

STATE CORPORATION COMMISSION

BEFORE THE
KANSAS CORPORATION COMMISSION

SEP 09 2005

 Docket
Room

In the Matter of the Application)
of Westar Energy, Inc and Kansas) Docket No. 05-WSEE-981-RTS
Gas and Electric Company for)
Approval to Make Certain Changes)
in their Charges for Electric Service.)

DIRECT TESTIMONY OF

BRIAN KALCIC

ON BEHALF OF
THE CITIZENS' UTILITY RATEPAYER BOARD

September 9, 2005

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 will address the Westar Energy, Inc. ("Westar" or "Company") proposal to implement a
13 Transmission Delivery Charge ("TDC"). In particular, I will review the type of
14 transmission costs included in the Company's proposed TDC revenue requirement, and
15 examine the associated implications that arise with respect to the proper ratemaking
16 treatment of certain transmission-related revenues.

17 In addition, I will examine Westar's proposed residential rate structure. As
18 discussed in detail below, the Company is proposing to implement a number of changes to
19 the *structure* of its residential rate schedules, i.e., changes that go beyond the Company's
20 proposed increases to individual rate levels. I will examine each of the Company's
21 proposed residential rate structure changes, and sponsor an alternative residential rate
22 structure format to be implemented at the conclusion of this proceeding.

1 Finally, I will review Westar’s proposed small general service (“SGS”) rate
2 structure, and sponsor changes, where appropriate.
3

4 **Q. Do you have any preliminary comments?**

5 A. Yes. In preparing my testimony in this proceeding, I have utilized Westar’s claimed TDC
6 revenue requirement, and overall claimed residential revenue requirement levels for Westar
7 North and Westar South. My use of such revenue requirements is intended to facilitate a
8 comparison of CURB’s positions with those of the Company, and should not be construed
9 as support for Westar’s revenue requirement claims, in whole or in part.
10

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

12 A. Based upon my analysis of Westar’s filing, I recommend that the Kansas Corporation
13 Commission (“KCC” or “Commission”):

- 14 • require Westar to credit 100% of the ancillary service charge revenues
15 received from non-jurisdictional customers toward the base rate revenue
16 requirement of its retail customers in this proceeding;
- 17 • reject the Company’s proposal to implement declining block winter energy
18 charges for its non-heating residential service classes;
- 19 • reject the Company’s proposal to implement a third summer rate block for
20 residential customers in Westar North and Westar South;
- 21 • adopt CURB’s recommendation that Westar continue its current flat winter
22 energy block rate structure for all of its non-heating residential service
23 classes;

- 1 • adopt CURB’s recommendation that the Company retain its existing
2 inclining-block rate structure for the summer months in Westar South, and
3 move Westar North customers to this same summer rate block structure at
4 the conclusion of this proceeding;
- 5 • adopt CURB’s recommendation that Westar consolidate its Space Heating
6 Service and Apartment Heating Service rate schedules in Westar South;
- 7 • reject Westar’s proposed SGS rate design; and
- 8 • adopt CURB’s recommended SGS rate design guidelines.
- 9

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

11

12 **Transmission Delivery Charge**

13 **Q. Mr. Kalcic, what is the Company’s proposed Transmission Delivery Charge?**

14 A. The TDC is the mechanism that Westar intends to use to recover certain costs associated
15 with providing transmission service to its Kansas retail customers.

16

17 **Q. How are transmission-related costs currently recovered from retail customers?**

18 A. Such costs are recovered in Westar’s base rates.

19

20 **Q. Please provide a brief description of Westar’s TDC proposal.**

21 A. Westar proposes to implement a TDC that would track the Company’s annual transmission
22 revenue requirement (“ATRR”), as determined by the Federal Energy Regulatory
23 Commission’s (“FERC”) formula rate. Westar proposes to unbundle such transmission-

1 related costs from its base rates, and recover the costs separately in the TDC. In addition,
2 the Company proposes to adjust the TDC annually to reflect changes in the application of
3 the FERC formula rate.

4
5 **Q. Why has Westar chosen to adopt a formula rate approach to develop its ATRR?**

6 A. The Company indicates that it is “proposing to adopt a formula rate approach in order to
7 determine and keep current the cost-based rates” it charges for transmission service.¹

8
9 **Q. Would the proposed TDC be the same for all of Westar’s retail customers?**

10 A. No, the proposed TDC would vary across Westar’s customer classes and rate areas. For
11 example, the Company’s proposed TDC for residential service is \$0.005130 per kWh in the
12 North rate area, and \$0.004221 per kWh in the South rate area.

13
14 **Q. Mr. Kalcic, how did Westar determine its proposed retail TDC revenue requirements
15 within each rate area?**

16 A. Rate area TDC revenue requirements were derived from a multi-step process. The
17 Company explains that it first removed its transmission-related cost of service from its
18 claimed Westar North and Westar South revenue requirements. The Company next
19 developed a single (i.e., overall) transmission revenue requirement using FERC’s formula
20 rate methodology. This FERC-based transmission revenue requirement was then
21 reassigned (i.e., added back) to the Company’s claimed Westar North and Westar South
22 cost-of-service requirements, in proportion to the transmission-formula rate base contained

¹ See page 6 of Exhibit No. WEI-1 in Appendix A to Mr. Oakes direct testimony.

1 in each rate area. Finally, a jurisdictional allocation factor was applied to the Westar North
2 and Westar South TDC revenue requirements to arrive at the KCC Jurisdictional TDC
3 Revenue Requirement for each rate area.

4 **Q. How did Westar allocate its KCC Jurisdictional TDC Revenue Requirement to**
5 **customer classes within each rate area?**

6 A. The jurisdictional requirement within each rate area was allocated to customer classes
7 based upon each class's contribution to Westar's twelve monthly coincident peak demands
8 ("12-CP").

9
10 **Q. What is the total amount of the TDC revenue requirement filed by the Company in**
11 **this proceeding?**

12 A. The Company's filing reflects an overall TDC revenue requirement of \$81.6 million.²

13
14 **Q. What costs are included in the proposed \$81.6 million revenue requirement?**

15 A. Exhibit__(WSS-2) indicates that the \$81.6 million is comprised of two (2) components: 1)
16 an ATRR of \$77.2 million derived from the FERC formula rate; and 2) Southwest Power
17 Pool ("SPP") Open Access Transmission Tariff ("OATT") Administration Fees of \$4.4
18 million.³

19

² See Exhibit__(WSS-2).

³ The SPP OATT Administration Fees that are included in the TDC revenue requirement are composed primarily of Schedule 1-A Tariff Administration Service charges paid by Westar to the SPP. See Westar's response to CURB-252.

