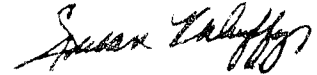


BEFORE THE CORPORATION COMMISSION

OF THE STATE OF KANSAS

STATE CORPORATION COMMISSION

SEP 30 2009



IN THE MATTER OF THE APPLICATIONS ]  
OF WESTAR ENERGY, INC. AND ]  
KANSAS GAS AND ELECTRIC COMPANY ]  
FOR APPROVAL TO MAKE CERTAIN ]  
CHANGES IN THEIR CHARGES FOR ]  
ELECTRIC SERVICE ]

Docket No. 09-WSEE-925-RTS

DIRECT TESTIMONY OF

BRIAN KALCIC

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

September 30, 2009

1 **Q. Please state your name and business address.**

2 A. Brian Kalcic, 225 S. Meramec Avenue, St. Louis, Missouri 63105.

3

4 **Q. What is your occupation?**

5 A. I am an economist and consultant in the field of public utility regulation, and principal of  
6 Excel Consulting. My qualifications are described in the Appendix to this testimony.

7

8 **Q. On whose behalf are you testifying in this case?**

9 A. I am testifying on behalf of the Citizens' Utility Ratepayer Board ("CURB").

10

11 **Q. What is the subject of your testimony?**

12 A. I have been asked by CURB to evaluate the propriety of Westar's proposed class revenue  
13 allocation, and its proposed residential and small general service ("SGS") rate design.

14 Consistent with the policy position previously advocated by CURB, I will also sponsor a  
15 more conservation-oriented residential and SGS rate design to be implemented at the  
16 conclusion of this case.

17 Finally, I will present an alternative residential rate design to illustrate how the  
18 Company's residential rate schedules might be consolidated, in the event that the  
19 Commission orders the Company to combine its Westar North and South rate schedules in  
20 Docket No. 09-WSEE-641-GIE.

21

1 **Q. Have you reflected CURB witness Andrea C. Crane's recommended revenue**  
2 **adjustments for Westar North and South in your revenue allocation and rate design**  
3 **proposals?**

4 A. Yes, I have.

5

6 **Q. Please summarize your primary recommendations.**

7 A. Based upon my analysis of Westar's filing, I recommend that the Kansas Corporation  
8 Commission ("KCC" or "Commission"):

- 9 • reject the Company's proposed residential rate design in Westar North and  
10 Westar South;
- 11 • adopt CURB's recommended residential rate design which would provide a  
12 stronger conservation price signal to Westar's residential customers, and  
13 permit the consolidation of the Company's Conservation Use Service and  
14 Standard Use Service rate schedules in Westar North at the conclusion of  
15 this proceeding;
- 16 • adopt CURB's recommended SGS rate design which would begin a phase-  
17 out of the Company's existing SGS declining block energy charges in this  
18 proceeding.

19

20 The specific details associated with the above recommendations are discussed below.

1 **Class Revenue Allocations**

2 **Q. Mr. Kalcic, how does the Company propose to recover its requested revenue increase**  
3 **of \$19.7 million from Westar North and South customers?**

4 A. I can't say for certain because the Company has not provided a summary of its proposed  
5 revenue allocation in its abbreviated filing. However, according to Mr. Rohlf's direct  
6 testimony at page 8, the Company proposes to apply "larger [than average] percentage  
7 increases to classes with below average return indexes and smaller [than average]  
8 percentage increases to classes that produce above average returns."

9

10 **Q. Have you prepared a recommended class revenue allocation for Westar North and**  
11 **South in this proceeding?**

12 A. Yes. My recommended revenue allocations for Westar North and South are shown in  
13 Schedules BK-1 and BK-4, respectively.

14

15 **Q. How did you arrive at your recommended class revenue allocations shown in**  
16 **Schedules BK-1 and BK-4?**

17 A. In each instance, I used the class revenue allocation that was contained in the approved  
18 Stipulation and Agreement ("S&A") in Docket No. 08-WSEE-1041-RTS to spread  
19 CURB's overall recommended revenue adjustment to rate classes. In other words, my  
20 recommended revenue allocations for Westar North and South are unchanged from what  
21 the parties agreed to in Docket No. 08-WSEE-1041-RTS.<sup>1</sup>

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<sup>1</sup> For Westar North, compare columns (2) and (4) of Schedule BK-1; for Westar South, compare columns (2) and (4) of Schedule BK-4.

1

2 **Q. Mr. Kalcic, why is it appropriate to utilize the class revenue allocations contained in**  
3 **the S&A in this proceeding?**

4 A. This abbreviated proceeding is, in essence, a continuation of Westar's recently litigated  
5 case at Docket No. 08-WSEE-1041-RTS. In that respect, it is more efficient to "recycle"  
6 the class revenue allocations contained in the S&A and apply them to this case, rather than  
7 re-litigate class cost of service and revenue allocation issues in an abbreviated proceeding.

8 In addition, I believe that it is reasonable to conclude that had the incremental  
9 Westar North and South revenue requirements identified in this proceeding been previously  
10 known (i.e., in Docket No. 08-WSEE-1041-RTS), the S&A reached by the parties with  
11 respect to the class revenue allocations in Westar North and South would have been largely  
12 unaffected.

