

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of Westar Energy, Inc. and )  
Kansas Gas and Electric Company Seeking )  
Commission Approval to Implement Changes ) Docket No. 16-WSEE-375-TAR  
In their Transmission Delivery Charges Rate )  
Schedules. )

In the Matter of Westar Energy, Inc. and )  
Kansas Gas and Electric Company Seeking )  
Commission Approval to Implement Changes ) Docket No. 17-WSEE-377-TAR  
In their Transmission Delivery Charges Rate )  
Schedules. )

**REPLY OF THE KANSAS INDUSTRIAL CONSUMERS GROUP, INC. (KIC)  
TO THE KCC STAFFS' RESPONSE TO KIC PETITIONS AND MOTIONS**

COMES NOW the Kansas Industrial Consumers Group, Inc. ("KIC"), and for its Reply to the Response of the Staff of the State Corporation Commission of the State of Kansas ("Staff") to the Petitions and Motions of KIC filed in the above-entitled Docket, states the following:

**Summary**

1. KIC states and reiterates herein as if fully set out, its petitions and motions filed in this matter on October 2, 2017.
2. K.S.A. 66-1237 only permits the collection of FERC regulated transmission charges by Westar. These FERC regulated charges may be collected by Westar pursuant to FERC authority to "suspend the operation . . . and defer the use" of a proposed FERC rate for up to 5 months. Thereafter, the [FERC] rate "shall go into effect," but "[FERC] may, by order, require the [utility] . . . to refund any amounts" later found by [FERC] to be unjust and

unreasonable. (Emphasis added) 15 U.S.C. § 117c(e)(2000). *Kansas Industrial Consumers Group, Inc. v. Kansas Corporation Comm'n*, 36 Kan. App. 2d 83, 102. (2006)

3. K.S.A. provides no statutory basis for the Commission to “reallocate among retail electric customers,” the amount of TDC charges found to be just and reasonable by FERC. The Commission may only address cost of service rates for retail electric customers, in either the setting of a Rate Application pursuant to K.S.A. 66-117, or on a “forward” basis pursuant to a Complaint.

4. In contrast to FERC methods and practices, the Kansas Corporation Commission (“Commission”) has no statutory authority to allow rates to go into effect subject to refund.

K.S.A. 66-117(c) gives the Commission authority to suspend proposed rates for up to 240 days.

If a final order is not issued within that period (with a few exceptions) the rates are deemed

approved. *Kansas Industrial Consumers, Inc. v. Kansas Corporation Comm'n, supra.* Westar’s

TDC rates were approved: (a) effective April 1 or June 21, 2016 in KCC Docket No. 16-WSEE-

375-TAR; and (b) were approved on April 3, 2017 in KCC Docket No. 17-WSEE-377-TAR.

**These approved rates are final under Kansas law, and are not subject to refund or reallocation.**

### **Argument**

5. On February 15, 2016 Westar Energy, Inc. and the Kansas Gas and Electric Company (collectively, “Westar”) filed an updated transmission delivery charge tariff. The Westar tariff was filed in accordance with K.S.A. 66-1237, pursuant to which Westar noted that utilities “may seek to recover costs associated with transmission of electric power, in a manner consistent with the determination of transmission related costs from an order of a regulatory

authority having legal jurisdiction, through a separate transmission delivery charge included in customers' bills.'" (KIC Exhibit, A-1)

6. Included with the Westar filing dated February 15, 2016, was an original and red-lined copy of the proposed Westar TDC tariff. Westar requested that the Commission permit Westar to implement the new TDC within thirty days as outlined in K.S.A. 66-1237. Westar requested an implementation date for the TDC of April 1, 2016. (KIC Exhibit A-1 through A-11)

7. On March 30, 2016 the Federal Energy Regulatory Commission (FERC) issued a letter order accepting the settlement agreement between, among others, Westar and the Commission. (KIC Exhibit B-2)

8. On March 31, 2016 the Commission issued an Order pursuant to K.S.A 66-1237 that permitted Westar to implement changes in its TDC on a subject-to-refund basis. (KIC Exhibit B-2)

9. On June 21, 2016, Westar submitted a revised TDC calculation incorporating the terms of the FERC-approved Settlement Agreement as reflected by reduction in Westar's Annual Transmission Revenue Requirement (ATRR).

10. Staff's Audit Section completed its review of the ATRR as submitted by Westar on June 21, 2016. Staff's Audit Section reported that Westar's calculation of its TDC amounts correctly incorporate the terms of the Settlement Agreement reached between and among others, the Commission and Westar.

11. The Commission implemented Westar's 2016 TDC (the Settlement Agreement amount), effective on and after April 1, 2016, on a subject-to-refund basis. *See*, KCC Docket No. 16-WSEE-375-TAR. (Order Granting Application to Implement Changes in Transmission Delivery Charge Subject-to-Refund, p. 3 (March 31, 2016)). The amount of the FERC-related

charges that Westar could pass through to retail electric customers pursuant to K.S.A. 66-1237 was conclusively determined on June 21, 2016.

12. The Joint Movants – the Citizens’ Utility Ratepayer Board) (CURB) and the Staff – requested in the 2016 KCC Docket that the Commission revise Westar’s TDC on a subject-to-refund basis to incorporate the terms of the FERC-approved settlement. CURB and Staff further stated: “In doing so, the Commission will reduce retail customer bills to account for Westar’s lower transmission-related ROE, while still allowing Staff to continue to investigate certain elements of Westar’s TDC; thus the continued subject-to-refund status.” (KIC Exhibit B-3 - B-4)

13. CURB and the Staff further noted (KIC Exhibit B-1 - B-6)that: “In this particular instance, Westar’s current TDC (effective since April 1, 2016) does not reflect the March 30, 2016, FERC Letter Order Accepting Settlement Agreement or Westar and SPP’s revised tariffs as required by FERC. Therefore, the Commission may amend Westar’s TDC so it recovers Westar’s settled and now FERC-approved transmission-related costs.” (KIC Exhibit B-4)

14. By its Order dated June 28, 2016 the Commission granted the Joint Motion of CURB and Staff to amend the transmission delivery charge of Westar, subject-to-refund. (KIC Exhibit C-6)

15. **The Commission held in its Order dated June 28, 2016 as follows: “As noted in the Joint Movant’s (CURB and Staff) Motion, Staff’s Economics and Rates Division has begun a separate review of the 12 Coincident Peak (12 CP) methodology used to determine how particular rate classes contribute to the overall TDC. The Commission finds and concludes that adjusting Westar’s TDC to incorporate the FERC-approved settlement, while preserving subject-to-refund status as the investigation into the TDC and its 12 CP**

**methodology continues, will provide ratepayers with immediate rate relief and allow the parties to this proceeding the time necessary to review Westar's TDC 12 CP calculations.**"

(Emphasis added) (KIC Exhibit C-6)

16. On February 15, 2017, Westar filed an updated Transmission Delivery Charge (TDC) tariff. Westar provided an original and red-lined copy of the proposed TDC tariff. Westar proposed to make the updated TDC effective on April 3, 2017. **By its Order dated March 30, 2017, the Commission concluded that "Westar's proposed TDC rates filed February 15, 2017, should become effective April 3, 2017, on a subject-to-refund basis while the Commission conducts its review of Westar's TDC."** (Emphasis added) (KIC Exhibit E-3)

17. The current transmission delivery charge of Westar was approved by the Kansas Corporation Commission on March 30, 2017.

### **Legal Arguments**

The Applicable Kansas Statute – K.S.A. 66-1237 – electric utility recovery of certain transmission costs, does not authorize or lawfully permit the action proposed by KCC Staff in this proceeding. Ordering such Staff proposed action would be in violation of Kansas law, unlawful and void.

18. In pertinent part, K.S.A. 66-1237(c) provides as follows:

- (c) All transmission-related costs incurred by an electric utility and resulting from any order of a regulatory authority having legal jurisdiction over transmission matters, including orders setting rates on a subject-to-refund basis, shall be conclusively presumed prudent for purposes of the transmission delivery charge and an electric utility may change its transmission delivery charge whenever there is a change in transmission-related costs resulting from such an order. The commission may also order such a change if the utility fails to do so. An electric utility shall submit a report to the commission at least 30 business days before changing the utility's transmission delivery charge. If the commission subsequently determines that all or part of such charge did not result from an order described by this subsection, the commission may require changes in the transmission delivery charge and impose appropriate remedies, including refunds.

19. K.S.A. 66-1237 exclusively relates to a utility's transmission-related costs and the ability of the utility (Westar) to recover those transmission costs "through a separate transmission delivery charge included in customer bills." Nowhere and at no point in K.S.A. 66-1237, does the Kansas Legislature give the Commission the lawful authority to make such charges paid by retail customers in the state of Kansas, "subject-to-refund." **As noted by the Kansas Court of Appeals (*Kansas Industrial Consumers, Inc., infra*), the KCC does not have the statutory authority to order electric rates for retail electric customers on a "subject-to-refund" basis.**

20. The utility's charges that are recoverable through a TDC and pursuant to K.S.A. 66-1237 may be subject to refund, as are many FERC-related approved charges – but the retail customers that pay such TDC charges are not included within the refund purview of K.S.A. 66-1237, and certainly are not included within the refund authority of the Federal Energy Regulatory Commission – which only regulates "sales for resale," i.e. wholesale rates.

21. Simply stated, there is absolutely no statutory authority for making amounts paid by retail customers as a TDC component of their bill, subject to refund pursuant to the provisions of K.S.A. 66-1237.

22. The State Corporation Commission is an administrative agency of limited jurisdiction conferred by statute. *Kansas Pipeline Partnership v. State Corp. Comm'n of State of Kan.*, 916 P.2d 76, 22 Kan.App.2d 410, (1996) review denied, certiorari denied *Williams Natural Gas Co. v. Kansas Pipeline Partnership*, 117 S.Ct. 769, 519 U.S. 1092, 136 L.Ed.2d 715, certiorari denied *Citizens' Utility Ratepayer Bd. v. Kansas Pipeline Partnership*, L.Ed.2d 844, appeal after remand *Western Resources, Inc. v. State Corp. Comm'n of State of Kan.*, 937 P.2d 964, 23 Kan. App.2d 664. (1997)

23. The State Corporation Commission's authority is limited to that conferred by statute. *Northwest Cent. Pipeline Corp. v. State Corp. Comm'n*, 699 P.2d 1002, 237 Kan. 248, (1985) vacated *Northwest Cent. Pipeline Corp. v. Corporation Comm'n of Kansas*, 106 S.Ct. 1169, 475 U.S. 1002, 89 L.Ed.2d 289, on remand 732 P.2d 775, 240 Kan. 638, (1987) probable jurisdiction noted 108 S.Ct. 1993, 486 U.S. 1021, 100 L.Ed.2d 225, affirmed 109 S.Ct. 1262, 489 U.S. 493, 103 L.Ed.2d 509.