1 **Q. How much of the \$81.6 million is allocated between Westar North and Westar South,**
 2 **and between KCC jurisdictional and non-jurisdictional customers within each rate**
 3 **area?**

4 A. The TDC revenue requirement breakdown is summarized in Table 1 below.

6 Table 1

7 Breakdown of Proposed TDC Revenue Requirement

	<i>Westar North</i>	<i>Westar South</i>
Jurisdictional	\$39,762,794	\$31,913,734
Non-Jurisdictional	<u>\$5,489,048</u>	<u>\$4,405,526</u>
Total	\$45,251,842	\$36,319,260

8 Source: Exhibit__(WSS-3).

9
 10
 11 **Q. Does this TDC revenue requirement reflect the cost of all of Westar's transmission-**
 12 **related services?**

13 A. No. Westar has not unbundled all of its transmission-related costs in deriving its proposed
 14 TDC revenue requirement. In particular, the TDC revenue requirement does not reflect the
 15 cost associated with any of the Company's transmission-related ancillary services.⁴

16

17

18

⁴ See Westar's response to CURB-253.

1 **Q. What ancillary services does Westar provide?**

2 A. Westar provides six (6) types of ancillary services, which are listed in Table 2 below. The
3 Company's current and proposed rates for these services are shown in Exhibit No. WEI-2
4 in Appendix A to Mr. Oakes' direct testimony.

5
6 Table 2

7 Westar Ancillary Services

8

<i>Type</i>	<i>Description</i>
Schedule 1	Scheduling, System Control and Dispatch
Schedule 2	Reactive Supply and Voltage Control
Schedule 3	Regulation and Frequency Response
Schedule 4	Energy Imbalance Service
Schedule 5	Operating Reserves and Spinning Reserves
Schedule 6	Operating Reserves and Supplemental Reserves

9 Source: SPP OATT.

10

11 **Q. Does the Company provide the above ancillary services to all of its transmission**
12 **service customers?**

13 A. Yes, it does.⁵

14

⁵ See Westar's response to CURB-250.

1 **Q. Mr. Kalcic, if the costs associated with ancillary services are not included in the**
2 **Company's unbundled TDC revenue requirement, how would Westar propose to**
3 **recover the costs of ancillary services from its retail customers?**

4 A. If ancillary service costs are not included in the TDC revenue requirement, it follows that
5 such costs cannot be recovered from the Company's proposed TDC rates. One must
6 therefore conclude that such costs will continue to be recovered in the base rates paid by
7 retail customers.

8

9 **Q. Is there any further significance to the fact that Westar has chosen not to unbundle**
10 **the cost of ancillary services?**

11 A. Yes. Since ancillary services have not been unbundled via the TDC revenue requirement,
12 Westar will continue to provide ancillary services to non-jurisdictional customers using
13 bundled, i.e., base rate, resources.⁶ As such, Westar should credit 100% of the ancillary
14 service charge revenues received from non-jurisdictional customers toward the base rate
15 revenue requirement of its retail customers.

16

17 **Q. What is your specific recommendation in this area?**

18 A. I recommend that the Commission require Westar to update its pro forma level of ancillary
19 service charge revenues provided by non-jurisdictional transmission service customers,
20 based upon the final ancillary service rates approved by FERC. The Commission should
21 then credit 100% of such revenues toward the Company's retail base rate revenue
22 requirement in order to determine Westar's overall revenue adjustment in this proceeding.

1 **Residential Rate Structure**

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

4 A. The Company serves Westar North residential customers via three (3) rate schedules:
5 Standard Service, Conservation Use Service and Peak Management Service. The majority
6 of Westar's customers take Standard Service, which is the default service offering. The
7 Standard Service rate schedule contains a customer charge and a flat-rate energy charge,
8 which is seasonally differentiated. The Conservation Use Service rate schedule is identical
9 to the Standard Service rate offering, except that customers are billed at the winter usage
10 rate during the summer months if their average daily consumption is less than 40 kWh.
11 The Peak Management Service rate schedule presents customers with the opportunity to
12 lower their total monthly bill by managing their peak usage. The rate contains a customer
13 charge, energy charge and demand charge, with the latter seasonally differentiated.

14 The Company's current Westar North residential service charges are summarized,
15 by rate schedule, on Schedule BK-1, page 1 of 3.

16

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

18 A. The Company serves Westar South residential customers via four (4) rate schedules:
19 Standard Service, Conservation Use Service, Home Heating Service and Apartment
20 Heating Service. As in Westar North, Standard Service is the default service offering. All
21 four rate schedules contain a customer charge and a seasonally differentiated energy charge.
22 However, unlike Westar North, all four service offerings reflect an inclining block summer

⁶ In general, the ancillary services identified in the SPP OATT Schedules 2 through 6 employ generation resources to

1 energy charge. In addition, while the rate blocks in the winter months are flat for Standard
2 Service and Conservation Use Service customers, the winter rate blocks decline for the all
3 heating service customers.

4 The Company's current Westar South residential service charges are summarized,
5 by rate schedule, on Schedule BK-1, pages 2 and 3.

6
7 **Q. Does the Company propose to revise its Westar North and Westar South residential**
8 **rate structure in this proceeding?**

9 A. Yes. Westar seeks to implement a number of changes to its residential rate structure,
10 including: a) establishing equal customer charge levels in both rate areas; b) creating the
11 same energy rate block levels across all residential rate schedules; and c) implementing the
12 same approach for qualifying customers for conservation service.⁷

13
14 **Q. Have you provided a summary of the Company's proposed residential rates and**
15 **revised rate structure?**

16 A. Yes, I have. The Company's proposed Westar North and Westar South residential rates,
17 and revised rate structure, are summarized in Schedule BK-1.

18
19 **Q. Please discuss Schedule BK-1.**

20 A. Columns 1 and 2 of Schedule BK-1 provide a comparison of Westar's current and proposed
21 residential rates, by rate area. Columns 3 and 4 of Schedule BK-1 summarize the proposed
22 changes in individual rate levels. In addition, by comparing the rate block energy charges

support the transmission system.

1 shown in columns 1 and 2, by season, one can identify the Company's proposed rate
2 structure changes.

3 For example, Schedule BK-1 indicates that Westar is proposing to implement
4 declining winter block energy charges for all of its Standard Service and Conservation Use
5 Service rate schedules. Also, Westar is proposing to add a third rate block for summer
6 usage in Westar South, and to implement the identical summer rate block structure for
7 Standard Service and Conservation Service customers in Westar North.