13

14 **Residential Rate Design**

15 **Q. Mr. Kalcic, please provide a brief description of the current residential service rate**  
16 **schedules in Westar North.**

17 A. The Company serves Westar North residential customers via three (3) rate schedules:  
18 Standard Service, Conservation Use Service and Restricted Peak Management Service.<sup>2</sup>  
19 The majority of Westar's customers take Standard Service, which is the default service  
20 offering. The Standard Service rate schedule contains a customer charge, a three-step

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<sup>2</sup> Restricted Peak Management Service is closed to new customers.

1 declining-block winter energy charge, and a two-step inclining-block summer energy  
2 charge.

3 The Conservation Use Service rate schedule is identical to the Standard Service rate  
4 offering, except that customers are billed at the winter usage rate during the summer  
5 months if their average daily consumption is less than 30 kWh. The Restricted Peak  
6 Management Service rate schedule is intended to provide customers with the opportunity to  
7 lower their total monthly bill by managing their peak usage. The rate contains a customer  
8 charge, a flat-rate energy charge and a demand charge, with the latter seasonally  
9 differentiated.

10

11 **Q. Please describe the current residential service rate options in Westar South.**

12 A. The Company also serves Westar South residential customers via three (3) rate schedules,  
13 in this case: Standard Service, Conservation Use Service, and Restricted Conservation Use  
14 Service.<sup>3</sup> As in Westar North, Standard Service is the default service offering. The  
15 Standard Service rate schedule contains a customer charge, a three-step declining-block  
16 winter energy charge, and a two-step inclining-block summer energy charge. The  
17 Conservation Use Service rate schedule is identical to the Standard Service rate offering,  
18 except that customers are billed at the winter usage rate during the summer months if their  
19 average daily consumption is less than 30 kWh. The Restricted Conservation Use Service  
20 rate schedule contains a customer charge and a flat-rate energy charge, which is not  
21 seasonally differentiated.

---

<sup>3</sup> Restricted Conservation Use Service is closed to new customers.

1

2 **Q. Does the Company propose to revise its Westar North and/or Westar South**  
3 **residential rate *structure* in this proceeding?**

4 A. No. In this proceeding, the Company proposes to limit its residential rate design to changes  
5 to the levels of its exiting tariff charges.

6

7 **Q. How did the Company determine its proposed rate design in this proceeding?**

8 A. In general, the Company based its rate design on the principal of rate consolidation. In  
9 other words, given its proposed class increases, Westar adjusted individual rate schedule  
10 components so as to move toward rate parity between Westar North and South.

11

12 **Q. Does CURB agree with the Company's proposed residential rate design in this**  
13 **proceeding?**

14 A. No. As I discuss below, CURB finds that the Company's residential rate design should be  
15 revised to provide stronger price signals to consumers to conserve electricity. Accordingly,  
16 I have prepared a revised residential rate design in Westar North and South for the  
17 Commission's consideration in this abbreviated proceeding.

18

19 **Q. Why does CURB believe that it is appropriate to implement a more conservation-**  
20 **oriented residential rate structure in this proceeding?**

21 A. CURB's Consumer Counsel informs me that the Commission has the authority to adjust  
22 utility rate structures to accomplish desired goals such as conservation. As a matter of

1 public policy, it is CURB's position that the Commission can, and should, encourage  
2 conservation by revising existing rate structures to provide stronger conservation-oriented  
3 price signals. Many Kansas electric utilities (such as Westar) are currently involved with  
4 extensive capital expenditure programs. Greater conservation, if achieved, will help  
5 consumers manage rising electric utility bills in the coming years and delay the need for  
6 additional generation units.

7  
8 **Q. Mr. Kalcic, which specific feature(s) of the Company's existing residential rate**  
9 **structure does CURB oppose?**

10 A. CURB opposes the Company's existing declining block energy charges, which are  
11 applicable during the winter season. As currently configured, the Company's tariff  
12 provides multiple discounts for increased consumption, beginning with the 501<sup>st</sup> kWh  
13 consumed by a customer during the winter. Such discounts encourage rather than  
14 discourage consumption, and thus send the wrong price signal to customers.

15  
16 **Q. Does CURB recommend eliminating all of Westar's declining block winter rates in**  
17 **this proceeding?**

18 A. As a policy matter, yes. For Westar North, the existing winter rate differentials are small  
19 enough to eliminate in this proceeding. However, the existing rate differentials are too  
20 large in Westar South to eliminate in this case. As a result, CURB recommends that the  
21 effective winter rate discount in Westar South be reduced (but not eliminated) in this case.

22



1 **Q. Have you prepared a revised residential rate design and proof of revenue for Westar**  
2 **North?**

3 A. Yes, in Schedule BK-2.  
4

5 **Q. Please describe Schedule BK-2.**

6 A. Schedule BK-2 consists of seven (7) columns. Column 1 contains the pro forma billing  
7 determinants filed by Westar in Docket No. 08-WSEE-1041-RTS. Column 2 contains the  
8 Company's present base rates. Column 3 shows the present revenue that is derived from  
9 multiplying the Company's pro forma billing determinants in column 1 by the present rates  
10 shown in column 2. CURB's revised rates are shown in column 4, and its revised revenue  
11 is provided in column 5. Column 6 shows the percentage increase between present and  
12 revised rates. Finally, column 7 presents CURB's revised residential base rates after  
13 rolling-in the Company's ECRR rate from Docket No. 08-WSEE-1041-RTS.

14 As shown on line 21 of Schedule BK-2, CURB's revised rate design would produce  
15 a total Westar North residential base rate revenue increase of \$3.403 million, which equates  
16 to a base rate increase of 1.74%.<sup>4</sup>

---

<sup>4</sup> The Westar North residential increase of \$3.403 million is equal to the target increase shown in line 1, column 3 of Schedule BK-1.