24. To be lawful, State Corporation Commission order must be made within statutory authority of the Commission. *Kansas-Nebraska Natural Gas Co. v. State Corp. Comm'n*, 610 P.2d 121, 4 Kan.App.2d 674. (1980)

The Order of the Commission, in any event, cannot be read in any reasonable manner that would permit the increase of charges to retail customers of Westar.

25. As stated above, the Commission has no statutory authority under K.S.A. 66-1237 to issue Orders that make payments by retail customers of Westar for TDC charges within their electric utility bills, "subject-to-refund." However, for the sake of argument only, the plain meaning of the language "subject-to-refund" does not permit increased charges to retail electric customers of Westar.

26. Although unlawful and without statutory basis, the Commission's TDC Orders attempted to make the TDC charges of Westar "subject-to-refund." No reasonable interpretation of the language "subject-to-refund" would permit an order that INCREASES retail electric bills of several customer classes, including the large power and contract class of customers, by an amount of \$12 million. Simply stated, the Staff's proposed "reallocation" of TDC charges among customer classes, is not and cannot reasonably equate to the language "subject-to-refund."

WHEREFORE, KIC respectfully requests the Commission dismiss these consolidated TDC dockets, for the reason that the Commission does not have statutory authority from the

Legislature to implement the proposed “reallocation” of Staff, which in effect increases rates to multiple customer classes in the state of Kansas by \$12 million.

Respectfully submitted,

/s/ James P. Zakoura

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*Occidental Chemical Company*  
*Spirit AeroSystems, Inc.*

*Kansas Industrial Consumers Group, Inc.*

**VERIFICATION**

STATE OF KANSAS        )  
                                  )    ss:  
COUNTY OF JOHNSON    )

James P. Zakoura, of lawful age, being first duly sworn, upon oath states:

That he is the attorney for Intervenors Cargill, Incorporated, CCPS Transportation, LLC, Coffeyville Resources Refining & Marketing, LLC, Occidental Chemical Company, Spirit AeroSystems, Inc. and the Kansas Industrial Consumers Group, that he has read the above and foregoing Petition to Intervene, knows the contents thereof, and knows that all of the statements made therein are true.

*James P. Zakoura*  
\_\_\_\_\_  
James P. Zakoura

SUBSCRIBED AND SWORN to before me this 17<sup>th</sup> day of October, 2017.

*Diane M. Walsh*  
\_\_\_\_\_  
Notary Public

My Appointment Expires:



**CERTIFICATE OF SERVICE**

I hereby certify that true copy of the foregoing was served by electronic mail (when available) or regular U.S. mail (unless otherwise noted), for Docket Nos. 16-WSEE-375-TAR and 17-WSEE-377-TAR on the 17th day of October, 2017 to the parties below:

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*Kansas Industrial Consumers Group, Inc.*



February 15, 2016

Jeff McClanahan  
Director, Utilities  
Kansas Corporation Commission  
1500 SW Arrowhead Rd.  
Topeka, Kansas 666604-4027

RE: Transmission Delivery Charge

Dear Mr. McClanahan:

Westar Energy, Inc. and Kansas Gas and Electric Company both doing business as Westar Energy hereby file an updated Transmission Delivery Charge (TDC) tariff.

This filing is in accordance with K.S.A. 66-1237 which states that utilities "may seek to recover costs associated with transmission of electric power, in a manner consistent with the determination of transmission related costs from an order of a regulatory authority having legal jurisdiction, through a separate transmission delivery charge included in customers' bills."

Enclosed is an original and red-line copy of the proposed TDC tariff.

Westar would like to implement the new TDC within 30 business days as outlined in K.S.A. 66-1237. The date of implementation would be bill cycle 1 of April which is April 1, 2016.

Please feel free to call me at 575-1580 with any questions concerning this filing.

Sincerely,  
  
Robin Allacher  
Regulatory Affairs

Cc: Larry Wilkus  
Enc.

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY  
(Name of Issuing Utility)

WESTAR RATE AREA

(Territory to which schedule is applicable)

Index \_\_\_\_\_

SCHEDULE TDC

Replacing Schedule TDC Sheet 1

which was filed October 28, 2015

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 5 Sheets

**TRANSMISSION DELIVERY CHARGE**

**APPLICABLE**

To all bills rendered by Company for utility service, provided the tariff under which such bills are rendered permits recovery of cost related to Company's transmission system.

**BASIS OF CHARGE**

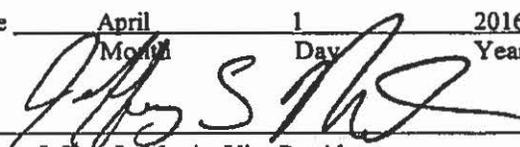
Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on its annual transmission revenue requirement (ATRR) for costs to be recovered under the following schedules of the Open Access Transmission Tariff for Service Offered by the Southwest Power Pool (SPP) for service to Company's retail KCC-Jurisdictional customers:

- Schedule 1A – Tariff Administration Service;
- Schedule 9 – Network Integration Transmission Service;
- Schedule 10 – Wholesale Distribution Service;
- Schedule 11 – Base Plan Charge;
- Schedule 12 – FERC Assessment Charge; and
- Other cost associated with Schedule 1 fees for transmission service provided on foreign wires.

The cost to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.

Issued \_\_\_\_\_  
Month Day Year

Effective April 1 2016  
Month Day Year

By   
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

**WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY**  
(Name of Issuing Utility)

SCHEDULE TDC

Replacing Schedule TDC Sheet 2

**WESTAR RATE AREA**

(Territory to which schedule is applicable)

which was filed October 28, 2015

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 2 of 5 Sheets

**TRANSMISSION DELIVERY CHARGE**

**METHOD OF BILLING**

The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:

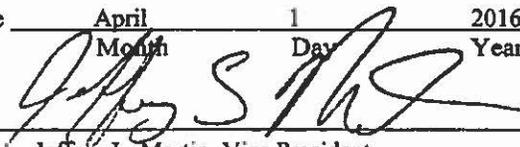
1. A dollar per kilowatt (kW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kW sales for that rate schedule; and/or
2. A cents per kilowatt hour (kWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kWh sales for that rate schedule.

The TDC Unit Charges included on the following sheets are designed to recover the retail transmission revenue requirement. The Company shall file to adjust TDC Unit Charges to reflect and track changes in FERC-approved rates for charges included in the ATRR according to the terms of this rate schedule.

The allocation of the ATRR to the respective rate schedules is based on the 12 coincident-peak (12 CP) allocation method. Specifically, the basis for allocating the ATRR to each rate schedule is the ratio of the rate schedule's average monthly system peak demand during the Company's monthly peak-hour demand to the average total monthly system peak-hour demand. The rate schedule class allocator is based on the twelve (12) months of the test year ended September 30, 2014. The Company shall adjust TDC Unit Charges for each rate schedule by applying the Adjustment Factor described by the terms of this tariff. However, the Company shall reset the TDC Unit Charges by reallocating costs using this 12 CP method based on current test-year load research each time it files a retail rate proceeding, and at a minimum, once every five years, to limit cost shifting among retail classes.

Issued \_\_\_\_\_  
Month Day Year

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By   
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

**WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY**

(Name of Issuing Utility)

SCHEDULE TDC

Replacing Schedule TDC Sheet 3

**WESTAR RATE AREA**

(Territory to which schedule is applicable)

which was filed October 28, 2015

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 3 of 5 Sheets

**TRANSMISSION DELIVERY CHARGE**

**ADJUSTMENT TO TDC UNIT CHARGES**

The TDC Unit Charges included on the following sheets shall be adjusted as follows:

$$AF = \left[ \frac{(ATTR_2 \times LRS_2)}{(ATTR_1 \times LRS_1)} \right] \times \left( \frac{y_1}{y_2} \right)$$

Where:

AF = Adjustment Factor,

ATTR<sub>1</sub> = ATRR for the Company combined in Year 1,

ATTR<sub>2</sub> = ATRR for the Company combined in Year 2,

LRS<sub>1</sub> = Load Ratio Share (LRS) of the aggregated retail transmission customers for the Company combined in Year 1,

LRS<sub>2</sub> = LRS of the aggregated retail transmission customers for the Company combined in Year 2,

y<sub>1</sub> = Total retail sales volume in kWh for the Company combined in Year 1, and

y<sub>2</sub> = Total retail sales volume in kWh for the Company combined in Year 2.

$$TDC_2(x) = TDC_1(x) \times AF$$

Where:

TDC<sub>1</sub>(x) = TDC Unit Charge for Retail Class x in Year 1,

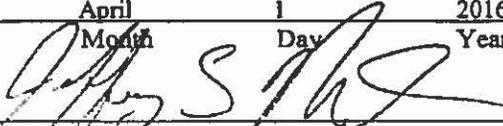
TDC<sub>2</sub>(x) = TDC Unit Charge for Retail Class x in Year 2, and

AF = Adjustment Factor as defined above.

Company shall file to update its TDC Unit Charges at least annually to become effective with billing cycle 1 of July. Company may elect to file for a change in the TDC Unit Charges more frequently than once per year. All proposed TDC Unit Charges shall be filed with the KCC no later than 30 business days before the effective date of the proposed charges.

Issued \_\_\_\_\_  
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By   
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

**WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY**

(Name of Issuing Utility)

SCHEDULE TDC

Replacing Schedule TDC Sheet 4

**WESTAR RATE AREA**

(Territory to which schedule is applicable)

which was filed October 28, 2015

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 4 of 5 Sheets

**TRANSMISSION DELIVERY CHARGE**

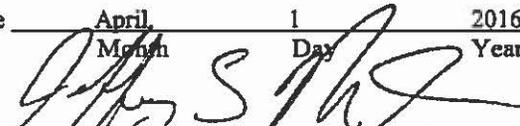
**TDC UNIT CHARGES**

The TDC Unit Charges in the following table shall be applied to a customer's demand, energy or bill of each rate schedule as indicated. The amount determined by applying the TDC Unit Charge shall become part of the total bill for electric service furnished and will be itemized separately on customer's bill.