8

9 **Q. Do you agree with all of Westar's proposed residential rate structure changes?**

10 A. No. I am not opposed to the goal of aligning the residential rate structures in Westar North
11 and Westar South. However, as discussed below, I believe that this goal would be best
12 addressed by implementing CURB's recommended residential rate structure at the
13 conclusion of this proceeding.

14

15 **Q. Which of the Company's proposed residential rate structure changes would you
16 accept?**

17 A. I would accept the Company's proposals with respect to establishing identical customer
18 charges and conservation use service criteria across Westar North and Westar South. I
19 would also accept Westar's proposal to switch June to a summer billing month.

20

21

22

⁷ Westar also proposes to switch June from a winter billing month to a summer billing month.

1 **Q. Which of the Company's proposed residential rate structure changes would you**
2 **reject?**

3 A. I would reject the Company's proposal to implement declining block winter energy charges
4 for its non-heating service classes, and to implement a third summer rate block.

5

6 **Q. What residential rate structure revisions do you recommend?**

7 A. My recommended residential rate structure changes are illustrated in Schedule BK-2.

8

9 **Q. Please discuss Schedule BK-2.**

10 A. Schedule BK-2 is presented in the same format as Schedule BK-1. My revised residential
11 rate structure, using the Company's claimed residential revenue requirement levels, is
12 illustrated in column 2. As shown in column 2, I recommend that the Company continue
13 its current flat winter energy block rate structure for all of its non-heating service classes.
14 In addition, I recommend that the Company retain its existing inclining-block rate structure
15 for the summer months in Westar South, and move Westar North customers to this same
16 summer rate block structure in this proceeding. Finally, I recommend that Westar
17 consolidate its Space Heating Service and Apartment Heating Service rate schedules in
18 Westar South.

19

20 **Q. Why do you oppose the Company's proposal to establish a declining block winter rate**
21 **structure for non-heating customers?**

22 A. The Company's proposal would allow it to consolidate its Space Heating and Apartment
23 Heating rate schedules with its Standard Service rate in Westar South. However, I do not

1 believe that outcome, in and of itself, provides sufficient reason to implement declining
2 winter rates for *all* non-heating customers. It is common practice for utilities to maintain
3 separate heating and non-heating service schedules for residential customers. My
4 recommended rate structure would allow Westar to consolidate its two residential heating
5 rate schedules, while maintaining separate rates for heating and non-heating customers.

6
7 **Q. Please explain your opposition to the Company's proposal to implement a system-**
8 **wide, three-step inclining block rate structure during the summer months.**

9 A. Westar proposes to establish the same summer rate blocks for residential customers in
10 Westar North and Westar South. However, if a third rate block is established for Westar
11 South customers, then Westar North customers would move from a flat rate block to a
12 three-step inclining block rate structure *over the course of a single rate proceeding*. In my
13 opinion, such a transition of Westar North customers away from a flat rate summer energy
14 charge would cause unnecessary customer rate impacts, and customer education issues.
15 Instead, I recommend that the transition of Westar North customers be limited to a
16 movement to the existing Westar South summer rate structure in this proceeding. Further
17 changes to the summer rate block structure should be postponed until the Company's next
18 base rate proceeding.

19
20 **Q. Have you prepared a Westar North proof of revenue using your illustrative rate**
21 **design shown on page 1 of Schedule BK-2?**

22 A. Yes. The proof of revenue is shown in Schedule BK-3.
23

1 **Q. Please describe Schedule BK-3.**

2 A. Columns 1 and 2 of Schedule BK-3 contain the billing determinants that apply under
3 Westar's existing rate structure (column 1), and those that would apply under CURB's
4 recommended rate structure (column 2). Column 4 shows the present revenue that is
5 derived from multiplying the Company's billing determinants by the present rates shown in
6 columns 1 and 3, respectively. My illustrative revised rates are shown in column 5, and my
7 revised revenue is provided in column 6. Column 7 shows the percentage increase in
8 present and revised rates.

9 As shown on line 12, column 6 of Schedule BK-3, my revised rate design would
10 produce the Company's claimed Westar North residential revenue requirement of \$216.3
11 million. In other words, my recommended rate structure would *not* entail a shift in revenue
12 responsibility across residential and non-residential rate classes.

13

14 **Q. How do the Westar North rate changes shown in Schedule BK-3 compare to those**
15 **associated with Westar's proposal?**

16 A. Excluding the proposed customer charge increase, Schedule BK-3 indicates that CURB's
17 illustrative rate increases would range from 5.99% to 15.07% at Westar's claimed revenue
18 requirement level. Schedule BK-1 shows that Westar's proposed rate changes would range
19 from a *decrease* of 0.89% to an increase of 17.90%. I would therefore conclude that
20 CURB's revised rate design would produce a smaller range of intraclass rate impacts for
21 Westar North residential customers than Westar's proposed rate design.

22

1 **Q. Did you prepare a similar proof of revenue for Westar South using your illustrative**
2 **rate design shown on pages 2 and 3 of Schedule BK-2?**

3 A. Yes, in Schedules BK-4 and BK-5.
4

5 **Q. What is shown in Schedules BK-4 and BK-5?**

6 A. Schedules BK-4 and BK-5 follows the same format as Schedule BK-3. The only
7 significant difference in CURB's revised rate design for Westar South residential customers
8 is that I have shifted approximately \$2.2 million in revenue responsibility from the heating
9 classes (Schedule BK-5) to the non-heating classes (Schedule BK-4). This shift in revenue
10 responsibility provides for a smaller range of intraclass rate impacts across Westar South
11 residential customers, as compared to the Company's proposed rate design.
12

13 **Q. Would your revised Westar South residential rate design entail a shift in revenue**
14 **responsibility across residential and non-residential rate classes?**

15 A. No, it would not.
16

17 **Q. Mr. Kalcic, would you please summarize your rate structure recommendations for**
18 **Westar North's and Westar South's residential customers?**

19 A. Yes. CURB recognizes that the final revenue requirement levels awarded to Westar North
20 and Westar South in this proceeding will differ from those requested by the Company.
21 Similarly, CURB is aware that the Commission may decide to implement a class revenue
22 distribution which assigns different degrees of revenue responsibility to individual rate
23 classes than that proposed by Westar. Nevertheless, CURB has utilized Westar's claimed

1 revenue requirement levels to illustrate its rate structure recommendations, and to develop
2 the rate design principles that should be used to develop final rates at the conclusion of this
3 proceeding.

