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Kansas Corporation Commission
/S/ Patrice Petersen-Klein
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BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

FEB 17 2012
by
State Corporation Commission
of Kansas

In the Matter of the Application of The Kansas Power Pool ("KPP"), A Municipal Energy Agency, for Approval of Its Annual Transmission Revenue Requirement (ATRR) For Its Transmission Facilities	))))))	Docket No. 12-KPPE-630-MIS

DIRECT TESTIMONY OF PAUL D. REISING

ON BEHALF OF THE KANSAS POWER POOL

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Paul D. Reising, 8409 Quail Hollow Road, Indianapolis, Indiana 46260-2206.

Q. WHAT IS YOUR OCCUPATION?

A. I am a principal of the consulting firm of Reising & Reising, Inc.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND YOUR EXPERIENCE IN THE ELECTRIC UTILITY INDUSTRY.

A. I received a Bachelor of Science Degree in Electrical Engineering in 1969 from Purdue University, West Lafayette, Indiana. I also received a Master of Business Administration degree from Butler University in Indianapolis, Indiana. I am a registered professional engineer in the state of Indiana. I am a senior member of the Institute of Electrical and Electronic Engineers. I have over 40 years experience in the electric utility industry with a broad range of responsibilities in such areas as planning, economic analysis, rate analysis and contract negotiations. Of particular relevance in this proceeding is my experience in working with

numerous municipal and cooperative electric utilities and municipal power agencies like KPP in examining electric facilities to determine whether and to what extent electric utility facilities perform a transmission as opposed to a distribution function and the annual cost to own, operate and maintain transmission functional facilities, which I refer to in my testimony as Annual Transmission Revenue Requirements or "ATRR." I have completed such assignments and presented relevant testimony on behalf of clients situated in the Southwest Power Pool RTO ("SPP") and the Midwest ISO RTO. Exhibit ____ PDR-1 is my resume, which provides a brief description of my employment history and professional experience.

Q. ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?

A. I am appearing on behalf of the Kansas Power Pool.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I have been asked by the Kansas Power Pool ("KPP") to present testimony supporting its proposed formula template for determining KPP's Annual Transmission Revenue Requirement ("ATRR"), as well as the calculation of KPP's current ATRR, based on 2010 costs and the 69 kV transmission facilities owned by the City of Winfield, Kansas, a member of KPP. The Winfield transmission facilities are located within the Westar Energy transmission zone of the Southwest Power Pool RTO. SPP in conjunction with KPP has made application with the Federal Energy Regulatory Commission ("FERC") requesting that the annual transmission revenue requirements of the Winfield 69 kV transmission facilities be included in the revenue requirements applicable to

the Westar transmission pricing zone.[1] KPP also wishes to be in a position to recover revenue requirements for other transmission assets owned by other KPP members and/or future transmission assets owned directly by KPP. Given the potential inclusion of additional transmission assets, KPP has asked that I prepare a revenue requirements formula rate template that will be used to update KPP's ATRR annually, in accordance with the protocols discussed in the testimony of Mr. Larry W. Holloway. The blank template is presented in Exhibit ____ PDR-6. Currently, I have populated the template to include asset data and costs applicable only to City of Winfield's transmission assets, as they are the only transmission facilities KPP has currently transferred to SPP's functional control. The populated template is included in Exhibit ____ PDR-3.

Q. DID YOU PRESENT TESTIMONY IN THE FERC PROCEEDING

A. Yes, I filed direct testimony in that proceeding presenting my recommendation for a formula rate template for determining KPP's ATRR on a going-forward basis. Additionally, I filed an Affidavit in that proceeding responding to comments of interveners in the FERC proceeding and updating and correcting the analysis of the initial ATRR for the applicable facilities.

Q. HOW DOES YOUR TESTIMONY IN THIS PROCEEDING DIFFER FROM THAT FILED IN THE REFERENCED FERC DOCKET?

A. My testimony and exhibits in this proceeding differ from that in the FERC proceeding in that I have updated and corrected the initial ATRR analysis for KPP, reflecting those changes described in the Affidavit I described above. I also

[1] FERC Docket No. ER12-140-000.

discuss here with greater specificity KPP's plans for use of the template in the future.

Q. WHAT 69 KV TRANSMISSION FACILITIES DOES THE CITY OF WINFIELD OWN?

A. The City of Winfield owns 30.24 miles of 69 kV transmission lines and associated substation facilities that are integrated with the transmission facilities of Westar Energy ("Westar") by way of interconnections with Westar at Westar's Oak Sub and Winfield's Tie Sub. Exhibit ____ PDR-2 is a one-line diagram of the Winfield 69 kV transmission facilities.

Q. DOES SPP HAVE FUNCTIONAL CONTROL OF THE WINFIELD TRANSMISSION FACILITIES?

A. Yes. Winfield passed a resolution transferring functional control to KPP, and KPP in turn has joined SPP as a TO and given SPP functional control of the facilities.

Q. DO THE WINFIELD FACILITIES AS IDENTIFIED IN EXHIBIT ____ PDR-2 QUALIFY AS TRANSMISSION FACILITIES UNDER THE SPP TARIFF?

A. Yes. The Winfield 69 kV transmission facilities fall within the definition of Transmission Facilities as delineated in Attachment AI to the SPP Tariff. See Exhibit ____ PDR-5 for a copy of Attachment AI. Specifically, the Winfield facilities meet the definition of Transmission Facilities for the following reasons:

- All of the Winfield lines are non-radial (in both configuration and operation) power lines, substations and associated facilities operated at 60 kV or above (Attachment AI, II. 1.).
- The substation facilities included in the development of the annual transmission revenue requirements include control equipment and facilities necessary to control and protect facilities qualifying as Transmission Facilities (Attachment AI, II., 3.).
- No substation transformation equipment where power is transformed from a voltage higher than 60 kV to a voltage lower than 60 kV were included in the Winfield Transmission Facilities for purposes of determining the annual transmission revenue requirement (Attachment AI, II., 4.).

Q. WHAT IS THE ANNUAL REVENUE REQUIREMENT FOR THE WINFIELD 69 KV TRANSMISSION ASSETS?

A. The annual KPP transmission revenue requirement, currently based on 2010 data solely for the Winfield facilities, that results from KPP's proposed rate template is $432,438. The development of this revenue requirement is presented in Exhibit ____ PDR-3.

Q. PLEASE SUMMARIZE HOW THE TEMPLATE DEVELOPS KPP'S REVENUE REQUIREMENT.

A. The template develops the revenue requirement through (1) analysis of the net depreciated plant in service (rate base) of the assets making up the transmission

facilities and (2) estimation of the annual costs to own, operate and maintain those facilities.

Q. HOW IS NET DEPRECIATED PLANT IN SERVICE CALCULATED?

A. The calculation begins with the gross plant in service, that is, the original cost of each facility included in the ATRR. The KPP Transmission Investment worksheet has two sections. Part I will be used where KPP has a direct source for the original cost of transmission facilities included in the calculation. A brief description of each component, its installation date, and its original cost will be reflected on this part of the worksheet. Part II will be used where KPP does not have such original cost information and the original cost must be estimated. This was the case for the Winfield facilities, as I discuss below. In both Parts I and II, the original cost (whether actual or estimated) of each component is then reduced to reflect accumulated depreciation since its installation date, using Westar's depreciation rate as a proxy as I discuss below, to produce a net depreciated plant in service amount.

Q. **HOW DID YOU DETERMINE THE GROSS PLANT IN SERVICE OF THE WINFIELD TRANSMISSION FACILITIES?**

A. The City of Winfield does not maintain its books and records for the electric utility in accordance with the FERC's Uniform System of Accounts, nor do the City's financial reports separate plant in service, accumulated depreciation or operating expenses by function. Data were not available to determine the exact costs attributable to the City's 69 kV transmission facilities. As a result, it was necessary to estimate the gross plant in service by first computing the cost to

reproduce that system in 2010 costs and index those costs back to the original installation date using the Handy-Whitman Index for electric utility construction costs for the North Central Region, which encompasses the State of Kansas. The results of the asset valuation process for the Winfield 69 kV facilities (which I prepared in November 2011) are presented in Part II of the "KPP Transmission Investment" worksheet of Exhibit ____ PDR-3.

Q. HOW WAS THE REPRODUCTION COST OF THE WINFIELD FACILITIES ESTABLISHED?

A. KPP employed an electric system engineering firm, Olsson & Associates, to develop a line by line and substation by substation estimate of the cost to build those facilities at current costs. That analysis was based on a detailed examination of the specific facilities currently in place and the current costs for each component making up those facilities. The estimate included the cost of materials, labor and overheads. The consultant's reproduction cost analysis (which was prepared in November 2011, assuming 2010 construction costs) is presented in Exhibit ____ PDR-4.

Q. PLEASE ILLUSTRATE HOW THE ASSET VALUATION WAS CONDUCTED.

A. I will use the Westar Interconnection – Tie Sub 69 kV, 2.88 mile line section as an example. That line was constructed in 1991. KPP's engineering consultant estimated that the cost to replace that line in 2010, to the same construction and material specifications used in 1991, would be approximately $499,000. Using the ratio of the Handy-Whitman Index for transmission plant for 1991

construction (306) compared to 2010 construction (617), the estimated original cost of that line (in 1991 dollars) is approximately $247,000 ($498,843 times 306 divided by 617). Using an annual depreciation rate of 2.36% and 19.5 service years from the mid-point of calendar year 1991 to year-end 2010, the accumulated depreciation for this line is estimated to be approximately $114,000 ($247,400 times 2.36% times 19.5 years), resulting in an estimated net depreciated plant in service of approximately $133,000. The same process was used for all of the lines and substation assets shown in the KPP Transmission Investment worksheet of Exhibit ____ PDR-3.

Q. PLEASE EXPLAIN WHY YOU USED THE MID-POINT OF THE INSTALLATION YEAR AS THE STARTING POINT FOR THE ACCUMULATED DEPRECIATION CALCULATION.

A. The exact date of installation within the year is not always known, therefore the assumption was made that the facilities were, on average, completed at the mid-point of the applicable calendar year. I note, however, that this assumption applies only to Part II of the KPP Transmission Investment worksheet. For Part I of the investment worksheet, the installation month and year will be known, obviating the need to apply a mid-year installation.

Q. WHAT WAS THE BASIS FOR USING A 2.36% DEPRECIATION RATE?

A. I used the current Westar average transmission depreciation rate, which I derived from Westar's 2010 formula rate template by dividing that company's transmission depreciation allocated to zonal transmission revenue requirements by the transmission gross plant in service allocated to zonal transmission rate base.

(See Exhibit ____ PDR-3, Worksheet "Westar ATRR".) There are several reasons why it is appropriate for KPP's template to use the Westar average depreciation rate as a proxy for the depreciation rate for KPP's transmission assets. For one thing, the financial reports and records maintained by the City of Winfield do not provide sufficient detail to separately delineate a depreciation rate for its electric system transmission assets. But more importantly, KPP's ATRR will eventually include other facilities owned either by KPP or other cities, and not all of these owners will necessarily use the same depreciation rates in accounting for their transmission assets. Using Westar's average transmission depreciation rate not only avoids the need to derive a composite depreciation rate for all of the facilities included in KPP's ATRR, it assures a certain level of consistency in the development of the ATRRs making up the Westar zonal rates.

Q. **WHAT IS THE TOTAL ESTIMATED PLANT IN SERVICE FOR THE WINFIELD ASSETS RESULTING FROM YOUR ASSET VALUATION ANALYSIS?**

A. As shown in the KPP Transmission Investment worksheet of Exhibit ____ PDR-3, the total estimated gross plant investment of the Winfield transmission assets is approximately $4,242,000 and the net depreciated plant in service for those assets is approximately $2,255,000.

Q. **IN YOUR OPINION, DO THE RESULTING GROSS PLANT AND NET DEPRECIATION PLANT IN SERVICE PRESENTED IN EXHIBIT ____ PDR-3 CONSTITUTE A REASONABLE BASIS FOR ESTABLISHING**

THE ANNUAL TRANSMISSION REVENUE REQUIREMENT FOR THE WINFIELD 69 KV TRANSMISSION FACILITIES?

A. Yes.

Q. **WHAT IS THE BASIS FOR YOUR OPINION?**

A. The estimated original installed cost of the Winfield 69 kV lines per mile of line, as I have calculated it in the manner just described, is approximately $68,500. This per unit figure is comparable to the average installed cost per mile of all 69 kV lines on the Westar system that were reflected in its zonal transmission rates for 2009 and 2010 of $79,400 and $91,600, respectively. There are no statistics available of which I am aware that would permit a similar per unit comparison of Westar and Winfield transmission substation investment (e.g., per circuit breaker or per MVA of transformer capacity). However, I believe that since the asset valuation method described above produced reasonable results for Winfield's 69 kV lines the same approach applied to substation assets would also produce reasonable results.

Q. **WILL KPP USE THIS SAME ASSET VALUATION METHODOLOGY FOR ALL OF ITS TRANSMISSION FACILITIES IN FUTURE UPDATES TO THE ATRR?**

A. Only to the extent it includes facilities in the ATRR for which the actual original cost data is not available. As I noted earlier, where the original cost data is available (that is, for newly constructed facilities and for any existing city-owned

facilities where the city has sufficiently detailed records), KPP will use that cost data in Part I of the KPP Transmission Investment worksheet.