<u>Rate Schedule</u>	<u>\$ per kW</u>	<u>\$ per kWh</u>
Special Contracts		\$0.009059
Dedicated Off-Peak Service		\$0.011848
Generation Substitution Service		\$0.011848
Large General Service	\$4.329188	
Industrial and Large Power Service	\$4.329188	
Interruptible Contract Service		\$0.007368
Large Tire Manufacturing (per KV <sub>a</sub> )	\$4.472674	
Medium General Service	\$3.636601	
Off-Peak Service		\$0.011848
Pilot LED Street Lighting		\$0.008385
Private Area Lighting Service		\$0.008385
Restricted Institution Time of Day Service		\$0.015382

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Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

**WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY**  
(Name of Issuing Utility)

SCHEDULE TDC

Replacing Schedule TDC Sheet 5

**WESTAR RATE AREA**

(Territory to which schedule is applicable)

which was filed October 28, 2015

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 5 of 5 Sheets

**TRANSMISSION DELIVERY CHARGE**

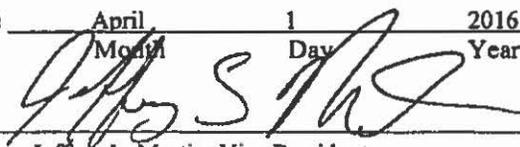
<u>Rate Schedule (Cont)</u>	<u>\$ per kW</u>	<u>\$ per kWh</u>
Residential Service		\$0.018689
Residential Service – Distributed Generation		\$0.018689
Restricted Educational Institution Service		\$0.009309
Restricted Service to Schools		\$0.009309
Restricted Total Electric – School and Church Service		\$0.009309
Short-Term Service		\$0.011848
Small General Service		\$0.011848
Small General Service – Church Option		\$0.011848
Standard Educational Service		\$0.009309
Street Lighting		\$0.008385
Time of Use – Pilot		\$0.018689
Traffic Signal Service		\$0.008385

**DEFINITIONS AND CONDITIONS**

Company for the purposes of this rate schedule or rider is defined as Westar Energy, Inc. and Kansas Gas and Electric Company.

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By   
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY  
(Name of Issuing Utility)

SCHEDULE TDC

WESTAR RATE AREA

Replacing Schedule TDC Sheet 1

(Territory to which schedule is applicable)

which was filed October ~~March~~ 28~~12~~, 2015

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 6 Sheets

TRANSMISSION DELIVERY CHARGE

APPLICABLE

To all bills rendered by Company for utility service, provided the tariff under which such bills are rendered permits recovery of cost related to Company's transmission system.

BASIS OF CHARGE

Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on its annual transmission revenue requirement (ATRR) for costs to be recovered under the following schedules of the Open Access Transmission Tariff for Service Offered by the Southwest Power Pool (SPP) for service to Company's retail KCC-Jurisdictional customers:

- Schedule 1A – Tariff Administration Service;
- Schedule 9 – Network Integration Transmission Service;
- Schedule 10 – Wholesale Distribution Service;
- Schedule 11 – Base Plan Charge;
- Schedule 12 – FERC Assessment Charge; and
- Other cost associated with Schedule 1 fees for transmission service provided on foreign wires.

The cost to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.

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Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

**WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY**  
(Name of Issuing Utility)

SCHEDULE TDC

**WESTAR RATE AREA**

Replacing Schedule TDC Sheet 2

(Territory to which schedule is applicable)

which was filed October ~~March~~ 28~~12~~, 2015

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 2 of 6 Sheets

**TRANSMISSION DELIVERY CHARGE**

**METHOD OF BILLING**

The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:

1. A dollar per kilowatt (kW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kW sales for that rate schedule; and/or
2. A cents per kilowatt hour (kWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kWh sales for that rate schedule.

The TDC Unit Charges included on the following sheets are designed to recover the retail transmission revenue requirement. The Company shall file to adjust TDC Unit Charges to reflect and track changes in FERC-approved rates for charges included in the ATRR according to the terms of this rate schedule.

The allocation of the ATRR to the respective rate schedules is based on the 12 coincident-peak (12 CP) allocation method. Specifically, the basis for allocating the ATRR to each rate schedule is the ratio of the rate schedule's average monthly system peak demand during the Company's monthly peak-hour demand to the average total monthly system peak-hour demand. The rate schedule class allocator is based on the twelve (12) months of the test year ended ~~September~~ March 30~~1~~, 201~~4~~. The Company shall adjust TDC Unit Charges for each rate schedule by applying the Adjustment Factor described by the terms of this tariff. However, the Company shall reset the TDC Unit Charges by reallocating costs using this 12 CP method based on current test-year load research each time it files a retail rate proceeding, and at a minimum, once every five years, to limit cost shifting among retail classes.

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By \_\_\_\_\_  
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY  
(Name of Issuing Utility)

SCHEDULE TDC

**WESTAR RATE AREA**

Replacing Schedule TDC Sheet 3

(Territory to which schedule is applicable)

which was filed October ~~March~~ 28~~12~~, 2015

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 3 of 6 Sheets

**TRANSMISSION DELIVERY CHARGE**

**ADJUSTMENT TO TDC UNIT CHARGES**

The TDC Unit Charges included on the following sheets shall be adjusted as follows:

$$AF = \left[ \frac{(ATTR_2 \times LRS_2)}{(ATTR_1 \times LRS_1)} \right] \times \left( \frac{y_1}{y_2} \right)$$

Where:

AF = Adjustment Factor,

ATTR<sub>1</sub> = ATRR for the Company combined in Year 1,  
ATTR<sub>2</sub> = ATRR for the Company combined in Year 2,

LRS<sub>1</sub> = Load Ratio Share (LRS) of the aggregated retail transmission customers for the Company combined in Year 1,

LRS<sub>2</sub> = LRS of the aggregated retail transmission customers for the Company combined in Year 2,

y<sub>1</sub> = Total retail sales volume in kWh for the Company combined in Year 1, and  
y<sub>2</sub> = Total retail sales volume in kWh for the Company combined in Year 2.

$$TDC_2(x) = TDC_1(x) \times AF$$

Where:

TDC<sub>1</sub>(x) = TDC Unit Charge for Retail Class x in Year 1,  
TDC<sub>2</sub>(x) = TDC Unit Charge for Retail Class x in Year 2, and  
AF = Adjustment Factor as defined above.

Company shall file to update its TDC Unit Charges at least annually to become effective with billing cycle 1 of July. Company may elect to file for a change in the TDC Unit Charges more frequently than once per year. All proposed TDC Unit Charges shall be filed with the KCC no later than 30 business days before the effective date of the proposed charges.

Issued \_\_\_\_\_  
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Effective April 1 2016  
Month Day Year

By \_\_\_\_\_  
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY

SCHEDULE TDC

(Name of Issuing Utility)

Replacing Schedule TDC Sheet 4

**WESTAR RATE AREA**

(Territory to which schedule is applicable)

which was filed October ~~March~~ 28~~12~~, 2015

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 4 of 6 Sheets

**TRANSMISSION DELIVERY CHARGE**

**TDC UNIT CHARGES**

The TDC Unit Charges in the following table shall be applied to a customer's demand, energy or bill of each rate schedule as indicated. The amount determined by applying the TDC Unit Charge shall become part of the total bill for electric service furnished and will be itemized separately on customer's bill.

<u>Rate Schedule</u>	<u>\$ per kW</u>	<u>\$ per kWh</u>
Special Contracts		\$0.00 <u>90598029</u>
Dedicated Off-Peak Service		\$0.01 <u>18484982</u>
Generation Substitution Service		\$0.01 <u>18484982</u>
Large General Service	\$4. <u>32918850330</u> 0	
Industrial and Large Power Service	\$4. <u>32918850330</u> 0	
Interruptible Contract Service		\$0.00 <u>73689594</u>
Large Tire Manufacturing (per KV <sub>a</sub> )	\$4. <u>47267426778</u> 2	
Medium General Service	\$3.6 <u>3660146006</u>	
Off-Peak Service		\$0.01 <u>18484982</u>
Pilot LED Street Lighting		\$0.00 <u>83855208</u>
Private Area Lighting Service		\$0.00 <u>83855208</u>

Issued \_\_\_\_\_  
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By \_\_\_\_\_  
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY

(Name of Issuing Utility)

SCHEDULE TDC

Replacing Schedule TDC Sheet 5

**WESTAR RATE AREA**

(Territory to which schedule is applicable)

which was filed October ~~March~~ 28~~12~~, 2015

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 5 of 6 Sheets

**TRANSMISSION DELIVERY CHARGE**

Restricted Institution Time of Day Service \$0.011538209346

Rate Schedule (Cont) \$ per kW \$ per kWh

Residential Service \$0.0186894302

Residential Service – Distributed Generation \$0.0186894302

Restricted Educational Institution Service \$0.0093097209

Restricted Service to Schools \$0.0093097209

Restricted Total Electric – School and Church Service \$0.0093097209

Short-Term Service \$0.0118484982

Small General Service \$0.0118484982

Small General Service – Church Option \$0.0118484982

Standard Educational Service \$0.0093097209

Street Lighting \$0.0083855208

Time of Use – Pilot \$0.0186894302

Traffic Signal Service \$0.0083855208

**DEFINITIONS AND CONDITIONS**

Company for the purposes of this rate schedule or rider is defined as Westar Energy, Inc. and

Issued \_\_\_\_\_  
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By \_\_\_\_\_  
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

**WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY**  
(Name of Issuing Utility)

SCHEDULE TDC

**WESTAR RATE AREA**

Replacing Schedule TDC Sheet 6

(Territory to which schedule is applicable)

which was filed October ~~March~~ 28~~12~~, 2015

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 6 of 6 Sheets

TRANSMISSION DELIVERY CHARGE

Kansas Gas and Electric Company.