4 In summary, I recommend that the Commission direct Westar to continue its current
5 flat winter energy block rate structure for all of its non-heating service classes; maintain its
6 existing inclining-block rate structure for the summer months in Westar South, while
7 moving Westar North customers to this same summer rate block structure; and consolidate
8 its Space Heating Service and Apartment Heating Service rate schedules in Westar South.
9 The above rate structure guidelines should be implemented after the Commission has
10 determined both Westar's overall revenue requirement in Westar North and Westar South,
11 and individual rate class revenue targets within each rate area.

12
13 **SGS Rate Structure**

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

16 A. The Company maintains one (1) SGS rate schedule in each rate area. Each rate schedule
17 contains a customer charge, a seasonally differentiated demand charge and a seasonally
18 differentiated, declining block energy charge. However, the Company's SGS energy blocks
19 have different break points, i.e., a 1,650 kWh breakpoint in Westar North and a 1,000 kWh
20 breakpoint in Westar South. In addition, SGS billing demand is measured during a thirty-
21 minute interval in Westar North, but during a fifteen-minute interval in Westar South.

22

1 **Q. Does the Company propose to revise the above SGS rate structures in this**
2 **proceeding?**

3 A. Yes. Westar proposed to establish a common SGS energy charge breakpoint at 1,200 kWh,
4 and to measure billing demand during fifteen-minute intervals in both rate areas.

5

6 **Q. Do you oppose implementing either of these changes at this time?**

7 A. No, I do not.

8

9 **Q. Do you have any other comments regarding the Company's proposed SGS rate design**
10 **in this proceeding?**

11 A. Yes. Under Westar's proposed rate design, SGS energy charges (inclusive of the proposed
12 TDC) would decline by 1.5% to 2.0% in Westar North, and by 7.4% in Westar South. At
13 the same time, SGS demand charges would increase by 15% to 43% in Westar North, and
14 by 41% to 50% in Westar South. Combined, these two rate level changes would impose
15 significantly greater bill impacts on lower load factor SGS customers than higher load
16 factor customers.

17 In addition, I note that although the current customer charge is \$8.50 in each rate
18 area, Westar is proposing to implement a \$12.00 customer charge in Westar North, and a
19 \$15.00 customer charge in Westar South.

20

21 **Q. Are either of the above proposals appropriate?**

22 A. No.

23

1 **Q. What SGS rate design guidelines would you recommend?**

2 A. I recommend that the Commission order Westar to assign an increase to the SGS energy
3 charge of at least 0.5 times the SGS class average increase, by rate area. In addition, the
4 SGS customer charge in Westar South should be set at a level no greater than \$12.00, to
5 conform with the Westar North customer charge. Finally, Westar should set the SGS
6 demand charge at the residual level necessary to recover the SGS class's overall revenue
7 requirement target, in each rate area.

8 My recommended rate design guidelines would produce a smaller range of
9 intraclass rate increases among Westar's SGS customers, as compared to the Company's
10 proposed rate design.

11

12 **Q. Does this conclude your direct testimony?**

13 A. Yes.

14

15

VERIFICATION

STATE OF MISSOURI)
) ss:
COUNTY OF)

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

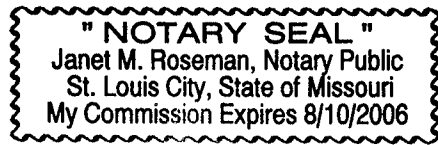
That he is a consultant for the Citizens' Utility Ratepayer Board; that he has read the above and foregoing Testimony, and, upon information and belief, states that the matters therein appearing are true and correct.

Brian Kalcic
Brian Kalcic

SUBSCRIBED AND SWORN to before me this 6th day of September, 2005.

Janet M. Roseman
Notary of Public

My Commission expires:



APPENDIX

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 such subjects as 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 joined 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 which offers business and regulatory services.

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

WESTAR ENERGY, INC.

Summary of WEI Proposed Residential Tariff Charges
by Rate Zone

Line	<u>North Rate Area</u>	Present Rates	Proposed Rates*	Proposed Increase	
		(1)	(2)	Amount (3)	Percent (4)
1	Customer Charge	\$6.00	\$7.50	\$1.50	25.00%
	<u>Standard Service</u>				
	Usage Charge				
	Winter				
2	First 500 kWh	\$0.058873	\$0.065130	\$0.006257	10.63%
3	Next 400 kWh	\$0.058873	\$0.060445	\$0.001572	2.67%
4	All add'l kWh	\$0.058873	\$0.058349	(\$0.000524)	-0.89%
	Summer				
5	First 500 kWh	\$0.064547	\$0.065130	\$0.000583	0.90%
6	Next 400 kWh	\$0.064547	\$0.070170	\$0.005623	8.71%
7	All add'l kWh	\$0.064547	\$0.076100	\$0.011553	17.90%
	<u>Conservation Service</u>				
	Usage Charge				
	Winter				
8	First 500 kWh	\$0.058873	\$0.065130	\$0.006257	10.63%
9	Next 400 kWh	\$0.058873	\$0.060445	\$0.001572	2.67%
10	All add'l kWh	\$0.058873	\$0.058349	(\$0.000524)	-0.89%
	Summer				
11	First 500 kWh	\$0.058873	\$0.065130	\$0.006257	10.63%
12	Next 400 kWh	\$0.058873	\$0.060445	\$0.001572	2.67%
13	All add'l kWh	\$0.058873	\$0.060445	\$0.001572	2.67%
	<u>Peak Management</u>				
14	Customer Charge	\$8.00	\$9.50	\$1.50	18.75%
	Usage Charge				
15	Winter	\$0.035822	\$0.036848	\$0.001026	2.86%
16	Summer	\$0.035822	\$0.036848	\$0.001026	2.86%
	Demand Charge				
17	Winter	\$1.22	\$1.40	\$0.18	14.75%
18	Summer	\$4.47	\$4.65	\$0.18	4.03%

* Includes transmission delivery charge: \$0.005130 per kWh - North.

WESTAR ENERGY, INC.