1 **Q. How do CURB's recommended Westar North residential rates compare to the**  
2 **Company's proposed rates?**

3 A. CURB's recommended residential rate design adopts all of the Company's proposed non-  
4 usage-related charges. However, as shown in column 4, lines 6-8 of Schedule BK-2,  
5 CURB's revised rates would establish a uniform rate block covering all winter usage.

6 Since the winter rates charged to Conservation Use Service customers are the same  
7 as those charged to Standard Service customers, CURB's rate design also produces a  
8 uniform winter rate block for Conservation Use Service customers (per column 4, lines 13-  
9 15 of Schedule BK-2). Furthermore, since the summer rates charged to Conservation Use  
10 Service customers are set at the corresponding winter rates applicable to Standard Service  
11 customers, the declining block rate structure that currently applies to the summer usage of  
12 Conservation Use Service customers would be eliminated under CURB's recommended  
13 rate design.<sup>5</sup>

14  
15 **Q. Does CURB's recommended Westar North residential rate design link the rates**  
16 **charged for all kWh in the winter and the first 900 kWh in the summer?**

17 A. Yes, it does. As shown in column 4, lines 9-10 of Schedule BK-2, the rate charged for the  
18 first 900 kWh of usage in the summer is the same as the uniform winter rate.

19

---

<sup>5</sup> See column 4, lines 16-17 of Schedule BK-2.

1 **Q. Mr. Kalcic, column 4, lines 13-17 of Schedule BK-2 shows that CURB's revised rates**  
2 **for Conservation Use Service are identical to those for Standard Service. Is CURB**  
3 **recommending that the Conservation Use Service rate schedule be consolidated with**  
4 **Standard Service in Westar North?**

5 A. Yes. If the Commission accepts CURB's recommended rate design, Conservation Use  
6 Service would be consolidated with Standard Use Service. In effect, *all* Westar North  
7 customers would receive a uniform, conservation-oriented price signal to hold usage under  
8 900 kWh per month under CURB's revised rate design, and there would be no need for a  
9 separate Conservation Use Service rate schedule.

10

11 **Q. Did you prepare a similar recommended rate design and proof of revenue for**  
12 **residential customers in Westar South?**

13 A. Yes. CURB's recommended residential rate design for Westar South is shown in Schedule  
14 BK-5.

15

16 **Q. Please discuss CURB's recommended Westar South residential rates.**

17 A. CURB's recommended rate design accepts the Company's proposed customer charge.  
18 However, CURB's rate design is intended to reduce the rate discounts applicable to winter  
19 usage in excess of 500 kWh per month. Specifically, as shown in column 4, lines 3-5 of  
20 Schedule BK-5, CURB assigned the following increases to the winter usage charges: a) no  
21 increase to the first (500 kWh) rate block; b) a class average increase of 2.15% to the

1 second (400 kWh) rate block; and c) a residual increase of 15.41% to the third (greater than  
2 900 kWh) rate block.

3 CURB's recommended Westar South rate design would maintain the existing links  
4 between the rates charged for the first 500 kWh in the winter and the first 900 kWh in the  
5 summer. Finally, column 7 presents CURB's revised residential base rates after rolling-in  
6 the Company's ECRR rate from Docket No. 08-WSEE-1041-RTS.

7  
8 **Q. How did you determine the level of the Westar South residential base rate increase of  
9 2.15% shown on line 18 of Schedule BK-5?**

10 A. The Westar South residential increase in Schedule BK-5 is \$4.532 million. This increase  
11 equates to the target increase shown in line 1, column 3 of Schedule BK-4.

12  
13 **Q. Mr. Kalcic, would you please summarize CURB's rate structure recommendations for  
14 Westar North and South residential customers?**

15 A. Yes. If the Commission determines that Westar North and South rates should *not* be  
16 consolidated, CURB recommends that the Commission direct Westar to: a) establish a  
17 uniform winter consumption charge for Westar North customers; b) consolidate Westar  
18 North's Standard Service and Conservation Use Service rate schedules; c) reduce the  
19 existing rate discounts applicable to the winter usage in Westar South; and d) maintain a  
20 uniform consumption charge in Westar South for summer usage up to 900 kWh per month  
21 at the level of the winter rate for usage up to 500 kWh per month.

22

1 **SGS Rate Design**

2 **Q. Mr. Kalcic, please provide a brief description of the current SGS rate schedules in**  
3 **Westar North and South.**

4 A. The Company maintains one (1) SGS rate schedule in each rate area. Each rate schedule  
5 contains a customer charge, a seasonally-differentiated demand charge and a non-seasonally  
6 differentiated, declining block energy charge (with a breakpoint at 1,200 kWh per month of  
7 usage).

8  
9 **Q. Does CURB agree with the Company's existing SGS rate structure?**

10 A. No. CURB opposes the Company's declining block SGS rate design since it does not  
11 encourage conservation.

12  
13 **Q. What type of SGS rate design does CURB recommend for Westar North?**

14 A. CURB's recommended SGS rate design for Westar North is shown in Schedule BK-3.  
15 Similar to the Company, CURB's assigned a class average increase to all of the Company's  
16 existing demand charges (which are lower than the corresponding demand charges in  
17 Westar South). CURB also assigned a class average increase to the usage charges  
18 applicable to the Recreational Lighting and Unmetered Service subclasses. However, as  
19 shown in column 4, lines 7-8 of Schedule BK-3, CURB's recommended rate design would  
20 assign all of the class' residual increase to the second rate block. This rate design approach  
21 would begin to eliminate the Company's SGS declining block rate structure.