Q. **PLEASE EXPLAIN HOW YOU DERIVED THE ANNUAL TRANSMISSION REVENUE REQUIREMENT FOR THE WINFIELD TRANSMISSION FACILITIES AS SHOWN ON THE FIRST PAGE OF EXHIBIT ____ PDR-3.**

A. At the time I conducted my analysis, Winfield's accounting records and financial reports did not provide sufficient detail to be able to derive separately the operating expenses attributable to the Winfield 69 kV transmission facilities. As a result, I used ratios of Westar transmission operating expenses to Westar transmission gross plant in service as proxies for the ratios applicable to Winfield transmission facilities. For example, as Page 1 of Exhibit KPP-4 shows, I estimated the O&M expenses for the Winfield transmission assets based on a ratio of 1.62% applied to the gross plant investment for the Winfield transmission facilities as described above and as shown on the first line of the ATRR worksheet (Exhibit ____ PDR-3, Page 1). I used the same approach for other operating expenses, including A&G expenses, depreciation expense and property-related taxes; that is, I computed the ratio of each of these operating expense components to transmission gross plant in service based on Westar's costs used in its formula rate, and applied the result to Winfield's gross plant investment in the 69 kV facilities. The underlying data and resulting ratios are provided in the Westar ATRR worksheet included in Exhibit ____ PDR-3.

Q. WILL KPP CONTINUE TO USE PROXIES FOR OPERATING EXPENSES?

A. As I will describe later in my testimony, use of a proxy ratio for O&M expenses is only a temporary measure until actual O&M cost data can be collected on an on-going basis. For A&G, depreciation and property-related taxes (or payments in lieu thereof) proxy ratios will continue to be used. Earlier I described the rationale for the continuing use of the Westar average depreciation rate as a proxy. I believe that similar reasoning applies to A&G expenses and property-related taxes. That is, using the Westar ratios for A&G and property-related taxes will provide a level of consistency in the calculation of these operating expenses items in the ATRR for KPP facilities that will be included in the Westar pricing zone. For example, many city-owned electric systems are part of a multi- utility operations (e.g., electric, gas, water, wastewater and communications), which require at least a two-step process to allocate A&G and property-related taxes or in-lieu tax payments to a City's transmission functional facilities; first, an allocation between utilities and second, an allocation between electric utility functions. Use of the Westar A&G and property-tax ratios as a proxy greatly simplifies the process and provides for a consistency of results that is not likely to be subject to large changes from year-to-year.

Q. **IN YOUR VIEW, DOES THE USE OF SUCH PROXIES LEAD TO REASONABLE RESULTS?**

A. Yes. If anything, it appears that using Westar's cost ratios as a proxy may understate the actual costs.

Although Winfield's 2010 cost data were not detailed enough to break out specific O&M and A&G costs related to just its 69 kV facilities, certain aggregated cost information is available for Winfield's system in its Comprehensive Annual Financial Report ("CAFR") for 2010, posted on Winfield's website.[2] The 2010 CAFR (at C-6) shows that Winfield's total electric system costs for O&M and A&G in 2010 were $4,350,816. Based on Winfield's $49,017,207 of total system gross plant in service (shown at A-22), this is a ratio of 8.9% – more than three times higher than the combined 2010 O&M and A&G factor of 2.34% that results from use of the Westar proxy.

Similarly, the use of Westar's property-related tax percentage as a proxy appears to be very conservative. Again referring to Winfield's CAFR for 2010, it shows (at C-6) that the electric utility's in-lieu-of-tax payments to the city were $1,432,167, which amounts to 2.9% of total electric gross plant in service; KPP's Westar-based proxy value of less than 1% of gross plant is considerably lower.

Q. HOW DID YOU DERIVE THE COST OF CAPITAL COMPONENT OF THE ANNUAL TRANSMISSION REVENUE REQUIREMENT?

A. As shown on the first page of Exhibit ____ PDR-3, I used Westar's current weighted cost of capital as a percentage of net plant in service (which was 8.73% based on 2010 cost data) to derive the return component of KPP's ATRR.

Q. WHAT IS THE BASIS FOR USING THE WESTAR COST OF CAPITAL AS THE RETURN COMPONENT FOR KPP?

[2] http://www.winfieldks.org/documents/City%20of%20Winfield/Finance/CAFR/cafr2010-website.PDF.

A. The FERC has for a variety of purposes permitted non-jurisdictional utilities and merchant generators to use proxies based on the cost of capital and/or capital structure of the interconnected or the predominant zonal transmission owner in establishing the return component applicable to comparable investments. This has certainly been the case for non-jurisdictional utilities and generation owners for purposes of computing reactive revenue requirements. *See Ind. Mun. Power Agency*, 114 FERC ¶ 61,008, P 20 (2006); *Calpine Fox LLC*, 113 FERC ¶ 61,047, P 17 (2005). Similarly, non-jurisdictional transmission owners in the Midwest ISO are permitted to calculate their annual transmission revenue requirements using the same return on equity allowed for all jurisdictional transmission owners. *Midwest Independent Transmission System Operator, Inc.*, 106 FERC ¶ 61,219, PP 30-31 (2004). In *Central Minnesota Municipal Power Agency*, 134 FERC ¶ 61,115 (2011), the FERC recently approved the use of a hypothetical capital structure (and, of course, the MISO-wide equity return), combined with CMMPA's actual debt costs, in developing the capital cost component of CMMPA's annual transmission revenue requirements.

More specifically, in circumstances similar to this case, the FERC has specifically permitted non-jurisdictional transmission owners in RTOs to use the same overall rate of return as that of the dominant zonal transmission owner. In the *City of Vernon*, the FERC approved use of Southern California Edison's ("SCE") weighted cost of capital (as determined in its most recent rate case) as a proxy for the city's overall rate of return. This included using SCE's debt rate, because the city had not issued any debt during the rate test year. *City of Vernon*, 93 FERC

¶ 61,103 (2000), *reh'g denied*, 94 FERC ¶ 61,148 (2001). Even after the case was remanded after appeal, the FERC found that using the dominant transmission owner's weighted cost of capital was an appropriate proxy for developing the city's rate of return. *City of Vernon*, 109 FERC ¶ 63,057, PP 119, 126 (2004), 111 FERC ¶ 61,092, (2005) (in this order the FERC summarily affirmed the initial decision's findings that it was appropriate for Vernon to use SCE's capital structure and cost of debt, and accepted use of SCE's equity return but updated it in light of passage of time since Vernon filed its cost of service).

Here, neither KPP nor Winfield's electric system currently has any outstanding debt. Thus, under the *Vernon* precedent, the use of Westar's allowed overall cost of capital (currently 8.73%) as a proxy in computing KPP's capital cost component is appropriate in this case.

Q. **IN YOUR OPINION, IS THE ANNUAL TRANSMISSION REVENUE REQUIREMENT SHOWN IN EXHIBIT ____ PDR-3 REASONABLE?**

A. Yes. Strictly for comparison purposes, I calculated the ratio of ATRR to gross plant in service for both KPP's and Westar's transmission facilities. The ratio for KPP is 10.2%[3], compared to a ratio of 13.4%[4] for Westar. In this regard, I note that KPP's template omits several elements of rate base that are included in the transmission formula rates of Westar and other SPP transmission owners, such as general and intangible plant, materials and supplies, cash working capital and prepayments. Also, as previously discussed, the use of Westar proxies for several

[3] $432,00 ATRR divided by $4,242,000 gross transmission plant in service; Exhibit ____ PDR-3, Page 1
[4] $159,100,000 ATRR divided by $1,815,000,000 gross transmission plant in service, Exhibit ____ PDR-3, Pages 2 and 1, respectively

cost elements appear to, if anything, understate KPP's costs. Accordingly, the KPP formula rate template produces a very conservative ATRR.

Q. YOUR ANALYSIS OF THE ANNUAL TRANSMISSION REVENUE REQUIREMENT FOR THE WINFIELD TRANSMISSION FACILITIES IS BASED ON ESTIMATES OF COSTS FOR 2010. HOW WILL KPP'S ATRR FOR THE WINFIELD TRANSMISSION FACILITIES BE UPDATED GOING FORWARD?

A. For gross plant and net plant in service values to be used going forward, assuming there are no plant additions or retirements to the Winfield facilities, the gross plant investment would not change, but the accumulated depreciation and net plant in service would be recomputed each year to reflect the accrual of an additional year of depreciation, including the effect of any change in the Westar average depreciation rate. In addition, each year KPP would use updated Westar proxies for the rate of return and property-related tax components and transmission-related A&G expenses in the KPP ATRR calculation, based on Westar's cost data for the preceding calendar year. Since the return component of annual transmission revenue requirement is the product of the cost of capital and net depreciated plant in service, as Winfield's existing net depreciated plant declines with increasing accumulated depreciation, the return component of ATRR would be expected to decline proportionately.

In the event that Winfield makes improvements to its transmission facilities, I understand that it will record the details of the cost of plant additions and retirements in accordance with the Uniform System of Accounts and the plant

instructions embodied in the USofA. Those plant additions and retirements would then be reflected in Part I of the KPP Transmission Investment worksheet along with a description of the modifications to transmission assets. (See Exhibit ____ PDR-6.)

Further, I understand that the City of Winfield has begun recording O&M costs relating to its 69 kV facilities separately for purposes of inclusion in the KPP ATRR. Thus, starting with the annual update in 2012, its actual O&M costs will be used in lieu of the Westar proxies for these cost elements.

Q. **HOW WOULD KPP UPDATE ITS REVENUE REQUIREMENTS TO INCLUDE QUALIFYING TRANSMISSION ASSETS OF OTHER KPP MEMBERS OR NEW PROJECTS OWNED BY KPP?**

A. For all qualifying transmission assets (whether owned by KPP itself or KPP member systems) being added to the ATRR calculation, KPP will use the template presented in Exhibit ____ PDR-6. To the extent that actual plant investment data (gross plant in service) are available for the additional assets, that investment data would be used to populate Part I of the KPP Transmission Investment worksheet. If such data are not available, KPP will use Part II of the KPP Transmission Investment worksheet, which will reflect the same approach to estimating the original costs of the transmission facilities as I used for the City of Winfield assets. Similarly, for O&M expenses, KPP will use actual cost data to the extent available and proxy data (based on current Westar costs) where not. KPP will continue to use Westar proxies – based on its most recent cost data – for A&G expenses, depreciation expenses and payments-in-lieu of property taxes. Of

course, supporting worksheets would be provided along with the completed revenue requirement template.

Mr. Holloway discusses in his testimony KPP's proposal for the timing and processes to be followed in connection with each annual update of KPP's ATRR, and the opportunities that interested parties will have to participate in those processes.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

STATE OF INDIANA)
)ss.
COUNTY OF MARION)

VERIFICATION

Paul D. Reising, being duly sworn upon his oath deposes and states that he is a principle in the consulting firm of Reising & Reising, Inc., and a witness for the Kansas Power Pool; that he has read and is familiar with the foregoing Direct Testimony, and attests that the statements contained therein are true and correct to the best of his knowledge, information, and belief.

Paul D. Reising,
Principal, Reising & Reising, Inc.

Subscribed and sworn to me this 15TH day of February, 2012.

Notary Public

My Appointment Expires:

10-25-18

NOTARY PUBLIC SEAL

ROB ZELTWANGER, NOTARY PUBLIC
MY COMMISSION EXPIRES: 10/25/2018
MY COUNTY OF RESIDENCE: MARION

Professional Resume of Paul D. Reising

Educational Background:

Bachelor of Science Degree in Electrical Engineering
Purdue University, West Lafayette, Indiana. June, 1969

Masters Degree in Business Administration
Butler University. Indianapolis, Indiana, June, 1974

Professional Registration:

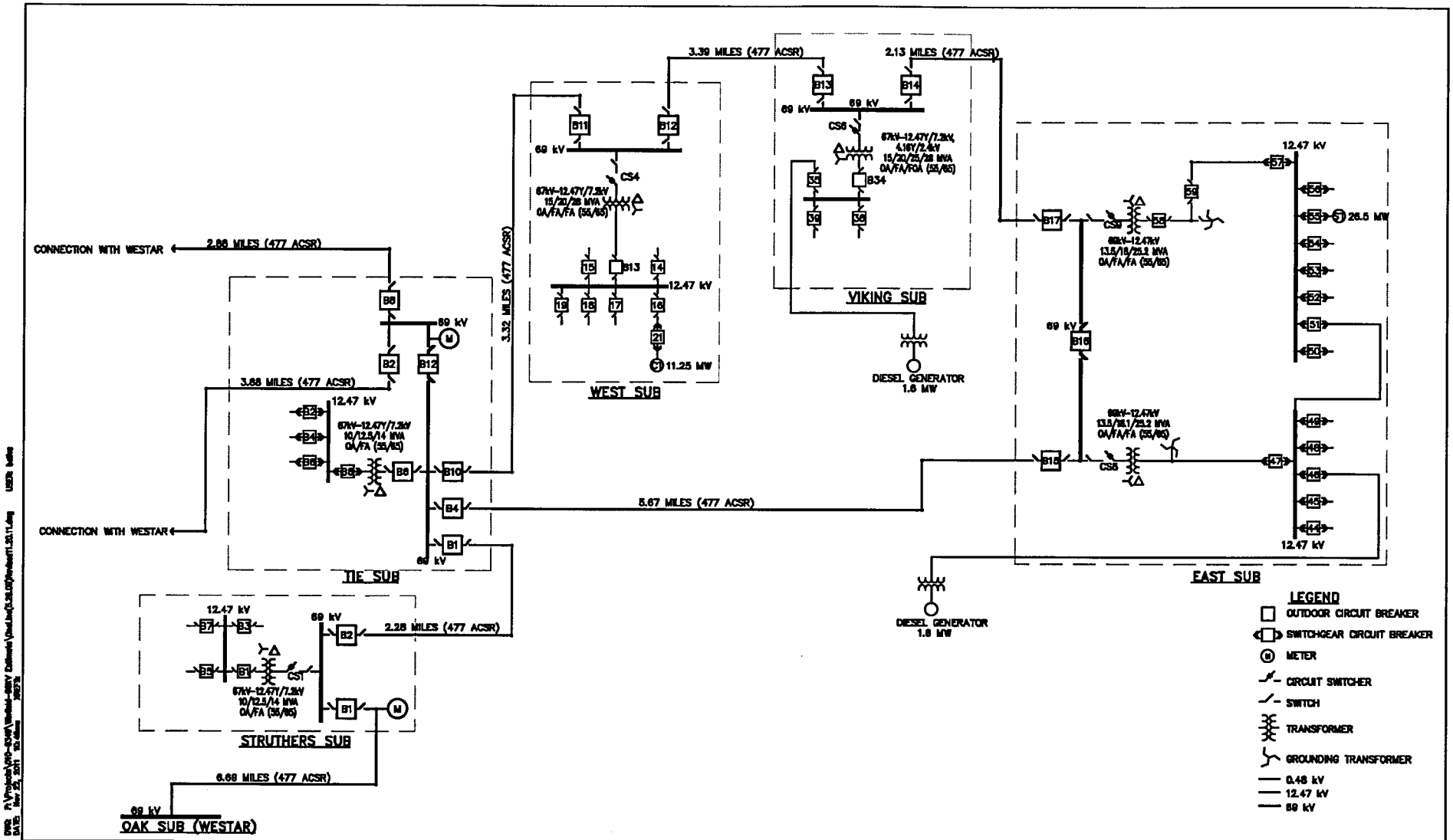
Registered as a Professional Engineer in the State of Indiana.