Summary of WEI Proposed Residential Tariff Charges
by Rate Zone

Line	<u>South Rate Area</u>	Present Rates	Proposed Rates*	Proposed Increase	
		(1)	(2)	Amount	Percent
1	Customer Charge	\$7.25	\$7.50	\$0.25	3.45%
	<u>Standard Service</u>				
	Usage Charge				
	Winter				
2	First 500 kWh	\$0.070574			
3	Next 150 kWh	\$0.070574			
4	Next 890 kWh	\$0.070574			
5	All add'l kWh	\$0.070574			
6	First 500 kWh		\$0.078571	\$0.007997	11.33%
7	Next 400 kWh		\$0.069771	(\$0.000803)	-1.14%
8	All add'l kWh		\$0.058231	(\$0.012343)	-17.49%
	Summer				
9	First 500 kWh	\$0.070574			
10	Next 150 kWh	\$0.082677			
11	Next 890 kWh	\$0.082677			
12	All add'l kWh	\$0.082677			
13	First 500 kWh		\$0.078571	\$0.007997	11.33%
14	Next 400 kWh		\$0.083721	\$0.001044	1.26%
15	All add'l kWh		\$0.087921	\$0.005244	6.34%
	<u>Conservation Service</u>				
	Usage Charge				
	Winter				
16	First 500 kWh	\$0.047073			
17	Next 150 kWh	\$0.047073			
18	Next 890 kWh	\$0.047073			
19	All add'l kWh	\$0.047073			
20	First 500 kWh		\$0.056221	\$0.009148	19.43%
21	Next 400 kWh		\$0.056221	\$0.009148	19.43%
22	All add'l kWh		\$0.056221	\$0.009148	19.43%
	Summer				
23	First 500 kWh	\$0.047073			
24	Next 150 kWh	\$0.050000			
25	Next 890 kWh	\$0.050000			
26	All add'l kWh	\$0.050000			
27	First 500 kWh		\$0.056221	\$0.009148	19.43%
28	Next 400 kWh		\$0.056221	\$0.006221	12.44%
29	All add'l kWh		\$0.056221	\$0.006221	12.44%

* Includes transmission delivery charge: \$0.004221 per kWh - South.

WESTAR ENERGY, INC.

Summary of WEI Proposed Residential Tariff Charges
by Rate Zone

Line	<u>South Rate Area</u>	Present Rates (1)	Proposed Rates* (2)	Proposed Increase	
				Amount (3)	Percent (4)
1	Customer Charge	\$7.25	\$7.50	\$0.25	3.45%
	<u>Space Heating</u>				
	Usage Charge				
	Winter				
2	First 500 kWh	\$0.070574			
3	Next 150 kWh	\$0.070574			
4	Next 890 kWh	\$0.047073			
5	All add'l kWh	\$0.047073			
6	First 500 kWh		\$0.078571	\$0.007997	11.33%
7	Next 400 kWh		\$0.069771	na	-
8	All add'l kWh		\$0.058231	\$0.011158	23.70%
	Summer				
9	First 500 kWh	\$0.070574			
10	Next 150 kWh	\$0.076500			
11	Next 890 kWh	\$0.076500			
12	All add'l kWh	\$0.076500			
13	First 500 kWh		\$0.078571	\$0.007997	11.33%
14	Next 400 kWh		\$0.083721	na	-
15	All add'l kWh		\$0.087921	\$0.011421	14.93%
	<u>Apartment Heating</u>				
	Usage Charge				
	Winter				
16	First 500 kWh	\$0.070574			
17	Next 150 kWh	\$0.047073			
18	Next 890 kWh	\$0.047073			
19	All add'l kWh	\$0.047073			
20	First 500 kWh		\$0.078571	\$0.007997	11.33%
21	Next 400 kWh		\$0.069771	\$0.022698	48.22%
22	All add'l kWh		\$0.058231	\$0.011158	23.70%
	Summer				
23	First 500 kWh	\$0.070574			
24	Next 150 kWh	\$0.076500			
25	Next 890 kWh	\$0.076500			
26	All add'l kWh	\$0.076500			
27	First 500 kWh		\$0.078571	\$0.007997	11.33%
28	Next 400 kWh		\$0.083721	\$0.007221	9.44%
29	All add'l kWh		\$0.087921	\$0.011421	14.93%

* Includes transmission delivery charge: \$0.004221 per kWh - South.

WESTAR ENERGY, INC.

Illustration of CURB Revised Residential Tariff Charges
by Rate Zone

Line	<u>North Rate Area</u>	Present Rates	Revised Rates*	Revised Increase	
		(1)	(2)	Amount (3)	Percent (4)
1	Customer Charge	\$6.00	\$7.50	\$1.50	25.00%
	<u>Standard Service</u>				
	Usage Charge				
	Winter				
2	First 500 kWh	\$0.058873	\$0.062397	\$0.003524	5.99%
3	Next 400 kWh	\$0.058873	\$0.062397	\$0.003524	5.99%
4	All add'l kWh	\$0.058873	\$0.062397	\$0.003524	5.99%
	Summer				
5	First 500 kWh	\$0.064547	\$0.067547	\$0.003000	4.65%
6	Next 400 kWh	\$0.064547	\$0.074277	\$0.009730	15.07%
7	All add'l kWh	\$0.064547	\$0.074277	\$0.009730	15.07%
	<u>Conservation Service</u>				
	Usage Charge				
	Winter				
8	First 500 kWh	\$0.058873	\$0.062397	\$0.003524	5.99%
9	Next 400 kWh	\$0.058873	\$0.062397	\$0.003524	5.99%
10	All add'l kWh	\$0.058873	\$0.062397	\$0.003524	5.99%
	Summer				
11	First 500 kWh	\$0.058873	\$0.062397	\$0.003524	5.99%
12	Next 400 kWh	\$0.058873	\$0.062397	\$0.003524	5.99%
13	All add'l kWh	\$0.058873	\$0.062397	\$0.003524	5.99%
	<u>Peak Management (unchanged from WEI)</u>				
14	Customer Charge	\$8.00	\$9.50	\$1.50	18.75%
	Usage Charge				
15	Winter	\$0.035822	\$0.036848	\$0.001026	2.86%
16	Summer	\$0.035822	\$0.036848	\$0.001026	2.86%
	Demand Charge				
17	Winter	\$1.22	\$1.40	\$0.18	14.75%
18	Summer	\$4.47	\$4.65	\$0.18	4.03%

* Includes transmission delivery charge: \$0.005130 per kWh - North.

WESTAR ENERGY, INC.

