42	n/a	\$ 28.42	\$ 28.22	\$ (0.20)
	13,500	250	\$ 35.15	\$ 35.15	\$ 35.15	\$ 34.90	\$ (0.25)
	24,000	400	\$ 41.09	\$ 41.09	\$ 41.09	\$ 40.80	\$ (0.29)
Metal Halide Lamps	33,000	400	n/a	\$ 29.40	\$ 29.40	\$ 29.19	\$ (0.21)
	2 at 33,000	400	n/a	\$ 52.59	\$ 52.59	\$ 52.22	\$ (0.37)
	90,000	1000	n/a	\$ 39.83	\$ 39.83	\$ 39.55	\$ (0.28)
	Tower	6 Lamp Fixture	n/a	\$ 193.05	\$ 193.05	\$ 191.69	\$ (1.36)
Mercury Vapor Lamp	7,000	175	\$ 7.90	\$ 6.76	\$ 7.33	\$ 7.28	\$ (0.05)
	10,000	250	n/a	\$ 8.37	\$ 8.37	\$ 8.31	\$ (0.06)
	11,000	250	\$ 10.62	n/a	\$ 10.62	\$ 10.55	\$ (0.07)
	11,000	250	\$ 16.07	n/a	\$ 16.07	\$ 15.96	\$ (0.11)
	20,000	400	\$ 14.82	\$ 14.82	\$ 14.82	\$ 14.72	\$ (0.10)
	20,000	400	\$ 21.19	n/a	\$ 21.19	\$ 21.04	\$ (0.15)
	52,000	1000	n/a	\$ 15.72	\$ 15.72	\$ 15.61	\$ (0.11)
Filament Lamp (No longer available)	10,000	227	n/a	\$ 12.08	\$ 12.08	\$ 11.99	\$ (0.09)

CERTIFICATE OF SERVICE

18-WSEE-328-RTS

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of electronic service on 09/27/2018.

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/S/ DeeAnn Shupe
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