Professional Societies:

Senior Member - Institute of Electrical and Electronic Engineers

Experience:

2000-Present	Principal in the consulting firm of Reising & Reising, Inc.
1985-1999	Partner/Principal in the consulting firm of R. W. Beck and Associates/R. W. Beck, Inc.
1974-1985	Employed by R. W. Beck. Responsible for studies conducted for numerous clients including distribution, transmission and power supply planning studies: economic feasibility studies; contract negotiations; and retail and wholesale revenue requirements, cost of service, and rate design studies. Presented testimony on numerous occasions before the Federal Energy Regulatory Commission, the Public Service Commission of Indiana and various other regulatory commissions or courts of law.
1969-1974	Employed by Indianapolis Power & Light Company. Developed transmission and distribution system long-range plans and prepared economic evaluations of construction and operating methods. Responsible for development of a design manual for overhead distribution facilities, development of forecasting techniques for distribution load areas, analysis of customer load characteristics and analysis of system losses.
1965-1969	Employed as a Cooperative Education Student with Indianapolis Power & Light Company. My work involved design of overhead and underground electric distribution facilities and assistance in long-range planning related to the Company's transmission and distribution system.



PROJECT NO: 007-1555	WINFIELD ONE-LINE DIAGRAM	OLSSON ASSOCIATES 1111 Lincoln Mall, Suite 111 P.O. Box 84608 Lincoln, NE 68501-4608 TEL 402.474.6311 FAX 402.474.5160	FIGURE 1
DRAWN BY: DEM			
DATE: 05.20.09			

Kansas Power Pool Annual Transmission Revenue Requirements Formula

			Source
1	Gross Plant in Service	$ 4,241,972	KPP Transmission Investment Worksheet
2	Accumulated Depreciation	1,987,460	KPP Transmission Investment Worksheet
3	Net Plant in Service	$ 2,254,511	KPP Transmission Investment Worksheet

	ATRR Component	Amount		Value
5a	Actual O&M Expenses	$ -	O&M Expense Worksheet Line 5	
5b	Proxy Operation and Maintenance Expenses*	68,917	Westar Transmission O&M as % of Gross Plant in Service	1.62%
6	A&G Expenses	30,363	Westar Transmission-Related A&G as % of Gross Plant in Service	0.72%
7	Depreciation	97,604	Westar Transmission Depreciation Exp. as % of Gross Plant in Service	2.36%
8	Property Taxes (in-lieu)	38,735	Westar Transmission-Related Property Taxes as % of Gross Plant in Service	0.91%
9	Return	196,819	Westar Weighted Cost of Capital Applied to Net Plant in Service	8.73%
10	Annual Transmission Revenue Requirement	$ 432,438		

*Used only for first Rate Year for existing facilities being added to the ATRR where actual O&M cost data is not available

Part I - Original Cost and Net Depreciated Cost of Facilities per Books

Line	Line Section Description	Installation Date Mo./Yr.	Original Installed Cost	Westar Proxy Depreciation Rate %	Service Years	Accumulated Depreciation at 12/31/[test year]	Net Plant in Service at 12/31/[test year]	Annual Depreciation
	Line Section Description							
1a			$ -	0.00%		$ -	$ -	$ -
1b			-	0.00%		-	-	-
1c			-	0.00%		-	-	-
1	Total Line Sections		$ -			$ -	$ -	$ -
	Substation Description							
2a			$ -	0.00%		$ -	$ -	$ -
2b			-	0.00%		-	-	-
2c			-	0.00%		-	-	-
2	Total Substations		$ -			$ -	$ -	$ -

Part II - Original Cost and Net Depreciated Cost of Facilities Where Accounting Data is not Available
Facility Reproduction Cost New Indexed to Original Cost

	Line Section	length miles	Poles	Installation Year	Reproduction Cost New ($___ [year])	HWI - Transmission Plant	Original Installed Cost	Westar Proxy Depreciation Rate %	Service Years (assume plant added at mid-year)	Accumulated Depreciation at 12/31/[test year]	Net Plant in Service at 12/31/[test year]	Annual Depreciation
	City of Winfield											
3a	WESTAR INTERCONNECTION - TIE SUB	2.88		1991	$ 498,843	306	$ 247,400	2.36%	19.5	$ 113,953	$ 133,447	$ 5,844
3b	WESTAR INTERCONNECTION - TIE SUB	3.88		1991	672,052	306	333,303	2.36%	19.5	153,520	179,783	7,873
3c	WESTAR INTERCONNECTION - STROTHERS SUB	5.69		1991	985,561	306	488,787	2.36%	19.5	225,137	263,650	11,545
3d	WESTAR INTERCONNECTION - STROTHERS SUB FEMA Funding for 2007 Rebuild [1]	1.00		2007	40,977	568	37,723	2.36%	3.5	3,119	34,604	891
3e	STROTHERS SUB - TIE SUB	2.28		1991	394,917	306	195,859	2.36%	19.5	90,213	105,645	4,626
3f	TIE SUB - WEST SUB	3.32		1980	575,055	198	184,540	2.36%	30.5	132,948	51,592	4,359
3g	TIE SUB - EAST SUB	5.67		1967	982,097	69	109,829	2.36%	43.5	109,829	-	-
3h	WEST SUB - VIKING SUB	3.39		1991	587,180	306	291,211	2.36%	19.5	134,133	157,078	6,879
3i	EAST SUB - VIKING SUB	2.13		1991	368,936	306	182,973	2.36%	19.5	84,278	98,695	4,322
							-			-	-	-
							-			-	-	-
							-			-	-	-
3	Total lines	30.24			$ 5,105,619		$ 2,071,625			$ 1,047,130	$ 1,024,495	$ 46,339
	Substation											
	City of Winfield											
4a	STROTHER SUBSTATION			1990	$ 665,181	300	$ 336,517	2.36%	19.5	$ 155,001	$ 181,516	$ 7,949
4b	TIE SUBSTATION											
4c	Strother Tie 69 kV GCB			2007	60,000	568	$ 55,235	2.36%	3.5	$ 4,566	$ 50,669	$ 1,305
4d	Oak Sub Tie 69 kV GCB			2005	60,000	485	$ 47,164	2.36%	5.5	6,127	41,036	$ 1,114
4e	Transformer Breaker 69 kV GCB			2007	60,000	568	$ 55,235	2.36%	3.5	4,566	50,669	$ 1,305
4f	Weaver Sub Tie 69 kV GCB			2006	60,000	528	$ 51,345	2.36%	4.5	5,458	45,888	$ 1,213
4g	West Sub Tie 69 kV GCB			2007	60,000	568	$ 55,235	2.36%	3.5	4,566	50,669	$ 1,305
4h	East Sub Tie 69 kV GCB			1990	60,000	300	$ 29,173	2.36%	20.5	14,126	15,047	$ 689
4i	Bus Tie 69 kV GCB			1990	60,000	300	$ 29,173	2.36%	20.5	14,126	15,047	$ 689
4j	Balance of Tie Sub 69 kV			1990	927,482	300	$ 450,964	2.36%	20.5	218,367	232,596	$ 10,652
4k	WEST SUBSTATION			1990	665,181	300	$ 323,427	2.36%	20.5	156,611	166,816	7,640
4l	VIKING SUBSTATION			1990	672,581	300	$ 327,025	2.36%	20.5	158,353	168,672	7,725
4m	EAST SUBSTATION			1990	842,933	300	$ 409,854	2.36%	20.5	198,461	211,393	9,681
4	Total Substations				$ 4,193,359		$ 2,170,347			$ 940,330	$ 1,230,017	$ 51,265
5	Total Transmission Plant in Service (including Parts I and II)				$ 9,298,977		$ 4,241,972			$ 1,987,460	$ 2,254,511	$ 97,604

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31, 2010

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

Line No.	(1) RATE BASE:	(2) Form No. 1 Page, Line, Col.	(3) Westar Energy, Inc (WEN)	(4) Kansas Gas and Electric Company (WES)	(5) Company Total	(6) Allocator		(7) Transmission (Col 5 times Col 6)
	PLANT IN SERVICE							
1	Production	205.46.g	$ 2,563,298,229	$ 2,280,914,136	$ 4,884,212,365			$ -
2	Transmission	207.58.g	721,851,013	462,760,547	1,184,611,560	TP	1.00000	1,184,611,560
3	Distribution	207.75.g	957,382,748	799,269,396	1,756,652,142			-
4	General	207.99.g	184,992,465	94,582,639	279,575,104	W/S	0.04393	12,283,071
4a	Intangible	205.5g	16,763,503	27,153,788	43,917,291	W/S	0.04393	1,929,497
5	Common	356.1	-	-	-	W/S	0.04393	-
6	TOTAL GROSS PLANT	(sum lines 1-5)	$ 4,464,287,956	$ 3,664,700,506	$ 8,128,968,462			$ 1,198,824,128
	ACCUMULATED DEPRECIATION	(Note Q)						
7	Production	219.20-24.c	$ 903,176,117	$ 1,134,503,555	$ 2,037,679,872			$ -
8	Transmission	219.25c	183,742,720	165,057,112	348,799,832	TP	1.00000	348,799,832
9	Distribution	219.26c	355,085,510	283,530,073	638,625,583			-
10	General	219.28.c	96,589,170	54,257,811	150,826,981	W/S	0.04393	6,626,551
10a	Intangible	Workpaper	9,858,922	13,453,482	23,112,404	W/S	0.04393	1,015,438
11	Common	356.1	-	-	-	W/S	0.04393	-
12	TOTAL ACCUM. DEPRECIATION	(sum lines 7-11)	$ 1,548,242,439	$ 1,650,802,033	$ 3,199,044,472			$ 356,441,821
	NET PLANT IN SERVICE							
13	Production	(line 1 less line 7)	$ 1,680,122,112	$ 1,146,410,581	$ 2,826,532,693			$ -
14	Transmission	(line 2 less line 8)	538,108,293	297,703,435	835,811,728			835,811,728
15	Distribution	(line 3 less line 9)	602,297,236	515,759,323	1,118,026,559			-
16	General	(line 4 less line 10)	88,423,295	40,324,828	128,748,123			5,656,521
16a	Intangible	(line 4a less line 10a)	7,104,581	13,700,306	20,804,887			914,058
17	Common	(line 5 less line 11)	-	-	-			-
18	TOTAL NET PLANT	(sum lines 13-17)	$ 2,916,025,517	$ 2,013,898,473	$ 4,929,923,990			$ 842,382,307
	ADJUSTMENTS TO RATE BASE							
19	Accumulated Deferred Income Taxes	(Wkshts. A-5 & A-7, p. 1, Subtotal, Total ADIT)	$ (73,625,904)	$ (69,702,596)	$ (143,328,500)	DA	1.00000	$ (143,328,500)
19a	Unamortized Extraordinary Property Loss	Account 182.1 (Note S)	923,281	-	923,281	TE	0.90584	836,346
19b	Transmission Storm Damage Reserve	Account 228.1 (Note S)	280,932	264,759	545,691	TE	0.90584	494,309
20	TOTAL ADJUSTMENTS	(line 19 + line 19a - line 19b)	$ (72,963,555)	$ (69,967,355)	$ (142,950,910)			$ (142,968,463)
21	LAND HELD FOR FUTURE USE	214.x.d (Note B)	$ -	$ -	$ -	TP	1.00000	$ -
	WORKING CAPITAL							
22	CWC	calculated (Note C)						$ 3,465,614
23	Materials & Supplies	227.8.c (Note B)	$ 12,873,984	$ 4,351,291	17,225,275	TP	1.00000	17,225,275
23a	Stores Expense	227.16.c (Note B)	(35,303)	477,311	442,008	W/S	0.04393	19,420
24	Prepayments (Account 165)	111.57.c (Note C)	8,363,228	3,904,016	12,267,244	GP	0.14748	1,809,118
25	TOTAL WORKING CAPITAL	(sum lines 23 - 24)	$ 21,201,909	$ 8,732,618	$ 29,934,527			$ 22,519,427
26	Rate Base	(sum lines 18, 20, 21, & 25)						$ 721,915,270