Illustration of CURB Revised Residential Tariff Charges
by Rate Zone

Line	<u>South Rate Area</u>	Present Rates	Revised Rates*	Revised Increase	
		(1)	(2)	Amount (3)	Percent (4)
1	Customer Charge	\$7.25	\$7.50	\$0.25	3.45%
	<u>Standard Service</u>				
	Usage Charge				
	Winter				
2	First 500 kWh	\$0.070574			
3	Next 150 kWh	\$0.070574			
4	Next 890 kWh	\$0.070574			
5	All add'l kWh	\$0.070574			
6	First 500 kWh		\$0.074969	\$0.004395	6.23%
7	Next 400 kWh		\$0.074969	\$0.004395	6.23%
8	All add'l kWh		\$0.074969	\$0.004395	6.23%
	Summer				
9	First 500 kWh	\$0.070574			
10	Next 150 kWh	\$0.082677			
11	Next 890 kWh	\$0.082677			
12	All add'l kWh	\$0.082677			
13	First 500 kWh		\$0.075552	\$0.004978	7.05%
14	Next 400 kWh		\$0.088508	\$0.005831	7.05%
15	All add'l kWh		\$0.088508	\$0.005831	7.05%
	<u>Conservation Service</u>				
	Usage Charge				
	Winter				
16	First 500 kWh	\$0.047073			
17	Next 150 kWh	\$0.047073			
18	Next 890 kWh	\$0.047073			
19	All add'l kWh	\$0.047073			
20	First 500 kWh		\$0.053000	\$0.005927	12.59%
21	Next 400 kWh		\$0.053000	\$0.005927	12.59%
22	All add'l kWh		\$0.053000	\$0.005927	12.59%
	Summer				
23	First 500 kWh	\$0.047073			
24	Next 150 kWh	\$0.050000			
25	Next 890 kWh	\$0.050000			
26	All add'l kWh	\$0.050000			
27	First 500 kWh		\$0.053000	\$0.005927	12.59%
28	Next 400 kWh		\$0.053000	\$0.003000	6.00%
29	All add'l kWh		\$0.053000	\$0.003000	6.00%

* Includes transmission delivery charge: \$0.004221 per kWh - South.

WESTAR ENERGY, INC.

Illustration of CURB Revised Residential Tariff Charges
by Rate Zone

Line	<u>South Rate Area</u>	Present Rates (1)	Revised Rates* (2)	Revised Increase	
				Amount (3)	Percent (4)
1	Customer Charge	\$7.25	\$7.50	\$0.25	3.45%
	<u>Space Heating</u>				
	Usage Charge				
	Winter				
2	First 500 kWh	\$0.070574			
3	Next 150 kWh	\$0.070574			
4	Next 890 kWh	\$0.047073			
5	All add'l kWh	\$0.047073			
6	First 500 kWh		\$0.074969	\$0.004395	6.23%
7	Next 400 kWh		\$0.057129	na	-
8	All add'l kWh		\$0.057129	\$0.010056	21.36%
	Summer				
9	First 500 kWh	\$0.070574			
10	Next 150 kWh	\$0.076500			
11	Next 890 kWh	\$0.076500			
12	All add'l kWh	\$0.076500			
13	First 500 kWh		\$0.075552	\$0.004978	7.05%
14	Next 400 kWh		\$0.088508	na	-
15	All add'l kWh		\$0.088508	\$0.012008	15.70%
	<u>Apartment Heating</u>				
	Usage Charge				
	Winter				
16	First 500 kWh	\$0.070574			
17	Next 150 kWh	\$0.047073			
18	Next 890 kWh	\$0.047073			
19	All add'l kWh	\$0.047073			
20	First 500 kWh		\$0.074969	\$0.004395	6.23%
21	Next 400 kWh		\$0.057129	\$0.010056	21.36%
22	All add'l kWh		\$0.057129	\$0.010056	21.36%
	Summer				
23	First 500 kWh	\$0.070574			
24	Next 150 kWh	\$0.076500			
25	Next 890 kWh	\$0.076500			
26	All add'l kWh	\$0.076500			
27	First 500 kWh		\$0.075552	\$0.004978	7.05%
28	Next 400 kWh		\$0.088508	\$0.012008	15.70%
29	All add'l kWh		\$0.088508	\$0.012008	15.70%

* Includes transmission delivery charge: \$0.004221 per kWh - South.

WESTAR ENERGY, INC.**North Rate Area**Illustration of CURB Revised Residential Rate Design and Proof of Revenue
Standard and Conservation Use Service

Line	Description	ProForma Billing Determinants		Present Rates (3)	Present Revenue (4) = (1)*(3)	Revised Rates* (5)	Revised Revenue (6) = (2)*(5)	Percentage Change in Rates (7)
		Existing Rate Structure (1)	Revised Rate Structure (2)					
1	Customer Charge	3,448,742	3,448,742	\$6.00	\$20,692,452	\$7.50	\$25,865,565	25.00%
<u>Usage Charges</u>								
<u>Standard Service</u>								
Winter								
2	All kWh	1,402,492,672	1,224,050,912	\$0.058873	\$82,568,951	\$0.062397	\$76,377,105	5.99%
Summer								
3	All kWh	637,671,507	330,738,751	\$0.064547	\$41,159,783	\$0.067547	\$22,340,410	4.65%
4	1st 500 kWh		617,935,031			\$0.074277	\$45,898,360	15.07%
5	All add'l kWh		2,172,724,694				\$144,615,875	
6	Subtotal Standard	2,040,164,179	2,172,724,694		\$123,728,734			
<u>Conservation Service</u>								
Winter								
7	All kWh	475,235,233	472,164,492	\$0.058873	\$27,978,524	\$0.062397	\$29,461,648	5.99%
Summer								
8	All kWh	391,065,567	200,401,174	\$0.058873	\$23,023,203	\$0.062397	\$12,504,432	5.99%
9	1st 500 kWh		61,174,619			\$0.062397	\$3,817,113	5.99%
10	All add'l kWh		733,740,285				\$45,783,193	
11	Subtotal Conserv.	866,300,800	733,740,285		\$51,001,727			
12	Total Std.& Conserv.	2,906,464,979	2,906,464,979		\$195,422,913		\$216,264,633	
				WEI Target Rounding			\$216,264,922 (\$289)	

Source: KCC DR 182.

* Note: Includes transmission delivery charge of \$0.005130 per kWh.