Issued \_\_\_\_\_  
Month Day Year

Effective April 1 2016  
Month Day Year

By \_\_\_\_\_  
Jeffrey L. Martin, Vice President

A-12

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

In the Matter of Westar Energy, Inc. and )  
Kansas Gas and Electric Company Seeking )  
Commission Approval to Implement Changes ) Docket No. 16-WSEE-375-TAR  
in their Transmission Delivery Charges Rate )  
Schedules. )

**JOINT MOTION TO AMEND**  
**TRANSMISSION DELIVERY CHARGE TARIFF SUBJECT-TO-REFUND**

COMES NOW, the Staff of the State Corporation Commission of the State of Kansas (“Staff and “Commission,” respectively) and the Citizens’ Utility Ratepayer Board (hereinafter referred to as “Joint Movants”), and hereby moves the Commission to amend Westar Energy, Inc. and Kansas Gas and Electric Company’s Transmission Delivery Charge (TDC) tariff on a subject-to-refund basis. In support of its Motion, the Joint Movants state as follows:

**I. BACKGROUND**

1. On February 15, 2016, Westar Energy, Inc. and Kansas Gas and Electric Company (Westar) filed an Application with the Commission seeking approval to update its TDC tariff to recover costs associated with Westar’s transmission of electric power.<sup>1</sup> The Application Westar filed cited to K.S.A. 66-1237 as the authority for the recovery of the TDC.<sup>2</sup> Westar’s initial Application requested an effective date of April 1, 2016, for the proposed TDC.<sup>3</sup>

2. On February 24, 2016, the Occidental Chemical Corporation (OxyChem) filed a Petition to Intervene.<sup>4</sup> The Commission approved OxyChem’s Petition to Intervene on March 10, 2016.<sup>5</sup>

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<sup>1</sup> Tariff for Westar Energy and Kansas Gas and Electric for 2016 Transmission Delivery Charge, p. 1 (Feb. 15, 2016).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> Occidental Chemical Corporation Petition to Intervene (Feb. 24, 2016).

<sup>5</sup> Order Granting Intervention (Mar. 10, 2016).

3. On March 15, 2016, the Citizens' Utility Ratepayer Board (CURB) and HollyFrontier El Dorado Refining LLC (HollyFrontier) filed their respective Petitions to Intervene.<sup>6</sup> The Commission granted CURB and HollyFrontier's Petitions to Intervene on March 29, 2016.<sup>7</sup>

4. On March 30, 2016, the Federal Energy Regulatory Commission (FERC) issued a Letter Order accepting a Settlement Agreement between, among others, Westar and the Commission.<sup>8</sup> The Settlement Agreement sets the base Return on Equity (ROE) for Westar's transmission services at 9.8 percent, with 11.0 percent as the maximum total ROE for any transmission project of Westar to which FERC has granted or will grant transmission incentives, and provides that the base ROE and maximum total ROE will be in place effective August 20, 2014.<sup>9</sup>

5. On March 31, 2016, the Commission issued an Order pursuant to K.S.A. 66-1237 that permitted Westar to implement changes in its TDC on a subject-to-refund basis.<sup>10</sup>

6. On June 21, 2016, Westar submitted a revised TDC calculation incorporating the terms of the FERC-approved Settlement Agreement as reflected by a reduction in Westar's Annual Transmission Revenue Requirement (ATRR).<sup>11</sup>

## II. MOTION TO AMEND TDC

7. Westar and the Southwest Power Pool (SPP) have recalculated Westar's ATRR in light of the March 30, 2016, FERC Letter Order Accepting Settlement Agreement. As such,

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<sup>6</sup> See Petition to Intervene of HollyFrontier El Dorado Refining LLC (Mar. 15, 2016); CURB's Petition to Intervene (Mar. 15, 2016).

<sup>7</sup> Order Granting Petitions to Intervene of CURB and HollyFrontier El Dorado Refining LLC (Mar. 29, 2016).

<sup>8</sup> Letter Order Accepting Westar Energy, Inc.'s 6/30/15 Filing of a Settlement Agreement with the State Corporation Commission of the State of Kansas et al under EL14-93, 154 FERC ¶ 61,252 (Mar. 30, 2016) (FERC Letter Order).

<sup>9</sup> See *id.* at pp. 1-2.

<sup>10</sup> Order Granting Application to Implement Changes in Transmission Delivery Charge Subject-To-Refund (Mar. 31, 2016).

<sup>11</sup> Westar Energy Revised Transmission Delivery Charge Tariff (Jun. 21, 2016).

Westar's retail ATRR has been reduced by approximately \$18.3 million.<sup>12</sup> While Westar has received the necessary regulatory approvals and revenue requirement calculations from FERC and SPP to recalculate its ATRR, Westar's retail customers will not see the impact of this reduction until Westar's TDC is adjusted to reflect this recalculation.

8. Staff's Audit Section has completed its review of the ATRR as submitted by Westar on June 21, 2016. Staff's Audit Section reports that Westar's calculations and revised TDC amounts correctly incorporate the terms of the Settlement Agreement reached between, among others, the Commission and Westar.

9. While Staff's Audit Section has completed its review of the ATRR calculations, Staff's Economics and Rates Division is still in the process of reviewing the 12 Coincident Peak (12 CP) methodology used to determine how particular rate classes will be charged the overall TDC. This particular review will require a detailed examination of Westar's retail load profile and interclass characteristics, and will take additional time to complete.

10. Commission Staff will file a Report and Recommendation at the conclusion of its investigation detailing Staff's findings regarding Westar's revised TDC.

11. K.S.A. 66-1237 allows the Commission to implement TDCs on a subject-to-refund basis while it conducts its investigation. The Commission implemented Westar's current TDC, effective since April 1, 2016, on a subject-to-refund basis.<sup>13</sup> The Joint Movants respectfully request the Commission revise Westar's TDC on a subject-to-refund basis to incorporate the terms of the FERC-approved Settlement Agreement. In doing so, the

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<sup>12</sup> Compare Tariff for Westar Energy and Kansas Gas and Electric for 2016 Transmission Delivery Charge, p. 13. Line 15 (Feb. 15, 2016), with Westar Energy Revised Transmission Delivery Charge Tariff, p. 3, line 15 (Jun. 21, 2016).

<sup>13</sup> See Order Granting Application to Implement Changes in Transmission Delivery Charge Subject-To-Refund, p. 3 (Mar. 31, 2016).

Commission will reduce retail customer bills to account for Westar's lower transmission-related ROE, while still allowing Staff to continue to investigate certain elements of Westar's TDC; thus the continued subject-to-refund status.

12. Adjusting Westar's TDC to incorporate the recently FERC-approved Settlement Agreement, while maintaining subject-to-refund status as the investigation into the TDC and its 12 CP methodology continues, will provide ratepayers with immediate rate relief and allow the parties to this proceeding the time necessary to review Westar's TDC 12 CP calculations.

13. In accordance with K.S.A. 66-1237(c), the Commission may grant approval of TDC rates on a subject-to-refund basis. If the Commission subsequently determines that a TDC does not reflect FERC-approved transmission-related costs, the Commission may require changes in the TDC and impose appropriate remedies that may include refunds.<sup>14</sup> In this particular instance, Westar's current TDC (effective since April 1, 2016) does not reflect the March 30, 2016, FERC Letter Order Accepting Settlement Agreement or Westar and SPP's revised tariffs as required by FERC.<sup>15</sup> Therefore, the Commission may amend Westar's TDC so it recovers Westar's settled and now FERC-approved transmission-related costs.<sup>16</sup>

14. The Joint Movants respectfully request the Commission issue an order as expeditiously as possible to permit the reduction in TDC to take effect by July 1, 2016. Due to the nature of Westar's customer billing system, in order to achieve a July 1, 2016, updated TDC effective date, a Commission order would be required by June 28, 2016.

15. The Joint Movants do not wish to create any unnecessary or artificial sense of urgency that may cause apprehension in considering this request. Due to the methodology used

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<sup>14</sup> K.S.A. 66-1237(c).

<sup>15</sup> See FERC Letter Order, ¶ 6.

<sup>16</sup> See K.S.A. 66-1237(c).

to recalculate Westar's TDC, the effective date of the TDC determines the degree of TDC reduction until Westar files its 2017 TDC. However, this methodology hinges on new rates being approved at the beginning of a billing cycle, so as to properly reflect the amount of revenue already collected versus amounts still needed to be collected. Westar has provided calculations showing the TDC reduction depending on its incorporation into July, August or September billing cycles.

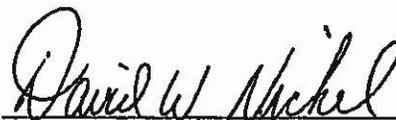
16. To assist the Commission in achieving a July 1, 2016, effective date for a revised Westar TDC, the Joint Movants are providing a proposed order with this Joint Motion for Commission consideration.

WHEREFORE, the Joint Movants respectfully request the Commission grant this Joint Motion to Amend Transmission Delivery Charge Tariff Subject-To-Refund, permit the parties to this proceeding to continue to audit Westar's updated TDC request, and for any other relief the Commission deems just and reasonable.

Respectfully submitted,

/s/ Robert Elliott Vincent  
Robert Elliott Vincent, S. Ct. #26028  
Litigation Counsel  
Kansas Corporation Commission  
1500 SW Arrowhead Rd.  
Topeka, Kansas 66604  
Telephone: (785) 271-3273  
Fax: (785) 271-3167  
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Attorney for Commission Staff



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**ATTORNEYS FOR CURB**

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

Before Commissioners:     Jay Scott Emler, Chairman  
                                  Shari Feist Albrecht  
                                  Pat Apple

In the Matter of Westar Energy, Inc. and     )  
Kansas Gas and Electric Company Seeking    )  
Commission Approval to Implement Changes    ) Docket No. 16-WSEE-375-TAR  
in their Transmission Delivery Charges Rate   )  
Schedules.   )

**ORDER GRANTING JOINT MOTION TO AMEND  
TRANSMISSION DELIVERY CHARGE TARIFF SUBJECT-TO-REFUND**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings and conclusions:

**I. BACKGROUND**

1. On February 15, 2016, Westar Energy, Inc. and Kansas Gas and Electric Company (Westar) filed an Application with the Commission seeking approval to update its TDC tariff to recover costs associated with Westar Energy's transmission of electric power.<sup>1</sup> The Application Westar filed cited to K.S.A. 66-1237 as the authority for the recovery of the TDC.<sup>2</sup> Westar's initial Application requested an effective date of April 1, 2016, for the proposed TDC.<sup>3</sup>

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<sup>1</sup> Tariff for Westar Energy and Kansas Gas and Electric for 2016 Transmission Delivery Charge, p. 1 (Feb. 15, 2016).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