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31, 2010

Actual Gross Rev
Page 2 of 5

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Westar Energy, Inc (WEN)	(4) Kansas Gas and Electric Company (WES)	(5) Company Total	(6) Allocator		(7) Transmission (Col 5 times Col 6)		
	O&M									
1	Transmission (Note D)	(Worksheet A-4 & Worksheet A-6)	$ 14,490,816	$ 12,816,474	$ 27,307,290		1.00000	$ 27,307,290		
2	Less Account 561	321.84.b thru 321.92.b	1,187,387	1,383,839	2,571,226		1.00000	2,571,226		
2a	Less Account 565 (Note E)	321.96.b	2,754,794	2,735,413	5,490,207		1.00000	5,490,207	19,245,857	1.62% O&M Factor
3	A&G	323.197.b	93,048,273	99,276,294	192,324,567	W/S	0.04393	8,449,738		
3a	Less: Actual PBOP	(Note R)	6,770,185	4,000,074	10,770,259	W/S	0.04393	473,189		
4	Plus: PBOP adder	(Note R)	9,697,558	6,642,051	16,339,609	W/S	0.04393	717,877		
5	Less FERC Annual Fees	Included as part of line 6b	-	-	-	W/S	0.04393	-		
6	Less EPRI	335 (Note F)	-	-	-	W/S	0.04393	-		
6a	Less Total Advertising Costs	323.191(b) (Note F)	1,068,016	404,731	1,472,747	W/S	0.04393	64,705		
6b	Less Total Regulatory Commission Expenses	323.189(b) (Note F)	1,882,410	1,721,232	3,603,642	W/S	0.04393	158,325		
7	Plus Transmission Related Reg. Comm. Exp.	351.h (Note F)	5,312	3,139	8,451	TE	0.90584	7,655		
8	Plus Safety Advertising	(Note F)	-	-	-	W/S	0.04393	-		
9	Common	356.1	-	-	-	CE	0.04393	-		
10	Transmission Lease Payments		-	-	-		1.00000	-		
11	TOTAL O&M	(sum lines 1, 3, 4, 7-10 less lines 2, 2a, 3a, 5- 6b)	$ 103,577,167	$ 108,494,669	$ 212,071,836			$ 27,724,908	8,479,051	0.72% A&G Factor
	DEPRECIATION EXPENSE									
12	Transmission	336.7.f or Worksheet A-8	$ 15,874,139	$ 12,107,180	$ 27,981,319	TP	1.00000	$ 27,981,319	27,981,319	2.38% Depr Exp Factor
13	General	336.10.f	8,960,358	6,611,853	15,572,209	W/S	0.04393	684,162		
13a	Intangible	336.1f	3,324,998	2,124,226	5,449,224	W/S	0.04393	239,410		
14	Common	336.11.b	-	-	-	CE	0.04393	-		
14a	Amortization of Property Loss	Acct. 407-Unrecovered Plant and Regulatory Study Costs (Note S)	-	-	-	TE	0.90584	-		
15	TOTAL DEPRECIATION	(Sum lines 12-14a)	$ 28,159,493	$ 20,843,259	$ 49,002,752			$ 28,904,891		
	TAXES OTHER THAN INCOME TAXES (Note G)									
	LABOR RELATED									
16	Payroll	263.i	$ 8,399,815	$ 6,540,211	$ 12,940,026	W/S	0.04393	$ 568,517	568,517	
17	Highway and vehicle	263.i	-	-	-	W/S	0.04393	-		
	PLANT RELATED									
18	Property (Note P)	263.i	46,746,649	26,602,202	73,348,851	GP	0.14748	10,817,162	10,817,162	0.91% Property Tax Facto
19	Gross Receipts	263.i	-	-	-	NA	0.00000	-		
20	Other	263.i	40,265	20,055	60,320	GP	0.14748	8,896		
21	Payments in lieu of taxes		-	-	-	GP	0.14748	-		
22	TOTAL OTHER TAXES	(sum lines 16 - 22)	$ 53,186,729	$ 33,162,468	$ 86,349,197			$ 11,394,575		
	INCOME TAXES	(Note H)								
23	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =				39.58%					
24	CIT=(T/1-T) * (1-(WCLTD/R)) =				41.44%					
	where WCLTD=(page 5, line 21) and R= (page 5, line 24) and FIT, SIT & p are as given in Note H.									
25	1 / (1 - T) = (from line 23)				1.655150					
26	Amortized Investment Tax Credit (266.8f) (enter negative)		$ 1,487,716	$ 1,035,753	$ 2,523,469					
27	Income Tax Calculation = line 24 * line 30					NA		$ 28,462,259		
28	ITC adjustment	(line 25 * line 26)			$ 4,176,719	NP	0.17087	713,681		
29	Total Income Taxes	(line 27 plus line 28)						$ 27,175,940		
30	**RETURN**					NA		$ 63,856,954	$63,856,953.98	
	[Rate Base (page 2, line 16) * Rate of Return (page 4, line 24) plus Incentive Return (page 4, line 28)]									
31	Interest on Network Credits				$ -	DA	1.00000	$ -		
32	**GROSS REV. REQUIREMENT**	(sum lines 11,15, 22, 29, 30 & 31)			$ 347,423,785			$ 159,057,269		

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31, 2010

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

SUPPORTING CALCULATIONS

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Westar Energy, Inc (WEN)	(4) Kansas Gas and Electric Company (WES)	(5) Company Total	(6) Allocator		(7) Transmission (Col 5 times Col 6)
	TRANSMISSION PLANT INCLUDED IN FORMULA							
1	Total transmission plant	(page 3, Line 13, col. 5)	$ 721,851,013	$ 462,760,547	$ 1,184,611,560			$ 1,184,611,560
2	Less transmission plant excluded from ISO rates	(Note I)	-	-	-			-
3	Less transmission plant included in OATT Anc. Srvc	(Notes J&K)	-	-	-			-
4	Transmission plant included in rates	(line 1 less lines 2 & 3)	$ 721,851,013	$ 462,760,547	$ 1,184,611,560			$ 1,184,611,560
5	Percentage of transmission plant included in rates	(line 4 divided by line 1)					TP=	1.00000
	TRANSMISSION EXPENSES							
6	Transmission expenses	(Page 2, line 1, col. 7)						$ 27,307,290
7	Less transmission other expenses included in Anc. Srvc	(Note L) (Page 2, line 2, col 7)						2,571,226
8	Included transmission expenses (line 6 less line 7)							$ 24,736,064
9	Percentage of transmission expenses after adjustment (line 6 divided by line 6)							0.90584
10	Percentage of transmission plant included in ISO Rates (line 5)						TP=	1.00000
11	Percentage of transmission expenses included in rates (line 9 times line 10)						TE=	0.90584
	GROSS AND NET PLANT ALLOCATORS							
	GROSS PLANT IN SERVICE (ACTUAL HISTORICAL COST)							
12	Production	(page 1, line 1)	$ 2,583,298,229	$ 2,280,914,136	$ 4,864,212,365	NA		
13	Transmission	(page 1, line 2)	721,851,013	462,760,547	1,184,611,560	TP	1.00000	$ 1,184,611,560
14	Distribution	(page 1, line 3)	957,362,746	799,289,396	1,756,652,142	NA		
15	General & Intangible	(page 1, line 4)	201,755,968	121,736,427	323,492,395	W/S	0.04393	$ 14,212,568
16	Common	(page 1, line 5)	-	-	-	CE	0.04393	-
17	TOTAL GROSS PLANT	(sum lines 12-16)	$ 4,464,267,956	$ 3,664,700,506	$ 8,128,968,462	GP =	14.748%	$ 1,198,824,128
	ACCUMULATED DEPRECIATION (ACTUAL HISTORICAL COST) (Note O)							
18	Production	(page 1, line 7)	$ 903,176,117	$ 1,134,503,555	$ 2,037,679,672	NA		
19	Transmission	(page 1, line 8)	183,742,720	165,057,112	348,799,832	TP	1.00000	$ 348,799,832
20	Distribution	(page 1, line 9)	355,095,510	283,530,073	638,625,583	NA		
21	General & Intangible	(page 1, line 10)	106,228,092	67,711,293	173,939,385	W/S	0.04393	$ 7,641,989
22	Common	(page 1, line 11)	-	-	-	CE	0.04393	-
23	TOTAL ACCUM. DEPRECIATION	(sum lines 12-16)	$ 1,548,242,439	$ 1,650,802,033	$ 3,199,044,472			$ 356,441,821
	NET PLANT IN SERVICE (ACTUAL HISTORICAL COST)							
24	Production	(line 12 less line 16)	$ 1,680,122,112	$ 1,146,410,581	$ 2,826,532,693			
25	Transmission	(line 13 less line 19)	538,108,293	297,703,435	835,811,728			$ 835,811,728
26	Distribution	(line 14 less line 20)	602,267,236	515,759,323	1,118,026,559			
27	General & Intangible	(line 15 less line 21)	95,527,876	54,025,134	149,553,010			$ 6,570,579
28	Common	(line 16 less line 22)	-	-	-			-
29	TOTAL NET PLANT	(sum lines 24-28)	$ 2,916,025,517	$ 2,013,898,473	$ 4,929,923,990	NP =	17.087%	$ 842,382,307

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31, 2010

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

SUPPORTING CALCULATIONS

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Westar Energy, Inc (WEN)	(4) Kansas Gas and Electric Company (WES)	(5) Company Total		(6) Allocator		(7) Transmission (Col 5 times Col 6)		
	WAGES & SALARY ALLOCATOR (W&S)										
			$	$	$	TP	Allocation				
1	Production	(Worksheet A-10)	$ 34,473,474	$ 59,092,895	$ 93,566,369	0.00000	0				
2	Transmission	(Worksheet A-10)	3,247,713	3,121,001	6,368,714	1.00000	6,368,714				
3	Distribution	(Worksheet A-10)	16,522,586	12,997,310	29,519,896	0.00000	0		W&S Allocator		
4	Other	(Worksheet A-10)	9,026,592	6,476,790	15,503,382	0.00000	0		($ / Allocation)		
5	Total (sum lines 1-4)		$ 63,270,365	$ 81,687,996	$ 144,958,361		6,368,714	=	0.04393	=	WS
	COMMON PLANT ALLOCATOR (CE) (Note M)										
					$		% Electric		W&S Allocator		
6	Electric	200.3.c	$ 4,217,247,217	$ 3,449,837,761	$ 7,667,084,978		(line 17 / line 20)		(line 16)		CE
7	Gas	200.3.d	-	-	-		1.00000	*	0.04393	=	0.04393
8	Water	200.3.e	-	-	-						
9	Total (sum lines 6 - 8)		$ 4,217,247,217	$ 3,449,837,761	$ 7,667,084,978						
	RETURN (R)								$		
10	Interest on Long-Term Debt	117.62.c	$ 88,778,332	$ 59,650,690	$ 148,429,022						
11	Amort. of Debt Disc. and Expense	117.63.c	2,298,785	979,037	3,277,822						
12	Amortization of Loss on Reacquired Debt	117.64.c	5,008,589	507,778	5,516,367						
13	Less: Amort. of Premium on Debt-Credit	117.65.c	-	-	-						
14	Less: Amort. of Gain on Reacquired Debt-Credit	117.66.c	-	-	-						
15	Long Term Interest (sum of lines 10 - 12 less 13 and 14)		$ 96,085,706	$ 61,137,505	$ 157,223,211				$ 157,223,211		
16		Preferred Dividends (118.29c) (positive number)	$ 969,674	$ -	$ 969,674				$ 969,674		
	Development of Common Stock:										
17		Proprietary Capital (112.16.c)(WEN Form 1)	$ 2,407,767,364		$ 2,407,767,364				$ 2,407,767,364		
18		Less Preferred Stock (line 28)							(21,436,300)		
19		Less Account 216.1 (112.12.c) (Note N)							-		
20		Common Stock	(sum of lines 17 - 19)						$ 2,386,331,064		
			WEN	WES	$	%	Cost (Note O)		Weighted		
21	Long Term Debt (112, sum of 18.c., 19c and 21.c)		$ 1,483,091,280	$ 1,012,282,500	$ 2,495,373,780	50.89%	0.0630		0.0321	*WCLTD	
22	Preferred Stock (112.3.c)(WEN Only)		21,436,300	-	21,436,300	0.44%	0.0452		0.0002		
23	Common Stock (line 26)(WEN Only)		2,386,331,064	-	2,386,331,064	48.67%	0.1130		0.0550		
24	Total (sum lines 21-23)				$ 4,903,141,144	100.00%			0.0873	=R	8.73% Return Factor
	Incentive Return										
25	Total Incentive Plant	(Worksheet A-11)			$ 88,584,002						
26	Less: Total Accumulated Depreciation	(Worksheet A-11)			86,838						
27	Net Incentive Plant	(line 25 less line 26)			$ 88,497,164						
28	Incentive Return	(Worksheet A-11)					$ 882,598				

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31, 2010

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

NOTES

General Note: References to pages in this formula rate are indicated as: (page#, line#, col.#).
References to data from FERC Form 1 are indicated as: page#.line#.col

Letter	
A	Reserved for future use.
B	Identified in Form 1 as being only transmission related.
C	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 2, line 11, col. 7. Prepayments are the electric related prepayments booked to Account No. 165 and reported on FERC Form 1, p. 111, ln. 57.c.
D	Transmission O&M expense does not include any SPP charges for Schedule 1-A of the SPP OATT.
E	Transmission By Others, Account 565 includes only costs associated with transmission facilities which are assigned to the Westar pricing zone by SPP.
F	Industry Association Dues are capped at $1,000,000. Line 6 - EPRI Annual Membership Dues listed in Form 1 at p. 335, Line 6a Remove all Advertising expenses in Account 930.1. Line 6b Remove all Regulatory Commission Expenses itemized at 351.h. Line 6c - Add in wholesale Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h. Line 6d Add in Safety related advertising that are in Account 930.1.
G	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
H	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduca rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 28). When FIT or SIT statutory tax rate changes take effect on other than a calendar year basis, the statutory rates to be used in the formula rate template shall be weighted averages for the calendar year determined by weighting the statutory tax rates by the number days each such tax rate was in effect during the calendar year for which the costs are being determined. Inputs Required: FIT = 35.00% SIT= 7.05% (State Income Tax Rate or Composite SIT) p = 0.00% (percent of federal income tax deductible for state purposes)
I	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until FERC Form 1
J	Unless otherwise specified, OATT refers to the Westar and SPP OATTs.
K	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
L	Removes dollar amount of transmission expenses included in the OATT ancillary services rates. Costs related to Ancillary 1, Scheduling and Control, Acct 581 is shown on Actual Gross Rev, page 2, line 2.
M	Enter dollar amounts
N	For Account 216.1, enter zero if the actual balance is negative
O	Debt cost rate = long-term interest (line 15) / long term debt (line 21). Preferred cost rate = preferred dividends (line 16) / preferred stock (line 22). The approved ROE is 11.3%, no change in ROE may be made absent a filing with FERC. Any incentive ROEs approved by the Commission are shown by project in Worksheet A-11.
P	If the transmission related component of property tax is specifically identified in Form 1, then a TP allocator shall be used. Property tax shall be allocated to transmission by the GP allocator if transmission related property tax is not specifically identified in the Form 1.
Q	The initial depreciation rates below will be used to calculate depreciation expense and accumulated depreciation balances absent an appropriate filing with FERC.