22

1 **Q. How did you determine the level of the Westar North SGS base rate increase of 1.68%**  
2 **shown on line 18 of Schedule BK-3?**

3 A. The Westar North SGS increase in Schedule BK-3 is \$1.581 million, which is equal to the  
4 target increase shown in line 2, column 3 of Schedule BK-1.

5  
6 **Q. Have you prepared a recommended SGS rate design for Westar South?**

7 A. Yes. CURB's revised SGS rate design for Westar South is shown in Schedule BK-6.  
8 CURB's revised rate design accepts the Company's proposed non-usage charges, but would  
9 assign all of the required increase to SGS energy charges to the second rate block.

10  
11 **Q. Mr. Kalcic, how did you determine the level of the Westar South SGS base rate**  
12 **increase of 1.87% shown on line 13 of Schedule BK-6?**

13 A. The Westar South SGS increase in Schedule BK-6 is \$1.841 million, which is equal to the  
14 target increase shown in line 2, column 3 of Schedule BK-4.

15  
16 **Consolidated Residential Rate Design**

17 **Q. Mr. Kalcic, have you prepared a rate design that illustrates how residential rates in**  
18 **Westar North and South might be consolidated at the conclusion of this proceeding?**

19 A. Yes, in Schedule BK-7.

20

1 **Q. Please discuss Schedule BK-7.**

2 A. Schedule BK-7 combines the base rate revenue requirements assigned to Standard Use and  
3 Conservation Use Service in Schedules BK-2 and BK-5, and recovers that aggregate  
4 revenue requirement via a single set of rates that would be applicable to Westar North and  
5 South customers.<sup>6</sup> In general, the aggregate amount of revenue recovered in each of the  
6 Company's residential rate blocks (across Westar North and South) in Schedules BK-2 and  
7 BK-5 would be maintained in Schedule BK-7, but for certain small differences arising from  
8 the need to maintain consistency between the rates charges to Conservation Use Service  
9 and Standard Use service customers.

10 As shown in column 4, lines 2-4 of Schedule BK-7, CURB's illustrative rate  
11 design would eliminate only one (1) of the Company's existing winter rate blocks  
12 under this combined scenario. (In other words, all winter usage in excess of 500  
13 kWh per month would be charged the same rate.) In CURB's view, establishing a  
14 uniform winter usage rate on a consolidated basis in this proceeding would likely  
15 impose excessive rate impact on residential heating customers.

16 Finally, as is the case under the Company's current rate structure, all  
17 summer usage up to 900 kWh per month would be charged the same rate as the first  
18 500 kWh of winter usage.

19

---

<sup>6</sup> Note that Peak Management Service in Westar North and Restricted Conservation Service in Westar South would remain as separate rate schedules.

1 **Q. What is the overall base rate increase on residential customers in Westar**  
2 **North and South under the consolidated rate design shown in Schedule BK-7?**

3 A. As shown on line 15 of Schedule BK-7, pages 1 and 2 of 2, Westar North customers would  
4 experience an overall base rate increase of 10.07%, while Westar South customers would  
5 see an overall decrease of 5.09%.

6  
7 **Q. Do the consolidate rate impacts shown on Schedule BK-7 include the effects of**  
8 **consolidating the Company's separate Westar North and South rate riders?**

9 A. They do not. If the Commission orders Westar North and South rates to be  
10 combined, it is CURB's position that all base rates and riders be consolidated at the  
11 same time. In the case of Westar's residential customers, CURB expects that the  
12 consolidation of the Company's riders would act to mitigate the base rate impacts  
13 shown in Schedule BK-7.

14  
15 **Q. In CURB's view, would it be feasible to consolidate the Company's residential rates at**  
16 **the conclusion of this proceeding?**

17 A. As long as both base rates and riders were to be consolidated at the same time, it  
18 would.

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

21 A. Yes.

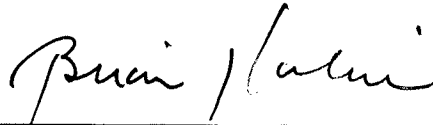


**VERIFICATION**

STATE OF MISSOURI                    )  
  )  
  )        ss:  
COUNTY OF                            )

I, Brian Kalcic, of lawful age, being first duly sworn upon his oath states:

That he is a consultant for the Citizens' Utility Ratepayer Board; that he has read the above and foregoing Testimony, and, upon information and belief, states that the matters therein appearing are true and correct.



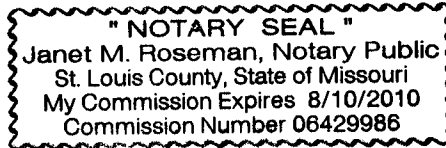
\_\_\_\_\_  
Brian Kalcic

SUBSCRIBED AND SWORN to before me this 28th day of September, 2009.



\_\_\_\_\_  
Notary of Public

My Commission expires:



**APPENDIX A**

**Qualifications of Brian Kalcic**

### Qualifications of Brian Kalcic

Mr. Kalcic graduated from Illinois Benedictine College with a Bachelor of Arts degree in Economics in December 1974. In May 1977 he received a Master of Arts degree in Economics from Washington University, St. Louis. In addition, he has completed all course requirements at Washington University for a Ph.D. in Economics.