2. On February 24, 2016, the Occidental Chemical Corporation (OxyChem) filed a Petition to Intervene.<sup>4</sup> The Commission approved OxyChem's Petition to Intervene on March 10, 2016.<sup>5</sup>

3. On March 15, 2016, the Citizens' Utility Ratepayer Board (CURB) and HollyFrontier El Dorado Refining LLC (HollyFrontier) filed their respective Petitions to Intervene.<sup>6</sup> The Commission granted CURB and HollyFrontier's Petitions to Intervene on March 29, 2016.<sup>7</sup>

4. On March 30, 2016, the Federal Energy Regulatory Commission (FERC) issued a Letter Order accepting a Settlement Agreement between, among others, Westar and the Commission.<sup>8</sup> The Settlement Agreement sets the base Return on Equity (ROE) for Westar's transmission services at 9.8 percent, with 11.0 percent as the maximum total ROE for any transmission project of Westar to which FERC has granted or will grant transmission incentives, and provides that the base ROE and maximum total ROE will be in place effective August 20, 2014.<sup>9</sup>

5. On March 31, 2016, the Commission issued an Order pursuant to K.S.A. 66-1237 that permitted Westar to implement changes in its TDC on a subject-to-refund basis.<sup>10</sup>

6. On June 21, 2016, Westar submitted a revised TDC calculation incorporating the terms of the FERC-approved Settlement Agreement as reflected by a reduction in Westar's Annual Transmission Revenue Requirement (ATRR).<sup>11</sup>

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<sup>4</sup> Occidental Chemical Corporation Petition to Intervene (Feb. 24, 2016).

<sup>5</sup> Order Granting Intervention (Mar. 10, 2016).

<sup>6</sup> See Petition to Intervene of HollyFrontier El Dorado Refining LLC (Mar. 15, 2016); CURB's Petition to Intervene (Mar. 15, 2016).

<sup>7</sup> Order Granting Petitions to Intervene of CURB and HollyFrontier El Dorado Refining LLC (Mar. 29, 2016).

<sup>8</sup> Letter Order Accepting Westar Energy, Inc.'s 6/30/15 Filing of a Settlement Agreement with the State Corporation Commission of the State of Kansas et al under EL14-93, 154 FERC ¶ 61,252 (Mar. 30, 2016) (FERC Letter Order).

<sup>9</sup> See *id.* at pp. 1-2.

<sup>10</sup> Order Granting Application to Implement Changes in Transmission Delivery Charge Subject-To-Refund (Mar. 31, 2016).

7. On June 23, 2016, Commission Staff (Staff) and CURB filed a Joint Motion to Amend Westar's Transmission Delivery Charge Tariff Subject-To-Refund.<sup>12</sup>

## II. ANALYSIS

8. In August of 2014, the Commission filed a formal complaint against Westar Energy, Inc. at FERC pursuant to Section 206 of the Federal Power Act alleging unjust, unreasonable and unduly discriminatory rates resulting from the base Return on Equity component in Westar's Transmission Formula Rate.<sup>13</sup>

9. On August 3, 2015, Settlement Judge Dawn E.B. Scholz certified an uncontested settlement to FERC, which resolved all issues previously set for hearing.<sup>14</sup>

10. The Settlement Agreement reached by the parties and submitted to FERC remained under review at FERC until March 30, 2016, when FERC issued a Letter Order accepting the Settlement Agreement between, among others, Westar and the Commission.<sup>15</sup>

11. Prior to FERC accepting the Settlement Agreement, Westar filed its proposed 2016 TDC with the Commission.<sup>16</sup>

12. Despite reaching a Settlement Agreement with Westar in 2015, neither Westar nor the Commission could utilize the terms of the settlement in calculating Westar's 2016 TDC request because (at the time Westar filed its 2016 TDC request) the Settlement Agreement had

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<sup>11</sup> Westar Energy Revised Transmission Delivery Charge Tariff (Jun. 21, 2016).

<sup>12</sup> See Joint Motion to Amend Transmission Delivery Charge Tariff Subject-To-Refund (Jun. 23, 2016).

<sup>13</sup> See Complaint Against Westar Energy, Inc. and Motion for Expedited Action, Docket. No. EL14-93-000, p. 1 (Aug. 20, 2014).

<sup>14</sup> See 152 FERC ¶ 63,012 (Aug. 3 2015).

<sup>15</sup> Letter Order Accepting Westar Energy, Inc.'s 6/30/15 Filing of a Settlement Agreement with the State Corporation Commission of the State of Kansas et al under EL14-93, 154 FERC ¶ 61,252 (Mar. 30, 2016) (FERC Letter Order).

<sup>16</sup> Tariff for Westar Energy and Kansas Gas and Electric for 2016 Transmission Delivery Charge, p. 1 (Feb. 15, 2016).

not yet been incorporated into an, “order of a regulatory authority having legal jurisdiction over transmission matters.”<sup>17</sup>

13. One day prior to the Commission taking action on Westar’s 2016 TDC request, FERC approved the Settlement Agreement between, among others, the Commission and Westar.<sup>18</sup> However, Westar would not be able to recalculate its TDC until it had submitted the necessary compliance filings at FERC,<sup>19</sup> and both Westar and the Southwest Power Pool had recalculated Westar’s transmission revenue requirement.

14. On June 21, 2016, Westar was able to submit a recalculation of its Total Annual Transmission Cost that reflected the terms of the Settlement Agreement.<sup>20</sup>

15. On June 23, 2016, Staff and CURB filed a Joint Motion requesting the Commission issue an Order revising Westar’s TDC to incorporate the terms of the Settlement Agreement in a manner that would allow the decreased TDC to be reflected on Westar’s customers’ July bills.<sup>21</sup>

16. Because FERC has approved the Settlement Agreement related to Westar’s transmission ROE, and because Westar has completed the necessary compliance filings at FERC, Westar’s current TDC (effective since April 1, 2016), no longer reflects Westar’s FERC-approved transmission-related costs.

17. On March 31, 2016, the Commission allowed Westar to implement its original 2016 TDC request as proposed on February 15, 2016, on a subject-to-refund basis.<sup>22</sup> Now that

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<sup>17</sup> K.S.A. 66-1237(c).

<sup>18</sup> Letter Order Accepting Westar Energy, Inc.’s 6/30/15 Filing of a Settlement Agreement with the State Corporation Commission of the State of Kansas et al under EL14-93, 154 FERC ¶ 61,252 (Mar. 30, 2016) (FERC Letter Order).

<sup>19</sup> See *id* at p. 2.

<sup>20</sup> Westar Energy Revised Transmission Delivery Charge Tariff, p. 3 (Jun. 21, 2016).

<sup>21</sup> Joint Motion to Amend Transmission Delivery Charge Tariff Subject-To-Refund (Jun. 23, 2016).

<sup>22</sup> See Order Granting Application to Implement Changes in Transmission Delivery Charge Subject-To-Refund, p. 3 (Mar. 31, 2016).

Westar's TDC recalculations have been completed, the Commission finds it just and reasonable to implement Westar's revised TDC as expeditiously as possible.

### III. FINDINGS AND CONCLUSION

18. Any electric public utility subject to the Commission's jurisdiction may seek recovery of its costs associated with the transmission of electric power through a separate TDC included in customers' bills.<sup>23</sup>

19. As provided by K.S.A. 66-1237(c), all transmission-related costs incurred by an electric public utility which resulted from a body with regulatory authority over transmission matters are conclusively presumed prudent.

20. The Commission may issue an order setting TDC rates subject-to-refund.<sup>24</sup>

21. If the Commission subsequently determines that a TDC does not reflect FERC-approved transmission-related costs, the Commission may require changes in the TDC and impose appropriate remedies that may include refunds.<sup>25</sup>

22. As detailed by Staff's Audit Section, Staff has reviewed Westar's submitted recalculations and confirms it accurately reflects the terms of the Settlement Agreement.<sup>26</sup> Accordingly, the Commission finds and concludes it has the necessary information to amend Westar's TDC to accurately collect Westar's FERC-approved transmission-related costs.

23. The Commission finds and concludes that Westar's presently effective TDC does not accurately reflect Westar's FERC-approved transmission-related costs. Accordingly, the

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<sup>23</sup> See K.S.A. 66-1237(a).

<sup>24</sup> *Id.*

<sup>25</sup> K.S.A. 66-1237(c).

<sup>26</sup> Joint Motion to Amend Transmission Delivery Charge Tariff Subject-To-Refund, p. 3 (Jun. 23, 2016).

Commission finds and concludes that, pursuant to K.S.A. 66-1237(c), it may amend Westar's TDC so to properly recover Westar's settled and FERC-approved transmission-related costs.<sup>27</sup>

24. As noted in the Joint Movant's Motion, Staff's Economics and Rates Division has begun a separate review of the 12 Coincident Peak (12 CP) methodology used to determine how particular rate classes contribute to the overall TDC. The Commission finds and concludes that adjusting Westar's TDC to incorporate the FERC-approved settlement, while preserving subject-to-refund status as the investigation into the TDC and its 12 CP methodology continues, will provide ratepayers with immediate rate relief and allow the parties to this proceeding the time necessary to review Westar's TDC 12 CP calculations.

25. Therefore, the Commission finds and concludes that, pursuant to K.S.A. 66-1237, the Commission may amend Westar's TDC to recover what is now Westar's FERC-approved transmission-related costs.

26. The Commission finds and concludes that expeditious amendment of Westar's TDC is merited. The Commission finds and concludes that Westar should be required to amend its TDC to incorporate the terms of the Settlement Agreement in the July billing cycle. Therefore, the Commission finds and concludes that Westar is to revise its TDC no later than July 1, 2016.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. Westar Energy Inc. shall revise its Transmission Delivery Charge effective July 1, 2016, in a manner consistent with the information provided in its June 21, 2016, filing in this proceeding.

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<sup>27</sup> See K.S.A. 66-1237(c).

B. Westar Energy Inc.'s TDC, effective July 1, 2016, will remain subject-to-refund as the parties to this proceeding continue to review Westar Energy Inc.'s TDC calculations and methodologies.