		Depreciation Rate		
		Non-incentive Plant	Wichita-to-Reno-to-Summit	Future Incentive Project
	FERC Account Number			
60.00	350 Land and Land Rights			
	351 (reserved)			
	352 Structures and Improvements	2.68	6.67	-
	353 Station Equipment	1.54	6.67	-
	354 Towers and Fixtures	3.51	6.67	-
	355 Poles and Fixtures	3.19	6.67	-
	356 Overhead Conductors and Devices	2.05	6.67	-
	357 Underground Conduit	1.50	6.67	-
	358 Underground Conductors and Devices	2.10	6.67	-
	359 Roads and Trails	1.56	6.67	-

The incentive depreciation rates will be applied to assets recorded in the Wichita-to-Reno-to-Summit location code in WES's transmission depreciation groups.

R	The initial Post-Employment Benefits Other than Pensions (PBOP) expense set forth below will be used in lieu of the actual PBOP expense incurred in the year absent an appropriate filing with FERC.	**WEN**	**WES**	**TOTAL**
	Post-Employment Benefits Other than Pensions	$ 9,897,558	$ 6,642,051	$ 16,339,609

S Page 1 line 19a is the unamortized balance related to the recovery of transmission expense for the December 2007 ice storm booked in Account 182.3. Accrued transmission expenses for the December 2007 ice storm shall be amortized in the transmission O&M accounts over 36 months beginning June 1, 2008. The total amount to be amortized in the transmission O&M accounts shall be $6,647,679, developed as follows:

	WEN	WES	Total
Total transmission expenses accrued for the December 2007 ice storm	$ 6,758,037	$ -	$ 6,758,037
Less total transmission storm damage reserve as of December 2007	110,358	147,815	257,973
Total transmission expense to be amortized	$ 6,647,679	$ (147,815)	$ 6,500,064

* All future accruals of transmission storm damage reserves will be subtracted from rate base until they are applied to offset the December 2007 ice storm damage expenses.

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COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION
NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS																								COST INDEX NUMBERS	
			1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988 Jan. 1	1988 Jul. 1	1988 1988	1989 Jan. 1989	1989 Jul. 1989	1989 1989	1990 Jan. 1990	1990 Jul. 1990	1990 1990	1991 Jan. 1991	1991 Jul. 1991
31																																	
32	**Transmission Plant**																																
33	Total Transmission Plant		69	72	78	85	91	94	100	122	143	150	160	166	180	198	216	231	237	239	243	246	249	254	280	274.8	285	289	288.5	291	304	300	301	311
34	Station Equipment	353	79	82	86	90	92	94	100	125	148	152	164	175	189	205	222	236	237	241	245	247	255	261	266	267.3	276	282	281.8	287	302	298.8	304	300
35	Towers & Fixtures	354	66	69	76	81	87	93	100	122	140	140	145	159	176	196	204	208	214	227	236	243	251	254	263	261	264	269	268	270	272	270.8	269	263
36	Poles & Fixtures	355	63	65	71	78	83	87	100	126	143	143	149	158	174	190	210	223	228	234	237	243	247	250	268	266.5	280	287	286.3	291	295	298	311	318
37	Overhead Conductors & Devices	356	71	72	81	91	100	99	100	118	146	167	180	172	184	207	232	259	279	268	267	270	259	289	363	343.8	360	354	353.5	346	369	355.8	339	395
38	Underground Conduit	357	64	68	73	80	91	97	100	111	122	131	141	153	166	178	194	210	217	223	227	231	238	243	252	251.8	260	265	263.3	263	266	265	265	265
39	Underground Conductors & Devices	358	74	72	79	84	83	92	100	135	136	138	151	151	180	216	237	250	253	249	242	267	271	268	293	284.3	283	306	307	333	360	359.8	386	408
40																																	
41	**Distribution Plant**																																
42	Total Distribution Plant		68	71	78	85	91	95	100	119	138	144	154	162	178	191	211	224	229	232	235	238	240	244	255	254.8	265	267	267.5	271	277	275.5	277	282
43	Station Equipment	362	78	81	87	91	92	94	100	122	141	145	160	171	181	195	213	234	236	235	239	242	250	256	276	274.5	290	301	299	304	325	320.3	327	325
44	Poles, Towers & Fixtures	364	61	64	70	78	84	89	100	124	142	142	150	161	181	197	216	228	232	236	240	245	248	249	258	256.5	261	265	265.3	270	275	275.3	281	286
45	Overhead Conductors & Devices	365	65	69	79	89	98	99	100	116	143	161	174	170	182	201	220	231	244	246	247	249	248	263	301	292.5	305	304	303.5	301	311	305.8	300	326
46	Underground Conduit	366	64	67	74	81	88	93	100	111	121	126	136	148	161	172	185	197	210	218	221	225	232	238	246	248.5	264	272	269	268	269	267.8	265	261
47	Underground Conductors & Devices	367	78	76	83	88	88	99	100	125	129	133	142	151	185	209	214	211	213	212	218	229	234	241	233	238.8	248	252	254.5	266	264	265.5	268	273
48	Line Transformers	368	100	103	101	102	102	100	100	109	130	134	145	155	164	164	192	207	210	212	214	215	214	216	212	216.3	225	222	224.5	229	227	227.8	228	227
49	Pad Mounted Transformers	368	97	99	97	97	99	100	100	104	105	107	118	131	138	159	187	186	188	205	207	215	238	252	264	262	268	279	276.3	279	280	281.8	288	293
50	Services-Overhead	369	61	65	75	87	94	97	100	108	119	127	139	150	163	181	195	205	210	224	223	225	231	236	250	249.5	262	265	263.5	262	265	264.5	266	268
51	Services-Underground	369	59	64	72	78	81	88	100	115	108	111	118	126	137	162	181	181	199	203	187	181	194	213	191	207.5	235	221	223.8	218	234	226.8	221	214
52	Meters Installed	370	84	87	91	95	100	101	100	108	124	133	140	144	148	146	163	190	203	204	206	211	211	201	199	197.5	191	185	188	191	186	188.5	191	208
53	Street Lighting-Overhead	373	73	75	82	90	94	98	100	122	148	156	169	185	205	224	245	261	262	273	283	283	271	270	274	274.3	279	284	283.5	287	292	291.8	296	301
54	Mast Arms & Luminaires Installed	373	72	73	78	92	96	98	100	117	138	151	168	183	200	222	250	263	268	286	298	290	280	276	280	281.3	289	297	296	301	306	305.5	309	317
55	Street Lighting-Underground	373	75	71	77	90	96	99	100	120	148	158	171	188	209	226	245	265	265	275	285	287	273	272	276	276	280	284	284	288	293	292.5	296	301
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Exhibit ___ PDR-3
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COST TRENDS OF ELECTRIC UTILITY CONSTRU
NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS																															
			1991	1992			1993			1994			1995			1996			1997			1998		1999		2000		2001		2002					
				Jan. 1		Jul. 1																														
31																																		
32	**Transmission Plant**																																	
33	Total Transmission Plant		305.8	300	309	309	318	317	319	324	334	335	348	350	350.8	355	356	356.8	360	362	363.8	371	374	372	372	369	371	371	393	382.8	396	406	410	413
34	Station Equipment	353	300.8	299	310	309.8	320	319	320.8	325	337	336.8	348	350	350.3	353	351	352.3	354	355	357.3	365	368	366.5	368	373	371.5	377	398	388.3	401	414	417	423
35	Towers & Fixtures	354	264.5	263	268	268.8	276	281	281.3	287	300	298.3	306	306	309	318	319	320	324	328	327.8	331	338	335.3	341	344	345.3	355	361	359.3	366	372	381	382
36	Poles & Fixtures	355	318	325	340	334.5	333	341	342.3	354	362	363.3	375	374	375.8	380	395	392.3	399	407	406.3	412	414	409.8	401	406	401.8	399	408	404.5	412	427	432	436
37	Overhead Conductors & Devices	356	366	335	339	344.3	364	349	355.3	359	362	370	397	403	403.5	411	408	410.3	414	409	415	428	430	427.5	424	382	403.5	384	436	410.5	438	448	451	442
38	Underground Conduit	357	264.8	264	269	268.5	272	276	276	280	286	285.5	290	290	292.5	300	298	299	300	307	305.8	309	316	315.5	328	325	326.8	326	336	331.5	338	350	354	367
39	Underground Conductors & Devices	358	403	410	412	412	414	416	416	418	419	419.8	423	432	430.5	435	437	437	439	442	441.5	443	445	444.3	446	459	449.8	448	452	453	464	447	451	460
40																																		
41	**Distribution Plant**																																	
42	Total Distribution Plant		279.5	277	283	282.8	288	287	288.5	292	298	298.3	305	309	309.3	314	313	313	312	318	317.5	322	325	323.8	326	325	325.8	326	335	331.5	339	346	352	359
43	Station Equipment	362	321.8	310	326	322	326	326	325.3	323	337	336.3	348	358	354.5	354	351	352.5	354	355	358.8	371	374	372.5	374	377	375.8	378	380	379.8	383	387	388	383
44	Poles, Towers & Fixtures	364	286.3	292	304	301.3	305	308	310.3	320	332	330.3	337	342	344	355	351	353.8	358	365	363.5	366	369	367.3	368	374	370.8	373	381	377.8	384	395	399	411
45	Overhead Conductors & Devices	365	312.8	299	301	305	319	312	316.3	322	326	330.3	347	355	354.5	361	361	362.5	367	368	370.3	378	381	379	379	365	373	369	400	385.5	404	416	422	427
46	Underground Conduit	366	262	261	265	264.3	266	271	271.3	277	284	284	291	290	292.3	298	297	298	300	308	306.3	309	316	312.8	317	326	323	332	338	336	342	352	356	374
47	Underground Conductors & Devices	367	271.5	272	274	274.5	278	277	277.5	278	280	280.8	285	295	293	297	301	299.8	300	303	302.5	304	308	306.5	310	316	312.5	314	322	320	330	319	324	329
48	Line Transformers	368	227.5	228	233	232	234	232	233.3	235	239	237.8	238	231	234.3	237	233	230	217	222	221	223	224	225	230	225	227.8	226	227	227.3	230	237	241	247
49	Pad Mounted Transformers	368	291	290	291	291	292	300	298.3	301	302	299.5	293	304	301.8	306	317	314.5	318	320	319.8	321	323	322	323	325	324.3	326	328	327	328	350	351	362
50	Services-Overhead	369	266.5	264	264	266.3	273	270	272.5	277	282	283.5	293	298	298.5	305	303	302.3	298	308	306.3	311	313	311.8	312	315	314.3	318	326	323	330	338	344	349
51	Services-Underground	369	217.8	222	213	216	216	214	215.8	219	226	225.3	230	233	232.5	234	233	232.8	231	239	236.3	236	232	233.3	229	230	231	236	245	241	247	246	249	260
52	Meters Installed	370	202.8	204	199	202.3	207	207	205	199	193	194.8	194	189	192	196	196	196.3	197	215	210.5	215	216	216.5	220	207	212.5	203	204	206.5	216	235	256	270
53	Street Lighting-Overhead	373	301.8	309	311	312.8	320	324	325.5	334	343	341.8	347	358	357.5	367	377	376.8	386	386	386.5	388	388	388.8	391	394	393.3	397	402	400.8	407	416	423	442
54	Mast Arms & Luminaires Installed	373	317.8	328	330	330.5	334	338	339.5	348	362	360	368	372	373.3	381	400	397.8	410	407	408	408	404	406	404	406	405	406	412	410.3	417	421	427	433
55	Street Lighting-Underground	373	301.5	308	310	312.3	321	325	326	333	341	340	345	356	355.8	366	374	374	382	384	384	386	387	387.5	391	394	393.5	398	404	402.3	409	419	426	450
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COST TRENDS OF ELECTRIC UTILITY CONSTRU
NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS																	
			2003		2004		2005		2006		2007		2007		2008		2009		2010	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
31																				
32	**Transmission Plant**																			
33	Total Transmission Plant		418	417	427	454	471	485	512	528	275		553	568.3	603	631	640	591	617	
34	Station Equipment	353	428	424	427	466	483	495	517	533	267		567	583.4	604	627	640	641	658	
35	Towers & Fixtures	354	389	390	417	424	436	439	454	457	261		468	494.5	513	515	523	500	506	
36	Poles & Fixtures	355	442	444	453	457	476	493	502	515	267		526	528.6	561	570	583	587	596	
37	Overhead Conductors & Devices	356	447	448	455	487	511	542	605	643	344		678	694.6	753	828	831	580	669	
38	Underground Conduit	357	377	376	388	404	436	436	454	458	252		477	472.4	494	527	536	519	520	
39	Underground Conductors & Devices	358	467	469	473	523	529	547	590	594	284		605	609.9	790	828	829	840	836	
40																				
41	**Distribution Plant**																			
42	Total Distribution Plant		367	369	373	391	408	417	446	466	255		499	507	563	562	581	567	583	
43	Station Equipment	362	387	386	391	441	457	464	492	503	275		537	554.5	573	595	606	608	629	
44	Poles, Towers & Fixtures	364	419	423	425	434	453	457	470	480	257		496	496.7	511	525	537	538	547	
45	Overhead Conductors & Devices	365	439	442	449	468	489	512	555	579	293		609	623.6	670	715	725	612	666	
46	Underground Conduit	366	383	380	393	395	420	422	449	451	249		471	468	487	495	509	507	501	
47	Underground Conductors & Devices	367	333	335	337	354	382	393	423	428	239		507	514	554	586	646.5	639	593.3	
48	Line Transformers	368	248	253	244	264	275	283	320	361	216		408	415.6	602	506	532	555	581	
49	Pad Mounted Transformers	368	359	359	387	457	492	541	562	653	262		689	820.2	642	759	728	665	668	
50	Services-Overhead	369	362	362	371	378	395	402	428	428	250		451	451.5	475	485	491	457	477	
51	Services-Underground	369	264	264	268	269	279	292	335	372	208		356	351.7	349	350	325	327	328	
52	Meters Installed	370	282	282	319	319	306	306	310	316	198		319	325.8	330	332	334	334	346	
53	Street Lighting-Overhead	373	467	471	474	480	499	508	526	594	274		617	626.7	641	672	738	751	771	
54	Mast Arms & Luminaires Installed	373	438	444	447	453	482	496	524	555	281		574	584.9	576	587	709	705	714	
55	Street Lighting-Underground	373	481	484	488	492	510	517	535	615	276		640	650.7	671	708	766	784	809	
56																				