From 1977 to 1982, Mr. Kalcic taught courses in economics at both Washington University and Webster University, including Microeconomic and Macroeconomic Theory, Labor Economics and Public Finance.

During 1980 and 1981, Mr. Kalcic was a consultant to the Equal Employment Opportunity Commission, St. Louis District Office. His responsibilities included data collection and organization, statistical analysis and trial testimony.

From 1982 to 1996, Mr. Kalcic was employed by the firm of Cook, Eisdorfer & Associates, Inc. During that time, he participated in the analysis of electric, gas and water utility rate case filings. His primary responsibilities included cost-of-service and economic analysis, model building, and statistical analysis.

In March 1996, Mr. Kalcic founded Excel Consulting, a consulting practice that offers business and regulatory analysis.

Mr. Kalcic has previously testified before the state regulatory commissions of Delaware, Kansas, Kentucky, Maine, Massachusetts, Minnesota, Missouri, New Jersey, New York, Ohio, Oregon, Pennsylvania, and Texas, and also before the Bonneville Power Administration.

**APPENDIX B**

**Supporting Schedules**

**WESTAR ENERGY NORTH**

CURB Proposed Allocation of its  
Recommended Increase in Total Rate Revenue of \$7.910 million  
(12 Months Ended December 31, 2009)

<u>Line</u>	<u>Classification</u>	S&A		CURB	
		Revenue Increase 1/	% of Total	Proposed Increase	% of Total
		(1)	(2)	(3)	(4)
1	Residential	\$27,964,408	43.02%	\$3,403,090	43.02%
2	Small General Service	\$12,991,588	19.99%	\$1,580,995	19.99%
3	RITODS	\$16,437	0.03%	\$1,978	0.03%
4	Medium General Service	\$15,030,627	23.12%	\$1,829,135	23.12%
5	Public Schools	\$1,487,675	2.29%	\$181,063	2.29%
6	High LF/LTM/CS	\$5,990,749	9.22%	\$729,075	9.22%
7	Lighting Service	<u>\$1,518,516</u>	2.34%	<u>\$184,780</u>	2.34%
8	Total Retail	\$65,000,000	100.00%	\$7,910,116	100.00%

Note:

1/ See Appendix B, page 1 of 2 to the approved Stipulation and Agreement  
in Docket No. 08-WSEE-1041-RTS.

**WESTAR ENERGY NORTH**

**CURB Recommended Residential Rate Design and Proof of Revenue Standard / Conservation / Peak Management Service (Stand Alone Basis)**

Line	Description	Company Billing Determinants (1)	Present Rates 1/ (2)	Present Revenue (3) = (1)*(2)	CURB Rates 1/ (4)	CURB Revenue (5) = (1)*(4)	Percentage Change in Rates (6) = (4)/(2)	CURB Rates w/ ECRR Roll-in 2/ (7)
<b>Non-Usage Charges</b>								
1	Customer	3,624,018	\$8.00	\$28,992,144	\$8.00	\$28,992,144	0.00%	\$8.00
2	Customer - PM	146,330	\$10.00	\$1,463,300	\$10.00	\$1,463,300	0.00%	\$10.00
3	PM Demand - W	1,195,445	\$1.63	\$1,948,575	\$1.63	\$1,948,575	0.00%	\$1.63
4	PM Demand - S	496,031	\$5.43	\$2,693,448	\$5.43	\$2,693,448	0.00%	\$5.43
5	Subtotal			\$35,097,467		\$35,097,467		
<b>Usage Charges</b>								
<b>Standard Service</b>								
Winter								
6	1st 500 kWh	813,878,041	\$0.048745	\$39,672,485	\$0.048745	\$39,672,485	0.00%	\$0.051091
7	Next 400 kWh	394,046,829	\$0.046756	\$18,424,054	\$0.048745	\$19,207,813	4.25%	\$0.051091
8	All add'l kWh	344,156,052	\$0.043504	\$14,972,165	\$0.048745	\$16,775,887	12.05%	\$0.051091
Summer								
9	1st 500 kWh	350,466,498	\$0.048745	\$17,083,489	\$0.048745	\$17,083,489	0.00%	\$0.051091
10	Next 400 kWh	264,358,511	\$0.048745	\$12,886,156	\$0.048745	\$12,886,156	0.00%	\$0.051091
11	All add'l kWh	503,277,138	\$0.064974	\$32,699,929	\$0.065917	\$33,174,519	1.45%	\$0.068263
12	Subtotal Standard	2,670,183,069		\$135,738,278		\$138,800,349		
<b>Conservation Service</b>								
Winter								
13	1st 500 kWh	137,366,744	\$0.048745	\$6,695,942	\$0.048745	\$6,695,942	0.00%	\$0.051091
14	Next 400 kWh	24,855,955	\$0.046756	\$1,162,165	\$0.048745	\$1,211,604	4.25%	\$0.051091
15	All add'l kWh	16,760,461	\$0.043504	\$729,147	\$0.048745	\$816,989	12.05%	\$0.051091
Summer								
16	1st 500 kWh	159,895,520	\$0.048745	\$7,794,107	\$0.048745	\$7,794,107	0.00%	\$0.051091
17	Next 400 kWh	46,943,520	\$0.046756	\$2,194,891	\$0.048745	\$2,288,262	4.25%	\$0.051091
18	Subtotal Conserv.	385,822,201		\$18,576,252		\$18,806,904		
<b>Peak Management</b>								
19	All kWh	253,956,730	\$0.024945	\$6,334,951	\$0.025379	\$6,445,168	1.74%	\$0.027725
20	Subtotal Peak Man.			\$6,334,951		\$6,445,168		
21	Total Residential	3,309,962,000		\$195,746,948		\$199,149,888	1.74%	
Source: CURB DR 260 in 1041 Docket								
Target Rounding (\$150)								

**Note:**

1/ Excludes all riders and/or surcharges.