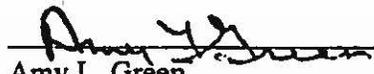
C. The parties have 15 days, plus three days if service of this Order is by mail, to petition the Commission for reconsideration of any issue or issues decided herein.<sup>28</sup>

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

**BY THE COMMISSION IT IS SO ORDERED.**

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: JUN 28 2016

  
\_\_\_\_\_  
Amy L. Green  
Secretary to the Commission

SF/dlk

**EMAILED**

JUN 28 2016

<sup>28</sup> K.S.A. 66-118b; K.S.A. 77-529(a)(1).

**CERTIFICATE OF SERVICE**

16-WSEE-375-TAR

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 JUN 28 2016.

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**CERTIFICATE OF SERVICE**

16-WSEE-375-TAR

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/s/ DeeAnn Shupe  
DeeAnn Shupe

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**EMAILED**

JUN 28 2016

C-9



February 15, 2017

Jeff McClanahan  
Director, Utilities  
Kansas Corporation Commission  
1500 SW Arrowhead Rd.  
Topeka, Kansas 666604-4027

RE: Transmission Delivery Charge

Dear Mr. McClanahan:

Westar Energy, Inc. and Kansas Gas and Electric Company both doing business as Westar Energy hereby file an updated Transmission Delivery Charge (TDC) tariff.

This filing is in accordance with K.S.A. 66-1237 which states that utilities "may seek to recover costs associated with transmission of electric power, in a manner consistent with the determination of transmission related costs from an order of a regulatory authority having legal jurisdiction, through a separate transmission delivery charge included in customers' bills."

Enclosed is an original and red-line copy of the proposed TDC tariff.

Westar would like to implement the new TDC within 30 business days as outlined in K.S.A. 66-1237. The date of implementation would be bill cycle 1 of April which is April 3, 2017.

Please feel free to call me at 575-1580 with any questions concerning this filing.

Sincerely,

A handwritten signature in blue ink that reads "Robin Allacher".

Robin Allacher  
Regulatory Affairs

Cc: Larry Wilkus  
Enc.

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**THE STATE CORPORATION COMMISSION OF KANSAS**

**WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY**

(Name of Issuing Utility)

SCHEDULE TDC

Replacing Schedule TDC Sheet 1

**WESTAR RATE AREA**

(Territory to which schedule is applicable)

which was filed June 28, 2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 5 Sheets

**TRANSMISSION DELIVERY CHARGE**

**APPLICABLE**

To all bills rendered by Company for utility service, provided the tariff under which such bills are rendered permits recovery of cost related to Company's transmission system.

**BASIS OF CHARGE**

Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on its annual transmission revenue requirement (ATRR) for costs to be recovered under the following schedules of the Open Access Transmission Tariff for Service Offered by the Southwest Power Pool (SPP) for service to Company's retail KCC-Jurisdictional customers:

- Schedule 1A – Tariff Administration Service;
- Schedule 9 – Network Integration Transmission Service;
- Schedule 10 – Wholesale Distribution Service;
- Schedule 11 – Base Plan Charge;
- Schedule 12 – FERC Assessment Charge; and
- Other cost associated with Schedule 1 fees for transmission service provided on foreign wires.

The cost to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.

Issued \_\_\_\_\_  
Month Day Year

Effective April 3 2017  
Month Day Year

By   
Jeffrey W. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY

(Name of Issuing Utility)

SCHEDULE TDC

Replacing Schedule TDC Sheet 2

**WESTAR RATE AREA**

(Territory to which schedule is applicable)

which was filed June 28, 2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 2 of 5 Sheets

**TRANSMISSION DELIVERY CHARGE**

**METHOD OF BILLING**

The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:

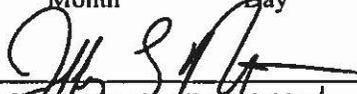
1. A dollar per kilowatt (kW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kW sales for that rate schedule; and/or
2. A cents per kilowatt hour (kWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kWh sales for that rate schedule.

The TDC Unit Charges included on the following sheets are designed to recover the retail transmission revenue requirement. The Company shall file to adjust TDC Unit Charges to reflect and track changes in FERC-approved rates for charges included in the ATRR according to the terms of this rate schedule.

The allocation of the ATRR to the respective rate schedules is based on the 12 coincident-peak (12 CP) allocation method. Specifically, the basis for allocating the ATRR to each rate schedule is the ratio of the rate schedule's average monthly system peak demand during the Company's monthly peak-hour demand to the average total monthly system peak-hour demand. The rate schedule class allocator is based on the twelve (12) months of the test year ended September 30, 2014. The Company shall adjust TDC Unit Charges for each rate schedule by applying the Adjustment Factor described by the terms of this tariff. However, the Company shall reset the TDC Unit Charges by reallocating costs using this 12 CP method based on current test-year load research each time it files a retail rate proceeding, and at a minimum, once every five years, to limit cost shifting among retail classes.

Issued \_\_\_\_\_  
Month Day Year

Effective April 3 2017  
Month Day Year

By   
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY  
 (Name of Issuing Utility)

WESTAR RATE AREA

(Territory to which schedule is applicable)

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SCHEDULE TDC

Replacing Schedule TDC Sheet 3

which was filed June 28, 2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 3 of 5 Sheets

TRANSMISSION DELIVERY CHARGE

ADJUSTMENT TO TDC UNIT CHARGES

The TDC Unit Charges included on the following sheets shall be adjusted as follows:

$$AF = \left[ \frac{(ATTR_2 \times LRS_2)}{(ATTR_1 \times LRS_1)} \right] \times \left( \frac{y_1}{y_2} \right)$$

Where:

AF = Adjustment Factor,

ATTR<sub>1</sub> = ATRR for the Company combined in Year 1,

ATTR<sub>2</sub> = ATRR for the Company combined in Year 2,

LRS<sub>1</sub> = Load Ratio Share (LRS) of the aggregated retail transmission customers for the Company combined in Year 1,

LRS<sub>2</sub> = LRS of the aggregated retail transmission customers for the Company combined in Year 2,

y<sub>1</sub> = Total retail sales volume in kWh for the Company combined in Year 1, and

y<sub>2</sub> = Total retail sales volume in kWh for the Company combined in Year 2.

$$TDC_2(x) = TDC_1(x) \times AF$$

Where:

TDC<sub>1</sub>(x) = TDC Unit Charge for Retail Class x in Year 1,

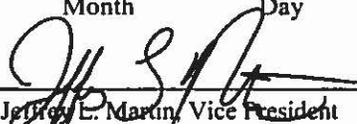
TDC<sub>2</sub>(x) = TDC Unit Charge for Retail Class x in Year 2, and

AF = Adjustment Factor as defined above.

Company shall file to update its TDC Unit Charges at least annually to become effective with billing cycle 1 of July. Company may elect to file for a change in the TDC Unit Charges more frequently than once per year. All proposed TDC Unit Charges shall be filed with the KCC no later than 30 business days before the effective date of the proposed charges.

Issued \_\_\_\_\_  
 Month Day Year

Effective April 3 2017  
 Month Day Year

By   
 Jeffrey E. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

**WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY**  
(Name of Issuing Utility)

SCHEDULE TDC

**WESTAR RATE AREA**

Replacing Schedule TDC Sheet 4

(Territory to which schedule is applicable)

which was filed June 28, 2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 4 of 5 Sheets

**TRANSMISSION DELIVERY CHARGE**

**TDC UNIT CHARGES**

The TDC Unit Charges in the following table shall be applied to a customer's demand, energy or bill of each rate schedule as indicated. The amount determined by applying the TDC Unit Charge shall become part of the total bill for electric service furnished and will be itemized separately on customer's bill.

<u>Rate Schedule</u>	<u>\$ per kW</u>	<u>\$ per kWh</u>
Special Contracts		\$0.008594
Dedicated Off-Peak Service		\$0.011291
Generation Substitution Service		\$0.011291
Large General Service	\$4.109859	
Industrial and Large Power Service	\$4.109859	
Interruptible Contract Service		\$0.006969
Large Tire Manufacturing (per KV <sub>a</sub> )	\$4.247812	
Medium General Service	\$3.453161	
Off-Peak Service		\$0.011291
Pilot LED Street Lighting		\$0.007964
Security Area Lighting		\$0.007964
Restricted Institution Time of Day Service		\$0.014717

Issued \_\_\_\_\_  
Month Day Year

Effective April 3 2017  
Month Day Year

By   
Jeffrey W. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY

(Name of Issuing Utility)

WESTAR RATE AREA

(Territory to which schedule is applicable)

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SCHEDULE TDC

Replacing Schedule TDC Sheet 5

which was filed June 28, 2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 5 of 5 Sheets

TRANSMISSION DELIVERY CHARGE

<u>Rate Schedule (Cont)</u>	<u>\$ per kW</u>	<u>\$ per kWh</u>
Residential Service		\$0.017882
Residential Service – Distributed Generation		\$0.017882
Restricted Educational Institution Service		\$0.008874
Restricted Service to Schools		\$0.008874
Restricted Total Electric – School and Church Service		\$0.008874
Short-Term Service		\$0.011291
Small General Service		\$0.011291
Small General Service – Church Option		\$0.011291
Standard Educational Service		\$0.008874
Street Lighting		\$0.007964
Time of Use – Pilot		\$0.017882
Traffic Signal Service		\$0.007964

DEFINITIONS AND CONDITIONS

Company for the purposes of this rate schedule or rider is defined as Westar Energy, Inc. and Kansas Gas and Electric Company.

Issued \_\_\_\_\_  
 Month Day Year

Effective April 3 2017  
 Month Day Year

By   
 Jeffrey Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY  
(Name of Issuing Utility)

SCHEDULE TDC

WESTAR RATE AREA

Replacing Schedule TDC Sheet 1

(Territory to which schedule is applicable)

which was filed June 28, 20167, 2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 6 Sheets

TRANSMISSION DELIVERY CHARGE

APPLICABLE

To all bills rendered by Company for utility service, provided the tariff under which such bills are rendered permits recovery of cost related to Company's transmission system.

BASIS OF CHARGE

Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on its annual transmission revenue requirement (ATRR) for costs to be recovered under the following schedules of the Open Access Transmission Tariff for Service Offered by the Southwest Power Pool (SPP) for service to Company's retail KCC-Jurisdictional customers:

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- Schedule 9 – Network Integration Transmission Service;
- Schedule 10 – Wholesale Distribution Service;
- Schedule 11 – Base Plan Charge;
- Schedule 12 – FERC Assessment Charge; and
- Other cost associated with Schedule 1 fees for transmission service provided on foreign wires.