WESTAR ENERGY, INC.
South Rate Area
 Illustration of CURB Revised Residential Rate Design and Proof of Revenue
 Standard and (Restricted) Conservation Use Service

Line	Description	ProForma Billing Determinants		Present Rates (3)	Present Revenue (4) = (1)*(3)	Revised Rates* (5)	Revised Revenue (6) = (2)*(5)	Percentage Change in Rates (7)
		Existing Rate Structure (1)	Revised Rate Structure (2)					
1	Customer Charge	2,587,785	2,587,785	\$7.25	\$18,761,441	\$7.50	\$19,408,388	3.45%
Usage Charges								
<u>Standard Service</u>								
Winter								
2	All kWh	1,384,058,764	1,188,297,065	\$0.070574	\$97,678,563	\$0.074969	\$89,085,443	6.23%
Summer								
3	All kWh							
4	1st 500 kWh	285,276,730	381,474,227	\$0.070574	\$20,133,120	\$0.075552	\$28,821,141	7.05%
5	All add'l kWh	466,336,180	565,977,369	\$0.082677	\$38,555,276	\$0.088508	\$50,093,525	7.05%
6	Subtotal Standard	2,135,671,674	2,135,748,661		\$156,366,959		\$168,000,109	
<u>Conservation Service</u>								
Winter								
7	All kWh	48,306,939	43,142,274	\$0.047073	\$2,273,953	\$0.053000	\$2,286,541	12.59%
Summer								
8	All kWh							
9	1st 500 kWh	13,824,990	17,582,263	\$0.047073	\$650,784	\$0.053000	\$931,860	12.59%
10	All add'l kWh	107,427	1,437,829	\$0.050000	\$5,371	\$0.053000	\$76,205	6.00%
11	Subtotal Conserv.	62,239,356	62,162,366		\$2,930,108		\$3,294,606	
12	Total Std.& Conserv.	2,197,911,030	2,197,911,027		\$178,058,508		\$190,703,103	

Source: KCC DR 183.

WEI Target	\$188,502,859
CURB Shift	<u>\$2,200,000</u>
Rounding	\$244

* Note: Includes transmission delivery charge of \$0.004221 per kWh.

WESTAR ENERGY, INC.
South Rate Area

Illustration of CURB Revised Residential Rate Design and Proof of Revenue
Space Heating Service

Line Description	ProForma Billing Determinants		Present Rates (3)	Revised Revenue (4) = (1)*(3)	Recommended Rates* (5)	Revised Revenue (6) = (2)*(5)	Percentage Change in Rates (7)
	Existing Rate Structure (1)	Revised Rate Structure (2)					
1 Customer Charge	323,340	323,340	\$7.25	\$2,344,215	\$7.50	\$2,425,050	3.45%
Usage Charges							
Space Heating							
Winter							
2 1st 500 kWh	132,220,692		\$0.070574	\$9,331,343			
3 Next 150 kWh	20,248,926		\$0.070574	\$1,429,048			
4 Next 890 kWh	128,730,284		\$0.047073	\$6,059,721			
5 All add'l kWh	108,331,233		\$0.047073	\$5,099,476			
6 1st 500 kWh		109,824,760			\$0.074969	\$8,233,452	6.23%
7 All add'l kWh		247,636,601			\$0.057129	\$14,147,231	na
Summer							
8 1st 500 kWh	41600640		\$0.070574	\$2,935,924			
9 Next 150 kWh	25,575,633		\$0.076500	\$1,956,536			
10 Next 890 kWh	52,681,566		\$0.076500	\$4,030,140			
11 All add'l kWh	29,522,055		\$0.076500	\$2,258,437			
12 1st 500 kWh		55,496,807			\$0.075552	\$4,192,895	7.05%
13 All add'l kWh		125,952,861			\$0.088508	\$11,147,836	na
14 Subt Space Heating	538,911,029	538,911,029		\$35,444,840		\$40,146,464	

Source: KCC DR 183.

* Note: Includes transmission delivery charge of \$0.004221 per kWh.

WESTAR ENERGY, INC.
South Rate Area

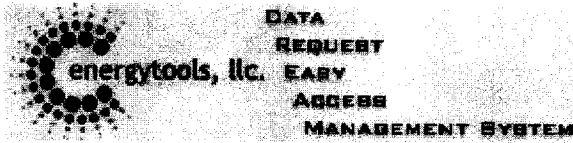
Illustration of CURB Revised Residential Rate Design and Proof of Revenue
Apartment Heating Service

Line	Description	ProForma Billing Determinants		Present Rates (3)	Present Revenue (4) = (1)*(3)	Revised Rates* (5)	Revised Revenue (6) = (2)*(5)	Percentage Change in Rates in Rates (7)
		Existing Rate Structure (1)	Revised Rate Structure (2)					
1	Customer Charge	255,866	255,866	\$7.25	\$1,855,029	\$7.50	\$1,918,995	3.45%
Usage Charges								
Apartment Heating								
Winter								
2	1st 500 kWh	79,871,506		\$0.070574	\$5,636,852			
3	Next 150 kWh	19,332,052		\$0.047073	\$910,018			
4	Next 890 kWh	46,265,240		\$0.047073	\$2,177,844			
5	All add'l kWh	10,595,994		\$0.047073	\$498,785			
6	1st 500 kWh		72,476,130			\$0.074969	\$5,433,463	6.23%
7	All add'l kWh		67,303,979			\$0.057129	\$3,845,009	21.36%
Summer								
8	1st 500 kWh	27198041		\$0.070574	\$1,919,475			
9	Next 150 kWh	5,785,100		\$0.076500	\$442,560			
10	Next 890 kWh	12,792,002		\$0.076500	\$978,588			
11	All add'l kWh	1,413,396		\$0.076500	\$108,125			
12	1st 500 kWh		36,466,330			\$0.075552	\$2,755,104	7.05%
13	All add'l kWh		27,006,892			\$0.088508	\$2,390,326	15.70%
14	Subt Apartment H.	203,253,331	203,253,331		\$14,527,276		\$16,342,897	

Source: KCC DR 183.

Total Space & Apartment Heating	\$56,489,361
WEI Target	\$58,689,336
CURB Shift	<u>(\$2,200,000)</u>
Rounding	\$25

* Note: Includes transmission delivery charge of \$0.004221 per kWh.



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Tuesday, September 06, 2005
Logged in as: **[Brian Kalcic]** [Logout](#)

Docket: [05-WSEE-981-RTS] 2005 Rate Case
Requestor: [CURB] [David Springe]
Data Request: CURB 250 :: Exhibit EI-2 - Rate Schedule
Date: 2005-08-08

Question 1 (Prepared by Bob Oakes)

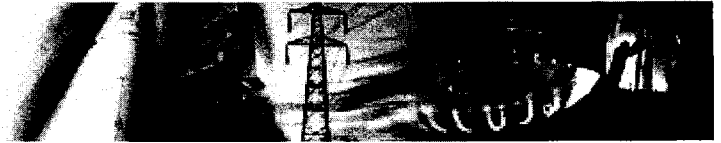
Reference Exhibit WEI-2. For each rate schedule, please clarify whether the referenced rates would apply to Point-to-Point Transmission Service, Network Integration Transmission Service, or both.

Response:

The rates shown for Schedules 1 through 6 on Exhibit WEI-2 apply to both Point-to-Point Transmission Service and Network Integration Transmission Service. The rates shown for Schedules 7 and 8 on Exhibit WEI-2 applies to Point-to-Point Transmission Service. The rates shown for Attachment H on Exhibit WEI-2 applies to Network Integration Transmission Service.