2/ Includes ECRR roll-in of \$0.002346 per kWh.

**WESTAR ENERGY NORTH**

**CURB Recommended SGS Rate Design and Proof of Revenue  
Standard / Lighting / Unmetered / Church Option  
(Stand Alone Basis)**

Line	Description	Company Billing Determinants (1)	Present Rates 1/ (2)	Present Revenue (3) = (1)*(2)	CURB Rates 1/ (4)	CURB Revenue (5) = (1)*(4)	Percentage Change in Rates (6) = (4)/(2)	CURB Rates w/ ECRR Roll-in 2/ (7)
<b>Non-Usage Charges</b>								
1	Customer	544,546	\$16.00	\$8,712,736	\$16.00	\$8,712,736	0.00%	\$16.00
2	Std. Demand - W	3,514,710	\$3.25	\$11,422,808	\$3.30	\$11,598,543	1.54%	\$3.30
3	Std. Demand - S	2,100,768	\$6.75	\$14,180,184	\$6.86	\$14,411,268	1.63%	\$6.86
4	C.O. Demand - W	168	\$1.00	\$168	\$1.02	\$171	2.00%	\$1.02
5	C.O. Demand - S	451	\$2.00	\$902	\$2.03	\$916	1.50%	\$2.03
6	Subtotal			\$34,316,798		\$34,723,634		
<b>Usage Charges</b>								
<b>Standard Service</b>								
7	1st 1,200 kWh	376,169,133	\$0.046387	\$17,449,358	\$0.046387	\$17,449,358	0.00%	\$0.047996
8	All add'l kWh	1,550,854,848	\$0.027240	\$42,245,286	\$0.027994	\$43,414,631	2.77%	\$0.029603
9	Subtotal Standard	1,927,023,981		\$59,694,644		\$60,863,989		
<b>Recreational Lighting</b>								
10	All kWh	4,947,046	\$0.058319	\$288,507	\$0.059297	\$293,345	1.68%	\$0.060906
11	Subtotal Lighting	4,947,046		\$288,507		\$293,345		
<b>Unmetered Service</b>								
12	All kWh	23,727	\$0.046387	\$1,101	\$0.047165	\$1,119	1.68%	\$0.048774
13	Subtotal Unmetered	23,727		\$1,101		\$1,119		
<b>Church Option</b>								
14	1st 1,200 kWh	22,669	\$0.046387	\$1,052	\$0.046387	\$1,052	0.00%	\$0.047996
15	All add'l kWh	91,133	\$0.027029	\$2,463	\$0.027994	\$2,551	3.57%	\$0.029603
16	Space Heating	31,444	\$0.024539	\$772	\$0.024950	\$785	1.67%	\$0.026559
17	Subtotal Church Op.	145,246		\$4,287		\$4,388		
18	Total SGS	1,932,140,000		\$94,305,337		\$95,886,475	1.68%	

Source: CURB DR 261 in 1041 Docket

Target Rounding \$95,886,332 \$143

**Note:**  
1/ Excludes all riders and/or surcharges.  
2/ Includes ECRR roll-in of \$0.001609 per kWh.

**WESTAR ENERGY SOUTH**

CURB Proposed Allocation of its  
Recommended Increase in Total Rate Revenue of \$9.206 million  
(12 Months Ended December 31, 2009)

Line	Classification	S&A		CURB	
		Revenue Increase 1/	% of Total	Proposed Increase	% of Total
		(1)	(2)	(3)	(4)
1	Residential	\$32,000,000	49.23%	\$4,532,256	49.23%
2	Small General Service	\$13,000,000	20.00%	\$1,841,220	20.00%
3	RITODS	\$120,372	0.19%	\$17,031	0.19%
4	Medium General Service	\$5,900,000	9.08%	\$835,638	9.08%
5	Education/Churches	\$713,628	1.10%	\$101,083	1.10%
6	High LF/CS	\$12,150,001	18.69%	\$1,720,805	18.69%
7	Lighting Service	<u>\$1,115,999</u>	1.72%	<u>\$158,069</u>	1.72%
8	Total Retail	\$65,000,000	100.00%	\$9,206,102	100.00%

Note:

1/ See Appendix B, page 2 of 2 to the approved Stipulation and Agreement in Docket No. 08-WSEE-1041-RTS.