The cost to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.

Issued \_\_\_\_\_  
Month Day Year

Effective April 3 2017  
Month Day Year

By \_\_\_\_\_  
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY  
(Name of Issuing Utility)

SCHEDULE TDC

WESTAR RATE AREA

Replacing Schedule TDC Sheet 2

(Territory to which schedule is applicable)

which was filed June 28, 2016-2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 2 of 6 Sheets

TRANSMISSION DELIVERY CHARGE

METHOD OF BILLING

The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:

1. A dollar per kilowatt (kW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kW sales for that rate schedule; and/or
2. A cents per kilowatt hour (kWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kWh sales for that rate schedule.

The TDC Unit Charges included on the following sheets are designed to recover the retail transmission revenue requirement. The Company shall file to adjust TDC Unit Charges to reflect and track changes in FERC-approved rates for charges included in the ATRR according to the terms of this rate schedule.

The allocation of the ATRR to the respective rate schedules is based on the 12 coincident-peak (12 CP) allocation method. Specifically, the basis for allocating the ATRR to each rate schedule is the ratio of the rate schedule's average monthly system peak demand during the Company's monthly peak-hour demand to the average total monthly system peak-hour demand. The rate schedule class allocator is based on the twelve (12) months of the test year ended September 30, 2014. The Company shall adjust TDC Unit Charges for each rate schedule by applying the Adjustment Factor described by the terms of this tariff. However, the Company shall reset the TDC Unit Charges by reallocating costs using this 12 CP method based on current test-year load research each time it files a retail rate proceeding, and at a minimum, once every five years, to limit cost shifting among retail classes.

Issued \_\_\_\_\_  
Month Day Year

Effective April 3 2017  
Month Day Year

By \_\_\_\_\_  
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY  
(Name of Issuing Utility)

SCHEDULE TDC

WESTAR RATE AREA

Replacing Schedule TDC Sheet 3

(Territory to which schedule is applicable)

which was filed June 28, 2016-2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 3 of 6 Sheets

TRANSMISSION DELIVERY CHARGE

ADJUSTMENT TO TDC UNIT CHARGES

The TDC Unit Charges included on the following sheets shall be adjusted as follows:

$$AF = \left[ \frac{(ATTR_2 \times LRS_2)}{(ATTR_1 \times LRS_1)} \right] \times \left( \frac{y_1}{y_2} \right)$$

Where:

AF = Adjustment Factor,

ATTR<sub>1</sub> = ATRR for the Company combined in Year 1,

ATTR<sub>2</sub> = ATRR for the Company combined in Year 2,

LRS<sub>1</sub> = Load Ratio Share (LRS) of the aggregated retail transmission customers for the Company combined in Year 1,

LRS<sub>2</sub> = LRS of the aggregated retail transmission customers for the Company combined in Year 2,

y<sub>1</sub> = Total retail sales volume in kWh for the Company combined in Year 1, and

y<sub>2</sub> = Total retail sales volume in kWh for the Company combined in Year 2.

$$TDC_2(x) = TDC_1(x) \times AF$$

Where:

TDC<sub>1</sub>(x) = TDC Unit Charge for Retail Class x in Year 1,

TDC<sub>2</sub>(x) = TDC Unit Charge for Retail Class x in Year 2, and

AF = Adjustment Factor as defined above.

Company shall file to update its TDC Unit Charges at least annually to become effective with billing cycle 1 of July. Company may elect to file for a change in the TDC Unit Charges more frequently than once per year. All proposed TDC Unit Charges shall be filed with the KCC no later than 30 business days before the effective date of the proposed charges.

Issued \_\_\_\_\_  
Month Day Year

Effective April 3 2017  
Month Day Year

By \_\_\_\_\_  
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

**WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY**  
(Name of Issuing Utility)

SCHEDULE TDC

**WESTAR RATE AREA**

Replacing Schedule TDC Sheet 4

(Territory to which schedule is applicable)

which was filed June 28, 20167-2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 4 of 6 Sheets

**TRANSMISSION DELIVERY CHARGE**

**TDC UNIT CHARGES**

The TDC Unit Charges in the following table shall be applied to a customer's demand, energy or bill of each rate schedule as indicated. The amount determined by applying the TDC Unit Charge shall become part of the total bill for electric service furnished and will be itemized separately on customer's bill.

<u>Rate Schedule</u>	<u>\$ per kW</u>	<u>\$ per kWh</u>
Special Contracts		\$0.008 <u>594169</u>
Dedicated Off-Peak Service		\$0.01 <u>12910732</u>
Generation Substitution Service		\$0.01 <u>12910732</u>
Large General Service	<del>\$4.1098593-9065</del> 58	
Industrial and Large Power Service	<del>\$4.1098593-9065</del> 58	
Interruptible Contract Service		\$0.006 <u>969624</u>
Large Tire Manufacturing (per KV <sub>a</sub> )	\$4. <u>24781203768</u> 7	
Medium General Service	\$3. <u>45316128234</u> 5	
Off-Peak Service		\$0.01 <u>12910732</u>
Pilot LED Street Lighting		\$0.007 <u>964570</u>
Security Area Lighting		\$0.007 <u>964570</u>

Issued \_\_\_\_\_  
Month Day Year

Effective April 3 2017  
Month Day Year

By \_\_\_\_\_  
Jeffrey L. Martin, Vice President

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**THE STATE CORPORATION COMMISSION OF KANSAS**

**WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY**  
(Name of Issuing Utility)

SCHEDULE TDC

**WESTAR RATE AREA**

Replacing Schedule TDC Sheet 6

(Territory to which schedule is applicable)

which was filed June 28, 2016, 2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 6 of 6 Sheets

**TRANSMISSION DELIVERY CHARGE**

**Kansas Gas and Electric Company.**

Issued \_\_\_\_\_  
Month Day Year

Effective April 3 2017  
Month Day Year

By \_\_\_\_\_  
Jeffrey L. Martin, Vice President

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

Before Commissioners: Pat Apple, Chairman  
Shari Feist Albrecht  
Jay Scott Emler

In the Matter of Westar Energy, Inc. and )  
Kansas Gas and Electric Company Seeking )  
Commission Approval to Implement Changes ) Docket No. 17-WSEE-377-TAR  
in their Transmission Delivery Charges Rate )  
Schedules. )

**ORDER ACKNOWLEDGING EFFECTIVE DATE OF TRANSMISSION DELIVERY  
CHARGE SUBJECT-TO-REFUND PURSUANT TO K.S.A. 66-1237**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and determination. Having examined its files and records and being fully advised in the premises, the Commission finds and concludes as follows:

**I. BACKGROUND**

1. On February 15, 2017, Westar Energy, Inc. and Kansas Gas and Electric Company (Westar) filed an updated Transmission Delivery Charge (TDC) tariff to recover costs associated with Westar’s transmission of electric power.<sup>1</sup> The tariff Westar filed cites to K.S.A. 66-1237 as the authority for the recovery of the TDC.<sup>2</sup> Westar requests the proposed TDC rates become effective on April 3, 2017.<sup>3</sup>

<sup>1</sup> Tariff for Westar Energy, Inc. and Kansas Gas and Electric Company, p. 1 (Feb. 15, 2017).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

## II. DISCUSSION

2. Any electric public utility subject to the Commission's jurisdiction may seek recovery of its costs associated with the transmission of electric power through a separate TDC included in customers' bills.<sup>4</sup>

3. As noted by Westar, this filing is allowed by K.S.A. 66-1237.

K.S.A. 66-1237 subsection (c) provides as follows:

All transmission-related costs incurred by an electric utility and resulting from any order of a regulatory authority having legal jurisdiction over transmission matters, including orders setting rates on a subject-to-refund basis, shall be conclusively presumed prudent for purposes of the transmission delivery charge and an electric utility may change its transmission delivery charge whenever there is a change in transmission-related costs resulting from such an order. The commission may also order such a change if the utility fails to do so. An electric utility shall submit a report to the commission at least 30 business days before changing the utility's transmission delivery charge. If the commission subsequently determines that all or part of such charge did not result from an order described by this subsection, the commission may require changes in the transmission delivery charge and impose appropriate remedies, including refunds.

4. As provided by K.S.A. 66-1237(c), all transmission-related costs incurred by an electric public utility which resulted from a body with regulatory authority over transmission matters are conclusively presumed prudent.

5. The statute provides for a process by which an electric public utility submits a report to the Commission a minimum of 30 business days prior to the electric public utility changing its TDC.

6. The Commission may issue an order setting the TDC rates subject-to-refund.<sup>5</sup>

7. If the Commission subsequently determines that all or part of the TDC rate does not comply with K.S.A. 66-1237, the Commission may require changes in the TDC and impose appropriate remedies, including refunds.<sup>6</sup>

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<sup>4</sup> See K.S.A. 66-1237(a).

<sup>5</sup> See K.S.A. 66-1237(c).

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### III. FINDINGS AND CONCLUSIONS

8. The Commission finds that Westar is a regulated electric public utility subject to the Commission's jurisdiction. The Commission also finds that Westar filed its initial tariff to update its TDC on February 15, 2017, thereby providing 30 business days prior to the requested effective date of the rate change. The Commission finds such revisions necessary to properly bill or compensate Westar's customers for their corresponding usage of Westar's transmission facilities. Accordingly, the Commission at this time finds no reason to delay the implementation of Westar's revised TDC rates.

9. Further, the Commission finds that it has the authority to approve TDC rate changes subject-to-refund. The Commission notes that K.S.A. 66-1237(c) also provides that if after Westar has changed its TDC, the Commission determines that all or part of the TDC did not result from an order described in K.S.A. 66-1237(c), the Commission may require changes in the charge and impose appropriate remedies, including refunds.

10. Accordingly, the Commission concludes that Westar's proposed TDC rates filed February 15, 2017, should become effective April 3, 2017, on a subject-to-refund basis while the Commission conducts its review of Westar's TDC.

#### **IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. Westar Energy, Inc. and Kansas Gas and Electric Company's Transmission Delivery Charge, as filed February 15, 2017, shall go into effect on April 3, 2017, subject to Commission review, possible changes to the charge and subject to appropriate remedies, including refunds.