O&M Expense Worksheet

Line		City of _____ 12 Mos. Ended	KPP Project _____ 12 Mos. Ended	12 Mos. Ended	12 Mos. Ended	12 Mos. Ended	12 Mos. Ended	KPP Total
1	Operation and Maintenance Expenses							
2	Transmission O&M							
3	Total Transmission Expenses							
4	Less Transmission by Others							
5	Net Transmission Expenses	-	-	-	-	-	-	-

Exhibit ____ PDR-3
Page 11 of 11
O&M Worksheet

Exhibit ____ PDR-4

NOVEMBER 21, 2011

REVISED
69 kV SYSTEM
WINFIELD, KANSAS
OPINION OF PROBABLE REPLACEMENT COST

LINE SEGMENT	LINE MILES	STRUCTURE TYPE	WIRE SIZE	OPINION OF PROBABLE REPLACEMENT COST
WESTAR INTERCONNECTION - TIE SUB	2.88	69 KV HORIZ. POST	477 ACSR	$498,842.93
WESTAR INTERCONNECTION - TIE SUB	3.88	69 KV HORIZ. POST	477 ACSR	$672,052.28
WESTAR INTERCONNECTION - STROTHERS SUB	6.69	69 KV HORIZ. POST	477 ACSR	$1,158,770.55
STROTHERS SUB - TIE SUB	2.28	69 KV HORIZ. POST	477 ACSR	$394,917.32
TIE SUB - WEST SUB	3.32	69 KV HORIZ. POST	477 ACSR	$575,055.04
TIE SUB - EAST SUB	5.67	69 KV HORIZ. POST	477 ACSR	$982,097.01
WEST SUB - VIKING SUB	3.39	69 KV HORIZ. POST	477 ACSR	$587,179.70
EAST SUB - VIKING SUB	2.13	69 KV HORIZ. POST	477 ACSR	$368,935.92
TOTAL OPINION OF PROBABLE REPLACEMENT COST				$5,237,850.74

DATA USED IN COST PER MILE CALCULATIONS

REPLACEMENT COST CALCULATION	UNIT	COST	UNITS PER MILE	COST PER MILE
WOOD POLE, 65/1, LABOR AND MATERIAL	EA	$3,202.83	21	$67,259.43
69 kV HORIZONTAL POST ASSEMBLY	EA	$1,343.93	21	$28,222.53
CONDUCTOR, 477 ACSR	FT	$2.04	15840	$32,313.60
STATIC WIRE, 3/8" HSS	FT	$1.38	5280	$7,286.40
69 kV VERTICAL DEADEND ASSEMBLY	EA	$3,113.11	2	$6,226.22
GUYING ASSEMBLY	EA	$326.80	8	$2,614.40
ANCHOR ASSEMBLY	EA	$923.23	4	$3,692.92
GROUNDING ASSEMBLY	EA	$229.59	21	$4,821.39
ENGINEERING, DESIGN, SURVEY, STAKING	EA	$20,772.46	1	$20,772.46
OPINION OF PROBABLE REPLACEMENT COST PER MILE				$173,209.35

F:\010-0349\Winfield 69KV Estimate\REVISED KPP - WINFIELD 69 KV ESTIMATE.xlsx

ATTACHMENT AI
TRANSMISSION DEFINITION

Effective Date: 7/26/2010 - Docket #: ER10-1960

I. Introduction

This Attachment sets forth the definition of Transmission Facilities to be implemented in accordance with the schedule in Section IV of this Attachment. Transmission Facilities shall be the facilities which meet the criteria specified in this Attachment and which are used by the Transmission Provider to provide transmission service under Part II, Part III and Part V of the Tariff.

Effective Date: 7/26/2010 - Docket #: ER10-1960

II. Criteria for Inclusion of Facilities

Transmission Facilities shall include all facilities that meet the following criteria:

1. All existing non-radial power lines, substations, and associated facilities, operated at 60 kV or above, plus all radial lines and associated facilities operated at or above 60 kV that serve two or more eligible customers not Affiliates of each other. Rate treatment for transmission upgrades completed after October 1, 2005 will be determined pursuant to Section 1.3 (h) of this Tariff. For the purpose of the application of this criterion, "open loops" are radial lines. Additionally, at such time an existing radial is incorporated into a looped transmission circuit, that existing radial would be eligible for inclusion in rates on the same basis as the remainder of the facilities in the loop.

2. All facilities that are utilized for interconnecting the various internal zones to each other as well as those facilities that interconnect SPP with other surrounding entities.

3. Control equipment and facilities necessary to control and protect facilities qualifying as Transmission Facilities.

4. For substations connected to power lines qualifying as Transmission facilities, where power is transformed from a voltage higher than 60 kV to a voltage lower than 60 kV, facilities on the high voltage side of the transformer will be included with the exception of transformer isolation equipment.

5. The portion of the direct-current interconnections with areas outside of the SPP Region (DC ties) that are owned by a Transmission Owner in the SPP Region, including those portions of the DC tie that operate at a voltage lower than 60 kV.

6. All facilities operated below 60 kV that have been determined to be transmission pursuant to the seven (7) factor test set forth in FERC Order No. 888, 61 Fed Reg. 21,540, 21,620 (1996), or any applicable successor test.

III. Excluded Facilities

The following facilities shall not constitute Transmission Facilities:

1. Generator step-up transformers and generator leads;
2. Radial lines from a generating station to a single substation or switching station on the Transmission System; and
3. Direct Assignment Facilities.

IV. Implementation Schedule

Within three (3) years from the date of acceptance by FERC of this Attachment AI to the Tariff, each Transmission Owner shall file a request(s) based on this Attachment with its appropriate regulatory authority or authorities for a determination as to which of its facilities are Transmission Facilities. Each Transmission Owner that is not subject to regulation by a regulatory authority shall apply to SPP for such a determination.

Each Transmission Owner shall use reasonable efforts to cause the aforementioned determinations to be made and the applicable transmission service rates to be adjusted accordingly as soon as possible after such determinations are finalized.

Effective Date: 7/26/2010 - Docket #: ER10-1960

Kansas Power Pool Annual Transmission Revenue Requirements Formula

			Source
1	Gross Plant in Service		KPP Transmission Investment Worksheet
2	Accumulated Depreciation		KPP Transmission Investment Worksheet
3	Net Plant in Service	$ -	KPP Transmission Investment Worksheet

	ATRR Component	Amount		Value
5a	Actual O&M Expenses	$ -	O&M Expense Worksheet Line 5	
5b	Proxy Operation and Maintenance Expenses*	-	Westar Transmission O&M as % of Gross Plant in Service	0.00%
6	A&G Expenses	-	Westar Transmission-Related A&G as % of Gross Plant in Service	0.00%
7	Depreciation	-	Westar Transmission Depreciation Exp. as % of Gross Plant in Service	0.00%
8	Property Taxes (in-lieu)	-	Westar Transmission-Related Property Taxes as % of Gross Plant in Service	0.00%
9	Return	-	Westar Weighted Cost of Capital Applied to Net Plant in Service	0.00%
10	Annual Transmission Revenue Requirement	$ -		

*Used only for first Rate Year for existing facilities being added to the ATRR where actual O&M cost data is not available

Part I - Original Cost and Net Depreciated Cost of Facilities per Books

Line		Installation Date Mo./Yr.	Original Installed Cost	Westar Proxy Depreciation Rate %	Service Years	Accumulated Depreciation at 12/31/[test year]	Net Plant in Service at 12/31/[test year]	Annual Depreciation
	Line Section Description							
1a			$ -	0.00%		$ -	$ -	$ -
1b			-	0.00%		-	-	-
1c			-	0.00%		-	-	-
1	Total Line Sections		$ -			$ -	$ -	$ -
	Substation Description							
2a			$ -	0.00%		$ -	$ -	$ -
2b			-	0.00%		-	-	-
2c			-	0.00%		-	-	-
2	Total Substations		$ -			$ -	$ -	$ -

Part II - Original Cost and Net Depreciated Cost of Facilities Where Accounting Data is not Available
Facility Reproduction Cost New Indexed to Original Cost

	Line Section	length miles	Poles	Installation Year	Reproduction Cost New ($___ [year])	HWI - Transmission Plant	Original Installed Cost	Westar Proxy Depreciation Rate %	Service Years (assume plant added at mid-year)	Accumulated Depreciation at 12/31/[test year]	Net Plant in Service at 12/31/[test year]	Annual Depreciation
3a							$ -			$ -	$ -	$ -
3b							$ -			-	-	-
3c							$ -			-	-	-
							$ -			-	-	-
							$ -			-	-	-
							$ -			-	-	-
							$ -			-	-	-
							$ -			-	-	-
						-	$ -			-	-	-
3	Total lines	0.00			$ -		$ -			$ -	$ -	$ -
	Substation											
4a							$ -			$ -	$ -	$ -
4b							$ -			$ -	$ -	$ -
4c							$ -			$ -	$ -	$ -
							$ -			$ -	$ -	$ -
							$ -			$ -	$ -	$ -
							$ -			$ -	$ -	$ -
							$ -			$ -	$ -	$ -
							$ -			$ -	$ -	$ -
							$ -			$ -	$ -	$ -
							$ -			-	-	-
							$ -			-	-	-
							$ -			-	-	-
4	Total Substations				$ -		$ -			$ -	$ -	$ -
5	Total Transmission Plant in Service (including Parts I and II)				$ -		$ -			$ -	$ -	$ -

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31,

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

A	(1)	(2)	(3)	(4)	(5)	(6)		(7)
Line No.	RATE BASE:	Form No. 1 Page, Line, Col.	Westar Energy, Inc (WEN)	Kansas Gas and Electric Company (WES)	Company Total	Allocator		Transmission (Col 5 times Col 6)
	PLANT IN SERVICE				0			
1	Production	205.46.g			$ -			$ -
2	Transmission	207.58.g			-	TP	0.00000	-
3	Distribution	207.75.g			-			-
4	General	207.99.g			-	W/S	0.00000	-
4a	Intangible	205.5g			-	W/S	0.00000	-
5	Common	356.1	-	-	-	W/S	0.00000	-
6	TOTAL GROSS PLANT	(sum lines 1-5)	$ -	$ -	$ -			$ -
	ACCUMULATED DEPRECIATION	(Note Q)						
7	Production	219.20-24.c			$ -			$ -
8	Transmission	219.25c			-	TP	0.00000	-
9	Distribution	219.26c			-			-
10	General	219.28.c			-	W/S	0.00000	-
10a	Intangible	Workpaper			-	W/S	0.00000	-
11	Common	356.1	-	-	-	W/S	0.00000	-
12	TOTAL ACCUM. DEPRECIATION	(sum lines 7-11)	$ -	$ -	$ -			$ -
	NET PLANT IN SERVICE							
13	Production	(line 1 less line 7)	$ -	$ -	$ -			$ -
14	Transmission	(line 2 less line 8)	-	-	-			-
15	Distribution	(line 3 less line 9)	-	-	-			-
16	General	(line 4 less line 10)	-	-	-			-
16a	Intangible	(line 4a less line 10a)	-	-	-			-
17	Common	(line 5 less line 11)	-	-	-			-
18	TOTAL NET PLANT	(sum lines 13-17)	$ -	$ -	$ -			$ -
	ADJUSTMENTS TO RATE BASE							
19	Accumulated Deferred Income Taxes	(Wkshts. A-5 & A-7, p. 1, Subtotal, Total ADIT)			$ -	DA	1.00000	$ -
19a	Unamortized Extraordinary Property Loss	Account 182.1 (Note S)			-	TE	0.00000	-
19b	Transmission Storm Damage Reserve	Account 228.1 (Note S)			-	TE	0.00000	-
20	TOTAL ADJUSTMENTS	(line 19 + line 19a - line 19b)	$ -	$ -	$ -			$ -
21	LAND HELD FOR FUTURE USE	214.x.d (Note B)	$ -	$ -	$ -	TP	0.00000	$ -
	WORKING CAPITAL							
22	CWC	calculated (Note C)						$ -
23	Materials & Supplies	227.8.c (Note B)			-	TP	0.00000	-
23a	Stores Expense	227.16.c (Note B)			-	W/S	0.00000	-
24	Prepayments (Account 165)	111.57.c (Note C)	-	-	-	GP	0.00000	-
25	TOTAL WORKING CAPITAL	(sum lines 23 - 24)	$ -	$ -	$ -			$ -
26	Rate Base	(sum lines 18, 20, 21, & 25)						$ -