WESTAR ENERGY SOUTH

CURB Recommended Residential Rate Design and Proof of Revenue Standard / Conservation / Restricted Conservation Service (Stand Alone Basis)

Line	Description	Company Billing Determinants (1)	Present Rates 1/ (2)	Present Revenue (3) = (1)*(2)	CURB Rates 1/ (4)	CURB Revenue (5) = (1)*(4)	Percentage Change in Rates (6) = (4)/(2)	CURB Rates w/ ECRR Roll-in 2/ (7)
<b>Non-Usage Charges</b>								
1	Customer	3,264,784	\$8.00	\$26,118,272	\$8.00	\$26,118,272	0.00%	\$8.00
2	Subtotal			\$26,118,272		\$26,118,272		
<b>Usage Charges</b>								
<u>Standard Service</u>								
Winter								
3	1st 500 kWh	795,740,614	\$0.060538	\$48,172,545	\$0.060538	\$48,172,545	0.00%	\$0.062002
4	Next 400 kWh	392,646,581	\$0.058500	\$22,969,825	\$0.059756	\$23,462,989	2.15%	\$0.061220
5	All add'l kWh	432,608,948	\$0.045000	\$19,467,403	\$0.051934	\$22,467,113	15.41%	\$0.053398
Summer								
6	1st 500 kWh	343,402,365	\$0.060538	\$20,788,892	\$0.060538	\$20,788,892	0.00%	\$0.062002
7	Next 400 kWh	260,297,891	\$0.060538	\$15,757,914	\$0.060538	\$15,757,914	0.00%	\$0.062002
8	All add'l kWh	527,604,003	\$0.073000	\$38,515,092	\$0.074568	\$39,342,375	2.15%	\$0.076032
9	Subtotal Standard	2,752,300,402		\$165,671,671		\$169,991,828		
<u>Conservation Service</u>								
Winter								
10	1st 500 kWh	90,984,624	\$0.060538	\$5,508,027	\$0.060538	\$5,508,027	0.00%	\$0.062002
11	Next 400 kWh	18,934,843	\$0.058500	\$1,107,688	\$0.059756	\$1,131,470	2.15%	\$0.061220
12	All add'l kWh	14,574,127	\$0.045000	\$655,836	\$0.051934	\$756,893	15.41%	\$0.053398
Summer								
13	1st 500 kWh	130,699,866	\$0.060538	\$7,912,308	\$0.060538	\$7,912,308	0.00%	\$0.062002
14	Next 400 kWh	41,130,166	\$0.058500	\$2,406,115	\$0.059756	\$2,457,774	2.15%	\$0.061220
15	Subtotal Conserv.	296,323,626		\$17,589,974		\$17,766,472		
<u>Restricted Conserv.</u>								
16	All kWh	40,208,675	\$0.041000	\$1,648,556	\$0.041881	\$1,683,980	2.15%	\$0.043345
17	Subtotal Peak Man.			\$1,648,556		\$1,683,980		
18	Total Residential	3,088,832,703		\$211,028,473		\$215,560,552	2.15%	
Source: CURB DR 260 in 1041 Docket								
Target Rounding (\$177)								

**Note:**

1/ Excludes all riders and/or surcharges.

2/ Includes ECRR roll-in of \$0.001464 per kWh.

**WESTAR ENERGY SOUTH**

**CURB Recommended SGS Rate Design and Proof of Revenue  
Standard / Lighting / Unmetered  
(Stand Alone Basis)**

Line	Description	Company Billing Determinants (1)	Present Rates 1/ (2)	Present Revenue (3) = (1)*(2)	CURB Rates 1/ (4)	CURB Revenue (5) = (1)*(4)	Percentage Change in Rates (6) = (4)/(2)	CURB Rates w/ ECRR Roll-in 2/ (7)
<b>Non-Usage Charges</b>								
1	Customer	429,104	\$16.00	\$6,865,664	\$16.00	\$6,865,664	0.00%	\$16.00
2	Std. Demand - W	2,727,514	\$3.75	\$10,228,178	\$3.75	\$10,228,178	0.00%	\$3.75
3	Std. Demand - S	1,688,992	\$7.00	\$11,822,944	\$7.00	\$11,822,944	0.00%	\$7.00
4	Subtotal			\$28,916,786		\$28,916,786		
<b>Usage Charges</b>								
<u>Standard Service</u>								
5	1st 1,200 kWh	304,582,907	\$0.060594	\$18,455,897	\$0.060594	\$18,455,897	0.00%	\$0.061731
6	All add'l kWh	<u>1,306,630,327</u>	\$0.038790	<u>\$50,684,190</u>	\$0.040197	<u>\$52,522,619</u>	3.63%	\$0.041334
7	Subtotal Standard	1,611,213,234		\$69,140,087		\$70,978,516		
<u>Recreational Lighting</u>								
8	All kWh	<u>2,247,295</u>	\$0.069261	<u>\$155,650</u>	\$0.070559	<u>\$158,567</u>	1.87%	\$0.071696
9	Subtotal Lighting	2,247,295		\$155,650		\$158,567		
<u>Unmetered Service</u>								
10	1st 1,200 kWh	4,046	\$0.060594	\$245	\$0.060594	\$245	0.00%	\$0.061731
11	All add'l kWh	<u>3,425</u>	\$0.038790	<u>\$133</u>	\$0.040197	<u>\$138</u>	3.63%	\$0.041334
12	Subtotal Unmetered	7,471		\$378		\$383		
13	Total SGS	1,613,468,000		\$98,212,901		\$100,054,252	1.87%	

Source: CURB DR 261  
in 1041 Docket

Target Rounding  
\$100,054,121  
\$131

Note:

- 1/ Excludes all riders and/or surcharges.
- 2/ Includes ECRR roll-in of \$0.001137 per kWh.