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<sup>6</sup> *Id.*

B. Parties have 15 days, plus three days if service is by mail, from the date of service of this Order to petition the Commission for reconsideration or request a hearing, as provided in K.S.A. 77-542.<sup>7</sup>

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

**BY THE COMMISSION IT IS SO ORDERED.**

Apple, Chairman; Albrecht, Commissioner, Emler, Commissioner

Dated: MAR 30 2017

JF

  
Amy L. Green  
Secretary to the Commission

**EMAILED**

MAR 30 2017

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<sup>7</sup>K.S.A. 77-537(b); K.S.A. 66-118b; K.S.A. 77-529(a)(1).

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**CERTIFICATE OF SERVICE**

17-WSEE-377-TAR

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 MAR 30 2017

JAKE FISHER, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604-4027  
Fax: 785-271-3354  
j.fisher@kcc.ks.gov

ROBIN ALLACHER, REGULATORY AFFAIRS  
KANSAS GAS & ELECTRIC CO.  
D/B/A WESTAR ENERGY  
818 S KANSAS AVE  
PO BOX 889  
TOPEKA, KS 66601-0889  
robin.allacher@westarenergy.com

JEFFREY L. MARTIN, VICE PRESIDENT, REGULATORY  
AFFAIRS  
WESTAR ENERGY, INC.  
818 S KANSAS AVE  
PO BOX 889  
TOPEKA, KS 66601-0889  
jeff.martin@westarenergy.com

/S/ DeeAnn Shupe  
DeeAnn Shupe

---

***EMAILED***

MAR 30 2017

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY  
(Name of Issuing Utility)

SCHEDULE TDC

WESTAR RATE AREA

Replacing Schedule TDC Sheet 1

(Territory to which schedule is applicable)

which was filed June 28, 2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 5 Sheets

**TRANSMISSION DELIVERY CHARGE**

**APPLICABLE**

To all bills rendered by Company for utility service, provided the tariff under which such bills are rendered permits recovery of cost related to Company's transmission system.

**BASIS OF CHARGE**

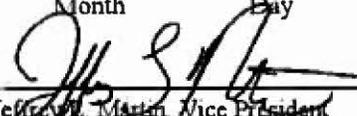
Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on its annual transmission revenue requirement (ATRR) for costs to be recovered under the following schedules of the Open Access Transmission Tariff for Service Offered by the Southwest Power Pool (SPP) for service to Company's retail KCC-Jurisdictional customers:

- Schedule 1A – Tariff Administration Service;
- Schedule 9 – Network Integration Transmission Service;
- Schedule 10 – Wholesale Distribution Service;
- Schedule 11 – Base Plan Charge;
- Schedule 12 – FERC Assessment Charge; and
- Other cost associated with Schedule 1 fees for transmission service provided on foreign wires.

The cost to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.

Issued \_\_\_\_\_  
Month Day Year

Effective April 3 2017  
Month Day Year

By   
Jeffrey W. Martin, Vice President

17-WSEE-377-TAR  
Approved 

Kansas Corporation Commission  
March 30, 2017  
/S/ Amy L. Green

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THE STATE CORPORATION COMMISSION OF KANSAS

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, db.a WESTAR ENERGY  
(Name of Issuing Utility)

WESTAR RATE AREA

(Territory to which schedule is applicable)

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SCHEDULE TDC

Replacing Schedule TDC Sheet 2

which was filed June 28, 2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 2 of 5 Sheets

TRANSMISSION DELIVERY CHARGE

METHOD OF BILLING

The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:

1. A dollar per kilowatt (kW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kW sales for that rate schedule; and/or
2. A cents per kilowatt hour (kWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kWh sales for that rate schedule.

The TDC Unit Charges included on the following sheets are designed to recover the retail transmission revenue requirement. The Company shall file to adjust TDC Unit Charges to reflect and track changes in FERC-approved rates for charges included in the ATRR according to the terms of this rate schedule.

The allocation of the ATRR to the respective rate schedules is based on the 12 coincident-peak (12 CP) allocation method. Specifically, the basis for allocating the ATRR to each rate schedule is the ratio of the rate schedule's average monthly system peak demand during the Company's monthly peak-hour demand to the average total monthly system peak-hour demand. The rate schedule class allocator is based on the twelve (12) months of the test year ended September 30, 2014. The Company shall adjust TDC Unit Charges for each rate schedule by applying the Adjustment Factor described by the terms of this tariff. However, the Company shall reset the TDC Unit Charges by reallocating costs using this 12 CP method based on current test-year load research each time it files a retail rate proceeding, and at a minimum, once every five years, to limit cost shifting among retail classes.

Issued \_\_\_\_\_  
Month Day Year

Effective April 3 2017  
Month Day Year

By [Signature]  
Jeffrey L. Martin, Vice President

17-WSEE-377-TAR  
Approved

[Signature]

Kansas Corporation Commission  
March 30, 2017  
/S/ Amy L. Green

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**THE STATE CORPORATION COMMISSION OF KANSAS**

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, db.a WESTAR ENERGY

(Name of Issuing Utility)

WESTAR RATE AREA

(Territory to which schedule is applicable)

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SCHEDULE TDC

Replacing Schedule TDC Sheet 3

which was filed June 28, 2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 3 of 5 Sheets

**TRANSMISSION DELIVERY CHARGE**

**ADJUSTMENT TO TDC UNIT CHARGES**

The TDC Unit Charges included on the following sheets shall be adjusted as follows:

$$AF = \left[ \frac{(ATTR_2 \times LRS_2)}{(ATTR_1 \times LRS_1)} \right] \times \left( \frac{y_1}{y_2} \right)$$

Where:

AF = Adjustment Factor,

ATTR<sub>1</sub> = ATRR for the Company combined in Year 1,

ATTR<sub>2</sub> = ATRR for the Company combined in Year 2,

LRS<sub>1</sub> = Load Ratio Share (LRS) of the aggregated retail transmission customers for the Company combined in Year 1,

LRS<sub>2</sub> = LRS of the aggregated retail transmission customers for the Company combined in Year 2,

y<sub>1</sub> = Total retail sales volume in kWh for the Company combined in Year 1, and

y<sub>2</sub> = Total retail sales volume in kWh for the Company combined in Year 2.

$$TDC_2(x) = TDC_1(x) \times AF$$

Where:

TDC<sub>1</sub>(x) = TDC Unit Charge for Retail Class x in Year 1,

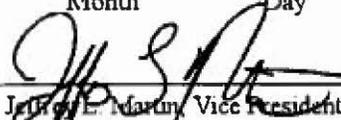
TDC<sub>2</sub>(x) = TDC Unit Charge for Retail Class x in Year 2, and

AF = Adjustment Factor as defined above.

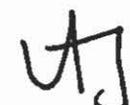
Company shall file to update its TDC Unit Charges at least annually to become effective with billing cycle 1 of July. Company may elect to file for a change in the TDC Unit Charges more frequently than once per year. All proposed TDC Unit Charges shall be filed with the KCC no later than 30 business days before the effective date of the proposed charges.

Issued \_\_\_\_\_  
Month Day Year

Effective April 3 2017  
Month Day Year

By   
Jeffrey E. Martin, Vice President

17-WSEE-377-TAR

Approved 

Kansas Corporation Commission

March 30, 2017

/S/ Amy L. Green

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**THE STATE CORPORATION COMMISSION OF KANSAS**

**WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, db.a WESTAR ENERGY**

(Name of Issuing Utility)

SCHEDULE TDC

Replacing Schedule TDC Sheet 4

**WESTAR RATE AREA**

(Territory to which schedule is applicable)

which was filed June 28, 2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 4 of 5 Sheets

**TRANSMISSION DELIVERY CHARGE**

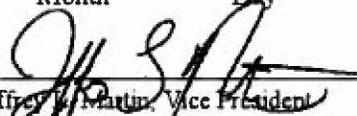
**TDC UNIT CHARGES**

The TDC Unit Charges in the following table shall be applied to a customer's demand, energy or bill of each rate schedule as indicated. The amount determined by applying the TDC Unit Charge shall become part of the total bill for electric service furnished and will be itemized separately on customer's bill.

<u>Rate Schedule</u>	<u>\$ per kW</u>	<u>\$ per kWh</u>
Special Contracts		\$0.008594
Dedicated Off-Peak Service		\$0.011291
Generation Substitution Service		\$0.011291
Large General Service	\$4.109859	
Industrial and Large Power Service	\$4.109859	
Interruptible Contract Service		\$0.006969
Large Tire Manufacturing (per KV <sub>a</sub> )	\$4.247812	
Medium General Service	\$3.453161	
Off-Peak Service		\$0.011291
Pilot LED Street Lighting		\$0.007964
Security Area Lighting		\$0.007964
Restricted Institution Time of Day Service		\$0.014717

Issued \_\_\_\_\_  
Month Day Year

Effective April 3 2017  
Month Day Year

By   
Jeffrey L. Martin, Vice President

17-WSEE-377-TAR

Approved 

Kansas Corporation Commission

March 30, 2017

/S/ Amy L. Green

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THE STATE CORPORATION COMMISSION OF KANSAS

WESTAR ENERGY, INC & KANSAS GAS & ELECTRIC COMPANY, d.b.a. WESTAR ENERGY

(Name of Issuing Utility)

WESTAR RATE AREA

(Territory to which schedule is applicable)

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SCHEDULE TDC

Replacing Schedule TDC Sheet 5

which was filed June 28, 2016

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 5 of 5 Sheets

TRANSMISSION DELIVERY CHARGE

<u>Rate Schedule (Cont)</u>	<u>\$ per kW</u>	<u>\$ per kWh</u>
Residential Service		\$0.017882
Residential Service – Distributed Generation		\$0.017882
Restricted Educational Institution Service		\$0.008874
Restricted Service to Schools		\$0.008874
Restricted Total Electric – School and Church Service		\$0.008874
Short-Term Service		\$0.011291
Small General Service		\$0.011291
Small General Service – Church Option		\$0.011291
Standard Educational Service		\$0.008874
Street Lighting		\$0.007964
Time of Use – Pilot		\$0.017882
Traffic Signal Service		\$0.007964

DEFINITIONS AND CONDITIONS

Company for the purposes of this rate schedule or rider is defined as Westar Energy, Inc. and Kansas Gas and Electric Company.

Issued \_\_\_\_\_  
 Month Day Year

Effective April 3 2017  
 Month Day Year

By   
 Jeffrey L. Martin, Vice President

17-WSEE-377-TAR

Approved 

Kansas Corporation Commission

March 30, 2017

/s/ Amy L. Green

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