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31,

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Westar Energy, Inc (WEN)	(4) Kansas Gas and Electric Company (WES)	(5) Company Total	(6) Allocator		(7) Transmission (Col 5 times Col 6)		
	O&M									
1	Transmission (Note D)	(Worksheet A-4 & Worksheet A-6)			$ -		1.00000	$ -		
2	Less Account 561	321.84.b thru 321.92.b			-		1.00000	-		
2a	Less Account 565 (Note E)	321.96.b			-		1.00000	-	0	0.00% O&M Factor
3	A&G	323.197.b			-	W/S	0.00000	-		
3a	Less: Actual PBOP	(Note R)			-	W/S	0.00000	-		
4	Plus: PBOP adder	(Note R)			-	W/S	0.00000	-		
5	Less FERC Annual Fees	Included as part of line 6b			-	W/S	0.00000	-		
6	Less EPRI	335 (Note F)	-	-	-	W/S	0.00000	-		
6a	Less Total Advertising Costs	323.191(b) (Note F)			-	W/S	0.00000	-		
6b	Less Total Regulatory Commission Expenses	323.189(b) (Note F)			-	W/S	0.00000	-		
7	Plus Transmission Related Reg. Comm. Exp.	351.h (Note F)			-	TE	0.00000	-		
8	Plus Safety Advertising	(Note F)	-	-	-	W/S	0.00000	-		
9	Common	356.1	-	-	-	CE	0.00000	-		
10	Transmission Lease Payments				-		1.00000	-		
11	TOTAL O&M	(sum lines 1, 3, 4, 7-10 less lines 2, 2a, 3a, 5- 6b)	$ -	$ -	$ -			$ -	0	0.00% A&G Factor
	DEPRECIATION EXPENSE									
12	Transmission	336.7.f or Worksheet A-8			$ -	TP	0.00000	$ -	-	0.00% Depr Exp Factor
13	General	336.10.f			-	W/S	0.00000	-		
13a	Intangible	336.1f			-	W/S	0.00000	-		
14	Common	336.11.b	-	-	-	CE	0.00000	-		
14a	Amortization of Property Loss	Acct. 407 Unrecovered Plant and Regulatory Study Costs (Note S)	-	-	-	TE	0.00000	-		
15	TOTAL DEPRECIATION	(Sum lines 12-14a)	$ -	$ -	$ -			$ -		
	TAXES OTHER THAN INCOME TAXES (Note G)									
	LABOR RELATED									
16	Payroll	263.i			$ -	W/S	0.00000	$ -	-	
17	Highway and vehicle	263.i	-	-	-	W/S	0.00000	-		
	PLANT RELATED									
18	Property (Note P)	263.i			-	GP	0.00000	-	-	0.00% Property Tax Facto
19	Gross Receipts	263.i	-	-	-	NA	0.00000	-		
20	Other	263.i			-	GP	0.00000	-		
21	Payments in lieu of taxes				-	GP	0.00000	-		
22	TOTAL OTHER TAXES	(sum lines 16 - 22)	$ -	$ -	$ -			$ -		
	INCOME TAXES	(Note H)								
23	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =				0.00%					
24	CIT=(T/1-T) * (1-(WCLTD/R)) =				0.00%					
	where WCLTD=(page 5, line 21) and R= (page 5, line 24) and FIT, SIT & p are as given in Note H.									
25	1 / (1 - T) = (from line 23)				-					
26	Amortized Investment Tax Credit (266.8f) (enter negative)				$ -					
27	Income Tax Calculation = line 24 * line 30					NA		$ -		
28	ITC adjustment	(line 25 * line 26)			$ -	NP	0.00000	-		
29	Total Income Taxes	(line 27 plus line 28)						$ -		
30	**RETURN** [Rate Base (page 2, line 16) * Rate of Return (page 4, line 24) plus Incentive Return (page 4, line 28)]					NA		$ -	$0.00	
31	Interest on Network Credits				$ -	DA	1.00000	$ -		
32	**GROSS REV. REQUIREMENT**	(sum lines 11,15, 22, 29, 30 & 31)			$ -			$ -		

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31,

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	SUPPORTING CALCULATIONS (3) Westar Energy, Inc (WEN)	(4) Kansas Gas and Electric Company (WES)	(5) Company Total	(6) Allocator		(7) Transmission (Col 5 times Col 6)
	TRANSMISSION PLANT INCLUDED IN FORMULA							
1	Total transmission plant	(page 3, Line 13, col. 5)	$ -	$ -	$ -			$ -
2	Less transmission plant excluded from ISO rates	(Note I)	-	-	-			-
3	Less transmission plant included in OATT Anc. Srvc	(Notes J&K)	-	-	-			-
4	Transmission plant included in rates	(line 1 less lines 2 & 3)	$ -	$ -	$ -			$ -
5	Percentage of transmission plant included in rates	(line 4 divided by line 1)					TP=	0.00000
	TRANSMISSION EXPENSES							
6	Transmission expenses	(Page 2, line 1, col. 7)						$ -
7	Less transmission other expenses included in Anc. Srvc	(Note L) (Page 2, line 2, col 7)						-
8	Included transmission expenses (line 6 less line 7)							$ -
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)							0.00000
10	Percentage of transmission plant included in ISO Rates (line 5)						TP=	0.00000
11	Percentage of transmission expenses included in rates (line 9 times line 10)						TE=	0.00000
	GROSS AND NET PLANT ALLOCATORS							
	GROSS PLANT IN SERVICE (ACTUAL HISTORICAL COST)							
12	Production	(page 1, line 1)	$ -	$ -	$ -	NA		
13	Transmission	(page 1, line 2)	-	-	-	TP	0.00000	$ -
14	Distribution	(page 1, line 3)	-	-	-	NA		
15	General & Intangible	(page 1, line 4)	-	-	-	W/S	0.00000	$ -
16	Common	(page 1, line 5)	-	-	-	CE	0.00000	-
17	TOTAL GROSS PLANT	(sum lines 12-16)	$ -	$ -	$ -	GP =	0.000%	$ -
	ACCUMULATED DEPRECIATION (ACTUAL HISTORICAL COST) (Note Q)							
18	Production	(page 1, line 7)	$ -	$ -	$ -	NA		
19	Transmission	(page 1, line 8)	-	-	-	TP	0.00000	$ -
20	Distribution	(page 1, line 9)	-	-	-	NA		
21	General & Intangible	(page 1, line 10)	-	-	-	W/S	0.00000	$ -
22	Common	(page 1, line 11)	-	-	-	CE	0.00000	-
23	TOTAL ACCUM. DEPRECIATION	(sum lines 12-16)	$ -	$ -	$ -			$ -
	NET PLANT IN SERVICE (ACTUAL HISTORICAL COST)							
24	Production	(line 12 less line 18)	$ -	$ -	$ -			
25	Transmission	(line 13 less line 19)	-	-	-			$ -
26	Distribution	(line 14 less line 20)	-	-	-			
27	General & Intangible	(line 15 less line 21)	-	-	-			$ -
28	Common	(line 16 less line 22)	-	-	-			-
29	TOTAL NET PLANT	(sum lines 24-28)	$ -	$ -	$ -	NP =	0.000%	$ -

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31,

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

SUPPORTING CALCULATIONS

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Westar Energy, Inc (WEN)	(4) Kansas Gas and Electric Company (WES)	(5) Company Total		(6) Allocator	(7) Transmission (Col 5 times Col 6)
	WAGES & SALARY ALLOCATOR (W&S)		$	$	$	TP	Allocation	
1	Production	(Worksheet A-10)			$ -	0.00000	0	
2	Transmission	(Worksheet A-10)			-	0.00000	0	
3	Distribution	(Worksheet A-10)			-	0.00000	0	W&S Allocator
4	Other	(Worksheet A-10)			-	0.00000	0	($ / Allocation)
5	Total (sum lines 1-4)		$ -	$ -	$ -		0 =	0.00000 = WS
	COMMON PLANT ALLOCATOR (CE) (Note M)				$		% Electric	W&S Allocator
6	Electric	200.3.c			$ -		(line 17 / line 20)	(line 16) CE
7	Gas	200.3.d	-	-	-		0.00000 *	0.00000 = 0.00000
8	Water	200.3.e	-	-	-			
9	Total (sum lines 6 - 8)		$ -	$ -	$ -			
	RETURN (R)							$
10	Interest on Long-Term Debt	117.62.c			$ -			
11	Amort. of Debt Disc. and Expense	117.63.c			-			
12	Amortization of Loss on Reacquired Debt	117.64.c			-			
13	Less: Amort. of Premium on Debt-Credit	117.65.c	-	-	-			
14	Less: Amort. of Gain on Reacquired Debt-Credit	117.66.c	-	-	-			
15	Long Term Interest (sum of lines 10 - 12 less 13 and 14)		$ -	$ -	$ -			$ -
16		Preferred Dividends (118.29c) (positive number)		$ -	$ -			$ -
	Development of Common Stock:							
17		Proprietary Capital (112.16.c)(WEN Form 1)			$ -			$ -
18		Less Preferred Stock (line 28)						-
19		Less Account 216.1 (112.12.c) (Note N)						-
20		Common Stock	(sum of lines 17 - 19)					$ -
			WEN	WES	$	%	Cost (Note O)	Weighted
21	Long Term Debt (112, sum of 18.c., 19c and 21.c)				$ -	0.00%	-	0.0000 =WCLTD
22	Preferred Stock (112.3.c)(WEN Only)			-	-	0.00%	-	0.0000
23	Common Stock (line 26)(WEN Only)		-	-	-	0.00%	0.1130	0.0000
24	Total (sum lines 21-23)				$ -	0.00%		0.0000 =R
	Incentive Return							
25	Total Incentive Plant	(Worksheet A-11)						
26	Less: Total Accumulated Depreciation	(Worksheet A-11)						
27	Net Incentive Plant	(line 25 less line 26)			$ -			
28	Incentive Return	(Worksheet A-11)						

0.00% Return Factor

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31,

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

NOTES

General Note: References to pages in this formula rate are indicated as: (page#, line#, col.#).
References to data from FERC Form 1 are indicated as: page#.line#.col

Letter	
A	Reserved for future use.
B	Identified in Form 1 as being only transmission related.
C	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 2, line 11, col. 7. Prepayments are the electric related prepayments booked to Account No. 165 and reported on FERC Form 1, p. 111, ln. 57.c.
D	Transmission O&M expense does not include any SPP charges for Schedule 1-A of the SPP OATT.
E	Transmission By Others, Account 565 includes only costs associated with transmission facilities which are assigned to the Westar pricing zone by SPP.
F	Industry Association Dues are capped at $1,000,000. Line 6 - EPRI Annual Membership Dues listed in Form 1 at p. 335, Line 6a Remove all Advertising expenses in Account 930.1. Line 6b Remove all Regulatory Commission Expenses itemized at 351.h. Line 6c - Add in wholesale Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h. Line 6d Add in Safety related advertising that are in Account 930.1.
G	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
H	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 28). When FIT or SIT statutory tax rate changes take effect on other than a calendar year basis, the statutory rates to be used in the formula rate template shall be weighted averages for the calendar year determined by weighting the statutory tax rates by the number days each such tax rate was in effect during the calendar year for which the costs are being determined. Inputs Required: FIT = [redacted] SIT = [redacted] (State Income Tax Rate or Composite SIT) p = [redacted] (percent of federal income tax deductible for state purposes)
I	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until FERC Form 1
J	Unless otherwise specified, OATT refers to the Westar and SPP OATTs.
K	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
L	Removes dollar amount of transmission expenses included in the OATT ancillary services rates. Costs related to Ancillary 1, Scheduling and Control, Acct 561 is shown on Actual Gross Rev, page 2, line 2.
M	Enter dollar amounts
N	For Account 218.1, enter zero if the actual balance is negative
O	Debt cost rate = long-term interest (line 15) / long term debt (line 21). Preferred cost rate = preferred dividends (line 16) / preferred stock (line 22). The approved ROE is 11.3%, no change in ROE may be made absent a filing with FERC. Any incentive ROEs approved by the Commission are shown by project in Worksheet A-11.
P	If the transmission related component of property tax is specifically identified in Form 1, then a TP allocator shall be used. Property tax shall be allocated to transmission by the GP allocator if transmission related property tax is not specifically identified in the Form 1.
Q	The initial depreciation rates below will be used to calculate depreciation expense and accumulated depreciation balances absent an appropriate filing with FERC.

		Depreciation Rate		
		Non-incentive Plant	Wichita-to-Reno-to-Summit	Future Incentive Project
	FERC Account Number			
60.00	350 Land and Land Rights			
	351 (reserved)			
	352 Structures and Improvements	2.68	6.67	-
	353 Station Equipment	1.54	6.67	-
	354 Towers and Fixtures	3.51	6.67	-
	355 Poles and Fixtures	3.19	6.67	-
	356 Overhead Conductors and Devices	2.05	6.67	-
	357 Underground Conduit	1.50	6.67	-
	358 Underground Conductors and Devices	2.10	6.67	-
	359 Roads and Trails	1.58	6.67	-

The incentive depreciation rates will be applied to assets recorded in the Wichita-to-Reno-to-Summit location code in WES's transmission depreciation groups.

R	The initial Post-Employment Benefits Other than Pensions (PBOP) expense set forth below will be used in lieu of the actual PBOP expense incurred in the year absent an appropriate filing with FERC.	WEN	WES	TOTAL
	Post-Employment Benefits Other than Pensions			$ -

S Page 1 line 19a is the unamortized balance related to the recovery of transmission expense for the December 2007 ice storm booked in Account 182.3. Accrued transmission expenses for the December 2007 ice storm shall be amortized in the transmission O&M accounts over 36 months beginning June 1, 2008. The total amount to be amortized in the transmission O&M accounts shall be $6,647,679, developed as follows:

	WEN	WES	Total
Total transmission expenses accrued for the December 2007 ice storm		$ -	$ -
Less total transmission storm damage reserve as of December 2007			-
Total transmission expense to be amortized	$ -	$ -	$ -

* All future accruals of transmission storm damage reserves will be subtracted from rate base until they are applied to offset the December 2007 ice storm damage expenses.