**WESTAR ENERGY NORTH**

**CURB Illustrative Residential Rate Design and Proof of Revenue  
Standard & Conservation Service  
(Consolidated Basis)**

Line	Description	Company Billing Determinants (1)	Present Rates 1/ (2)	Present Revenue (3) = (1)*(2)	Illustrative Rates 1/ (4)	Illustrative Revenue (5) = (1)*(4)	Percentage Change in Rates (6) = (4)/(2)
<b>Non-Usage Charges</b>							
1	Customer	3,624,018	\$8.00	\$28,992,144	\$8.00	\$28,992,144	0.00%
<b>Usage Charges</b>							
<b>Standard Service</b>							
Winter							
2	1st 500 kWh	813,878,041	\$0.048745	\$39,672,485	\$0.054575	\$44,417,394	11.96%
3	Next 400 kWh	394,046,829	\$0.046756	\$18,424,054	\$0.052618	\$20,733,956	12.54%
4	All add'l kWh	344,156,052	\$0.043504	\$14,972,165	\$0.052618	\$18,108,803	20.95%
Summer							
5	1st 500 kWh	350,466,498	\$0.048745	\$17,083,489	\$0.054575	\$19,126,709	11.96%
6	Next 400 kWh	264,358,511	\$0.048745	\$12,886,156	\$0.054575	\$14,427,366	11.96%
7	All add'l kWh	503,277,138	\$0.064974	\$32,699,929	\$0.069693	\$35,074,894	7.26%
8	Subtotal Standard	2,670,183,069		\$135,738,278		\$151,889,122	11.90%
<b>Conservation Service</b>							
Winter							
9	1st 500 kWh	137,366,744	\$0.048745	\$6,695,942	\$0.054575	\$7,496,790	11.96%
10	Next 400 kWh	24,855,955	\$0.046756	\$1,162,165	\$0.052618	\$1,307,871	12.54%
11	All add'l kWh	16,760,461	\$0.043504	\$729,147	\$0.052618	\$881,902	20.95%
Summer							
12	1st 500 kWh	159,895,520	\$0.048745	\$7,794,107	\$0.054575	\$8,726,298	11.96%
13	Next 400 kWh	46,943,520	\$0.046756	\$2,194,891	\$0.052618	\$2,470,074	12.54%
14	Subtotal Conserv.	385,822,201		\$18,576,252		\$20,882,935	12.42%
15	Total Residential 2/	3,309,962,000		\$183,306,674		\$201,764,201	10.07%

Source: CURB DR 260  
in 1041 Docket

WES \$198,712,152  
Total \$400,476,353  
Target \$400,475,969  
Rounding \$384

**Note:**

- 1/ Excludes all riders and/or surcharges.
- 2/ Excludes Peak Management Service.

**WESTAR ENERGY SOUTH**

**CURB Illustrative Residential Rate Design and Proof of Revenue  
Standard & Conservation Service  
(Consolidated Basis)**

Line Description	Company Billing Determinants (1)	Present Rates 1/ (2)	Present Revenue (3) = (1)*(2)	Illustrative Rates 1/ (4)	Illustrative Revenue (5) = (1)*(4)	Percentage Change in Rates (6) = (4)/(2)
<b><u>Non-Usage Charges</u></b>						
1 Customer	3,264,784	\$8.00	\$26,118,272	\$8.00	\$26,118,272	0.00%
<b><u>Usage Charges</u></b>						
<b><u>Standard Service</u></b>						
Winter						
2 1st 500 kWh	795,740,614	\$0.060538	\$48,172,545	\$0.054575	\$43,427,544	-9.85%
3 Next 400 kWh	392,646,581	\$0.058500	\$22,969,825	\$0.052618	\$20,660,278	-10.05%
4 All add'l kWh	432,608,948	\$0.045000	\$19,467,403	\$0.052618	\$22,763,018	16.93%
Summer						
5 1st 500 kWh	343,402,365	\$0.060538	\$20,788,892	\$0.054575	\$18,741,184	-9.85%
6 Next 400 kWh	260,297,891	\$0.060538	\$15,757,914	\$0.054575	\$14,205,757	-9.85%
7 All add'l kWh	527,604,003	\$0.073000	\$38,515,092	\$0.069693	\$36,770,306	-4.53%
8 Subtotal Standard	2,752,300,402		\$165,671,671		\$156,568,087	-5.49%
<b><u>Conservation Service</u></b>						
Winter						
9 1st 500 kWh	90,984,624	\$0.060538	\$5,508,027	\$0.054575	\$4,965,486	-9.85%
10 Next 400 kWh	18,934,843	\$0.058500	\$1,107,688	\$0.052618	\$996,314	-10.05%
11 All add'l kWh	14,574,127	\$0.045000	\$655,836	\$0.052618	\$766,861	16.93%
Summer						
12 1st 500 kWh	130,699,866	\$0.060538	\$7,912,308	\$0.054575	\$7,132,945	-9.85%
13 Next 400 kWh	41,130,166	\$0.058500	\$2,406,115	\$0.052618	\$2,164,187	-10.05%
14 Subtotal Conserv.	296,323,626		\$17,589,974		\$16,025,793	-8.89%
15 Total Residential 2/	3,088,832,703		\$209,379,917		\$198,712,152	-5.09%

Source: CURB DR 260  
in 1041 Docket

**Note:**

- 1/ Excludes all riders and/or surcharges.
- 2/ Excludes Restricted Conservation Service.

CERTIFICATE OF SERVICE

09-WSEE-925-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was placed in the United States mail, postage prepaid, e-mailed or hand-delivered this 30th day of September, 2009, to the following:

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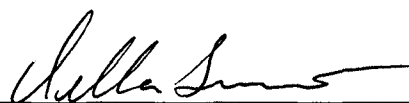
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\_\_\_\_\_  
Della Smith

\* Denotes those receiving the Confidential version