E-3

COST TRENDS OF ELECTRIC UTILITY CONSTRUCTION
NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988 Jan. 1	1988 Jul. 1	1988	1989 Jan. 1	1989 Jul. 1	1989	1990 Jan. 1	1990 Jul. 1	1990	1991 Jan. 1	1991 Jul. 1
			COST INDEX NUMBERS																													COST INDEX NUMBERS		
31																																		
32	**Transmission Plant**																																	
33	Total Transmission Plant		69	72	78	85	91	94	100	122	143	150	160	166	180	198	216	231	237	239	243	246	249	254	280	274.8	285	289	288.5	291	304	300	301	311
34	Station Equipment	353	79	82	86	90	92	94	100	125	148	152	164	175	189	205	222	236	237	241	245	247	255	261	266	267.3	276	282	281.8	287	302	298.8	304	300
35	Towers & Fixtures	354	66	69	76	81	87	93	100	122	140	140	145	159	176	196	204	208	214	227	236	243	251	254	263	261	264	269	268	270	272	270.8	269	263
36	Poles & Fixtures	355	63	65	71	78	83	87	100	126	143	143	149	158	174	190	210	223	228	234	237	243	247	250	268	266.5	280	287	286.3	291	295	298	311	318
37	Overhead Conductors & Devices	356	71	72	81	91	100	99	100	118	146	167	180	172	184	207	232	259	279	268	267	270	259	289	363	343.8	360	354	353.5	346	369	355.8	339	395
38	Underground Conduit	357	64	68	73	80	91	97	100	111	122	131	141	153	166	178	194	210	217	223	227	231	238	243	252	251.8	260	265	263.3	263	266	265	265	265
39	Underground Conductors & Devices	358	74	72	79	84	83	92	100	135	136	138	151	151	180	216	237	250	253	249	242	267	271	268	293	284.3	283	306	307	333	360	359.8	386	408
40																																		
41	**Distribution Plant**																																	
42	Total Distribution Plant		68	71	78	85	91	95	100	119	138	144	154	162	178	191	211	224	229	232	235	238	240	244	255	254.8	265	267	267.5	271	277	275.5	277	282
43	Station Equipment	362	78	81	87	91	92	94	100	122	141	145	160	171	181	195	213	234	236	235	239	242	250	256	276	274.5	290	301	299	304	325	320.3	327	325
44	Poles, Towers & Fixtures	364	61	64	70	78	84	89	100	124	142	142	150	161	181	197	216	228	232	236	240	245	248	249	258	256.5	261	265	265.3	270	275	275.3	281	286
45	Overhead Conductors & Devices	365	65	69	79	89	98	99	100	116	143	161	174	170	182	201	220	231	244	246	247	249	248	263	301	292.5	305	304	303.5	301	311	305.8	300	326
46	Underground Conduit	366	64	67	74	81	88	93	100	111	121	126	136	148	161	172	185	197	210	218	221	225	232	238	246	248.5	264	272	269	268	269	267.8	265	261
47	Underground Conductors & Devices	367	78	76	83	88	88	99	100	125	129	133	142	151	185	209	214	211	213	212	218	229	234	241	233	238.8	248	252	254.5	266	264	265.5	268	273
48	Line Transformers	368	100	103	101	102	102	100	100	109	130	134	145	155	164	164	192	207	210	212	214	215	214	216	212	216.3	225	222	224.5	229	227	227.8	228	227
49	Pad Mounted Transformers	368	97	99	97	97	99	100	100	104	105	107	118	131	138	159	187	186	188	205	207	215	238	252	264	262	268	279	276.3	279	280	281.8	288	293
50	Services-Overhead	369	61	65	75	87	94	97	100	108	119	127	139	150	163	181	195	205	210	224	223	225	231	236	250	249.5	262	265	263.5	262	265	264.5	266	268
51	Services-Underground	369	59	64	72	78	81	88	100	115	108	111	118	126	137	162	181	181	199	203	187	181	194	213	191	207.5	235	221	223.8	218	234	226.8	221	214
52	Meters Installed	370	84	87	91	95	100	101	100	108	124	133	140	144	148	146	163	190	203	204	206	211	211	201	199	197.5	191	185	188	191	186	188.5	191	208
53	Street Lighting-Overhead	373	73	75	82	90	94	98	100	122	148	156	169	185	205	224	245	261	262	273	283	283	271	270	274	274.3	279	284	283.5	287	292	291.8	296	301
54	Mast Arms & Luminaires Installed	373	72	73	78	92	96	98	100	117	138	151	168	183	200	222	250	263	268	286	298	290	280	276	280	281.3	289	297	296	301	306	305.5	309	317
55	Street Lighting-Underground	373	75	71	77	90	96	99	100	120	148	158	171	188	209	226	245	265	265	275	285	287	273	272	276	276	280	284	284	288	293	292.5	296	301
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COST TRENDS OF ELECTRIC UTILITY CONSTRU
NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS																													
			1991	1992			1993			1994			1995			1996		1997			1998		1999			2000			2001		2002	
				Jan.1	Jul.1	1992	Jan.1	Jul.1	1993	Jan.1	Jul.1	1994	Jan.1	Jul.1	1995	Jan.1	Jul.1	1996	Jan.1	Jul.1	1997	Jan.1	Jul.1	1998	Jan.1	Jul.1	1999	Jan.1	Jul.1	2000	Jan.1	Jul.1	2001	Jan.1	Jul.1	2002	Jan.1	Jul.1
31																																					
32	**Transmission Plant**																																				
33	Total Transmission Plant		305.8	300	309	309	318	317	319	324	334	335	348	350	350.8	355	356	356.8	360	362	363.8	371	374	372	372	369	371	371	393	382.8	396	406	410	413
34	Station Equipment	353	300.8	299	310	309.8	320	319	320.8	325	337	336.8	348	350	350.3	353	351	352.3	354	355	357.3	365	368	366.5	368	373	371.5	377	398	388.3	401	414	417	423
35	Towers & Fixtures	354	264.5	263	268	268.8	276	281	281.3	287	300	298.3	306	306	309	318	319	320	324	328	327.8	331	338	335.3	341	344	345.3	355	361	359.3	366	372	381	382
36	Poles & Fixtures	355	318	325	340	334.5	333	341	342.3	354	362	363.3	375	374	375.8	380	395	392.3	399	407	406.3	412	414	409.8	401	406	401.8	399	408	404.5	412	427	432	436
37	Overhead Conductors & Devices	356	366	335	339	344.3	364	349	355.3	359	362	370	397	403	403.5	411	408	410.3	414	409	415	428	430	427.5	424	382	403.5	384	436	410.5	438	448	451	442
38	Underground Conduit	357	264.8	264	269	268.5	272	276	276	280	286	285.5	290	290	292.5	300	298	299	300	307	305.8	309	316	315.5	328	325	326.8	326	336	331.5	338	350	354	367
39	Underground Conductors & Devices	358	403	410	412	412	414	416	416	418	419	419.8	423	432	430.5	435	437	437	439	442	441.5	443	445	444.3	446	459	449.8	448	452	453	464	447	451	460
40																																					
41	**Distribution Plant**																																				
42	Total Distribution Plant		279.5	277	283	282.8	288	287	288.5	292	298	298.3	305	309	309.3	314	313	313	312	318	317.5	322	325	323.8	326	325	325.8	326	335	331.5	339	346	352	359
43	Station Equipment	362	321.8	310	326	322	326	326	325.3	323	337	336.3	348	358	354.5	354	351	352.5	354	355	358.8	371	374	372.5	374	377	375.8	378	380	379.8	383	387	388	383
44	Poles, Towers & Fixtures	364	286.3	292	304	301.3	305	308	310.3	320	332	330.3	337	342	344	355	351	353.8	358	365	363.5	366	369	367.3	368	374	370.8	373	381	377.8	384	395	399	411
45	Overhead Conductors & Devices	365	312.8	299	301	305	319	312	316.3	322	326	330.3	347	355	354.5	361	361	362.5	367	368	370.3	378	381	379	379	365	373	369	400	385.5	404	416	422	427
46	Underground Conduit	366	262	261	265	264.3	266	271	271.3	277	284	284	291	290	292.3	298	297	298	300	308	306.3	309	316	312.8	317	326	323	332	338	336	342	352	356	374
47	Underground Conductors & Devices	367	271.5	272	274	274.5	278	277	277.5	278	280	280.8	285	295	293	297	301	299.8	300	303	302.5	304	308	306.5	310	316	312.5	314	322	320	330	319	324	329
48	Line Transformers	368	227.5	228	233	232	234	232	233.3	235	239	237.8	238	231	234.3	237	233	230	217	222	221	223	224	225	230	225	227.8	226	227	227.3	230	237	241	247
49	Pad Mounted Transformers	368	291	290	291	291	292	300	298.3	301	302	299.5	293	304	301.8	306	317	314.5	318	320	319.8	321	323	322	323	325	324.3	326	328	327	328	350	351	362
50	Services-Overhead	369	266.5	264	264	266.3	273	270	272.5	277	282	283.5	293	298	298.5	305	303	302.3	298	308	306.3	311	313	311.8	312	315	314.3	318	326	323	330	338	344	349
51	Services-Underground	369	217.8	222	213	216	216	214	215.8	219	226	225.3	230	233	232.5	234	233	232.8	231	239	236.3	236	232	233.3	229	230	231	236	245	241	247	246	249	260
52	Meters Installed	370	202.8	204	199	202.3	207	207	205	199	193	194.8	194	189	192	196	196	196.3	197	215	210.5	215	216	216.5	220	207	212.5	203	204	206.5	216	235	256	270
53	Street Lighting-Overhead	373	301.8	309	311	312.8	320	324	325.5	334	343	341.8	347	358	357.5	367	377	376.8	386	386	386.5	388	388	388.8	391	394	393.3	397	402	400.8	407	416	423	442
54	Mast Arms & Luminaires Installed	373	317.8	328	330	330.5	334	338	339.5	348	362	360	368	372	373.3	381	400	397.8	410	407	408	408	404	406	404	406	405	406	412	410.3	417	421	427	433
55	Street Lighting-Underground	373	301.5	308	310	312.3	321	325	326	333	341	340	345	356	355.8	366	374	374	382	384	384	386	387	387.5	391	394	393.5	398	404	402.3	409	419	426	450
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COST TRENDS OF ELECTRIC UTILITY CONSTRU
NORTH CENTRAL REGION (1973=100)

Line	CONSTRUCTION AND EQUIPMENT	FERC	COST INDEX NUMBERS																	
			2003		2004		2005		2006		2007		2007		2008		2009		2010	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
31																				
32	**Transmission Plant**																			
33	Total Transmission Plant		418	417	427	454	471	485	512	528	275		553	568.3	603	631	640	591	617	
34	Station Equipment	353	428	424	427	466	483	495	517	533	267		567	583.4	604	627	640	641	658	
35	Towers & Fixtures	354	389	390	417	424	436	439	454	457	261		468	494.5	513	515	523	500	506	
36	Poles & Fixtures	355	442	444	453	457	476	493	502	515	267		526	528.6	561	570	583	587	596	
37	Overhead Conductors & Devices	356	447	448	455	487	511	542	605	643	344		678	694.6	753	828	831	580	669	
38	Underground Conduit	357	377	376	388	404	436	436	454	458	252		477	472.4	494	527	536	519	520	
39	Underground Conductors & Devices	358	467	469	473	523	529	547	590	594	284		605	609.9	790	828	829	840	836	
40																				
41	**Distribution Plant**																			
42	Total Distribution Plant		367	369	373	391	408	417	446	466	255		499	507	563	562	581	567	583	
43	Station Equipment	362	387	386	391	441	457	464	492	503	275		537	554.5	573	595	606	608	629	
44	Poles, Towers & Fixtures	364	419	423	425	434	453	457	470	480	257		496	496.7	511	525	537	538	547	
45	Overhead Conductors & Devices	365	439	442	449	468	489	512	555	579	293		609	623.6	670	715	725	612	666	
46	Underground Conduit	366	383	380	393	395	420	422	449	451	249		471	468	487	495	509	507	501	
47	Underground Conductors & Devices	367	333	335	337	354	382	393	423	428	239		507	514	554	586	646.5	639	593.3	
48	Line Transformers	368	248	253	244	264	275	283	320	361	216		408	415.6	602	506	532	555	581	
49	Pad Mounted Transformers	368	359	359	387	457	492	541	562	653	262		689	820.2	642	759	728	665	668	
50	Services-Overhead	369	362	362	371	378	395	402	428	428	250		451	451.5	475	485	491	457	477	
51	Services-Underground	369	264	264	268	269	279	292	335	372	208		356	351.7	349	350	325	327	328	
52	Meters Installed	370	282	282	319	319	306	306	310	316	198		319	325.8	330	332	334	334	346	
53	Street Lighting-Overhead	373	467	471	474	480	499	508	526	594	274		617	626.7	641	672	738	751	771	
54	Mast Arms & Luminaires Installed	373	438	444	447	453	482	496	524	555	281		574	584.9	576	587	709	705	714	
55	Street Lighting-Underground	373	481	484	488	492	510	517	535	615	276		640	650.7	671	708	766	784	809	
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O&M Expense Worksheet

Line		City of _____ 12 Mos. Ended	KPP Project _____ 12 Mos. Ended	12 Mos. Ended	12 Mos. Ended	12 Mos. Ended	12 Mos. Ended	KPP Total
1	Operation and Maintenance Expenses							
2	Transmission O&M							
3	Total Transmission Expenses							
4	Less Transmission by Others							
5	Net Transmission Expenses	-	-	-	-	-	-	-

Exhibit ____ PDR-6
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O&M Worksheet