No Digital Attachments Found.

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Tuesday, September 06, 2005
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Docket: [05-WSEE-981-RTS] 2005 Rate Case
Requestor: [CURB] [David Springe]
Data Request: CURB 252 :: Schedule 1 Fees & Monthly Assessments
Date: 2005-08-10

Question 1 (Prepared by Dennis Reed)

Reference Exhibit ____ (WSS-2). Please provide a breakdown of the reported \$4.38 million between Schedule 1 fees and "monthly assessments." How do monthly assessments differ from Schedule 1 ancillary services?

Response:

A break down of the Charges for 566 was given in response to KIC Data Request #190 and #191. The SPP assessment is what all SPP load serving entities must pay and is described in the SPP By-laws, section 8 (provided in KIC data request #191). WR retail Schedule 1A expense = \$4,192,626.35 Difference between Monthly Assessment vs. Sched 1A paid = 187,249.72 ----- Total \$4,379,876.07

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Tuesday, September 06, 2005
Logged in as: **[Brian Kalcic]** [Logout](#)

Docket: [05-WSEE-981-RTS] 2005 Rate Case
Requestor: [KIC] [James Zakoura]
Data Request: KIC 191 :: Assessment of SPP Charges
Date: 2005-08-03

Question 1 (Prepared by Dennis Reed)

Please provide the calculation underlying the assessment of SPP charges for 2004 and 2005.

Response:

Attached is the explanation of the several charges Westar is billed from SPP. The invoice and actual dollar amounts have been supplied in response to KIC 190.

Attachment File Name	Attachment Note
KIC 191-SPP Charge background.PDF	

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SPP Assessment Actg

Southwest Power Pool, Inc.

Bylaws ~~SPP~~

Original Volume No. 4

Original Sheet No. 38

7.3 Retention of Other Regulatory Jurisdiction

Nothing in the formation or operation of SPP as a FERC recognized regional transmission organization is in any way intended to diminish the jurisdiction or authority of any other regulatory body. Any regulatory agency having utility rates or services jurisdiction over a Member or the regional transmission organization reserves the right to exercise all lawful means available to protect its existing jurisdiction and authority.

8.0 FISCAL ADMINISTRATION

The fiscal year shall coincide with the calendar year.

8.1 Operating Budget

SPP Staff and the Finance Committee will prepare an annual budget of expenditures for the next fiscal year and an estimate for an additional two years. The proposed budget shall be submitted to the Board of Directors not less than two weeks prior to the meeting at which the budget is to be considered for approval. Once approved by the Board of Directors, the budget shall constitute the authority required by the Officers for expenditures for the ensuing year. Modifications to the budget during the fiscal year must be recommended to the Board of Directors by the Finance Committee. The President shall have the authority to approve unbudgeted expenditures of up to \$250,000 individually or in the aggregate during the fiscal year. The President may approve unbudgeted expenditures in excess of \$250,000 but less than \$1,000,000 with the concurrence of the Finance Committee. Unbudgeted expenditures in excess of \$1,000,000 require prior approval of the Board of Directors.

8.2 Annual Membership Fee BA/WA 5838 G80 11/51 561,000

All SPP Members will be subject to an annual membership fee to recover the costs incurred by SPP related to maintaining reliability criteria and related compliance. Members without "Net Energy for Load" within SPP will pay an annual membership fee of \$6,000, or other amount established by the Board of Directors. The Board of Directors shall determine the annual membership fee for the upcoming year in advance of the last meeting of Members in a calendar year. Those Members serving load will be subject to a fee based on their annual Net Energy for Load within SPP for the preceding year. Membership fees are not subject to refund.

Typically billed in February

Issued by: L. Patrick Bourne, Manager
Transmission and Regulatory Policy

Effective: May 1, 2004

Issued on: August 2, 2004

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RT04-1-002 and ER04-48-002, issued July 2, 2004, 108 FERC ¶ 61,003.

8.3 NERC Assessment *B/A/WA 5838 680 11 5610000 OPSTRSY*

The NERC assessment is to be a direct pass-through and will be charged to Members per the assessment formula outlined below at the time SPP is invoiced by NERC:

$$A = [0.25(1/N) + 0.75(B/C)] X$$

- Where: A = Member's share of NERC assessment
- N = Total number of Members
- B = The Member's previous year Net Energy for Load within SPP
- C = Total of factor B for all Members
- X = Actual NERC assessment to SPP

*Typically billed.
 STR 1: As soon as NEFL are need
 by SPP for cell CA.
 STR 2: MARCH, Q1'03: July Q1'04: Oct*

8.4 Monthly Assessments *B/A/WA 8163 682 5660011 5450*

SPP will assess certain Members described herein on a monthly basis all costs not otherwise collected. Costs recovered under the assessment will include but are not limited to all operating costs, financing costs, debt repayment, and capital expenditures associated with the performance of SPP's functions as assigned by the Board of Directors. Significant among these are costs associated with regional reliability coordination and the provision of transmission service. SPP shall determine the assessment rate based on its annual budgeted net expenditures divided by estimated annual Schedule I billing units for service sold under SPP's OATT and Member load eligible to take, but not taking, Network Integration Transmission Service under SPP's OATT. The Board of Directors may review the assumptions used in determining the assessment rate at any time and may adjust the assessment rate appropriately should conditions warrant. Each load-serving Member shall then be assessed the monthly assessment rate applied to its load eligible to take Network Integration Transmission Service under the SPP OATT. Further, each load-serving Member shall receive a credit against the monthly assessment for that month's Schedule I fees paid for Network Integration Transmission Service and for Point-to-Point Transmission Service that had a delivery point within the SPP region, under the SPP OATT.

Billed Monthly.

Southwest Power Pool
FERC Electric Tariff
Fourth Revised Volume No. 1

OPEN ACCESS
TRANSMISSION TARIFF
FOR SERVICE OFFERED BY
SOUTHWEST POWER POOL

The following sheets reflect all revisions approved by FERC in orders issued through October 1, 2004, and all revisions from compliance filings submitted through February 26, 2005.

Issued by: L. Patrick Bourne, Manager
Transmission and Regulatory Policy

Issued on: October 27, 2000

Effective: November 1, 2000

SCHEDULE 1

Scheduling, System Control And Dispatch Service

Scheduling, System Control and Dispatch Service is required to schedule the movement of power through, out of, within or into a Control Area. The Transmission Provider's scheduling process will be as follows:

- a. For transactions that source and sink within the same Control Area, scheduling will be performed by the operator of that Control Area and the Transmission Provider.
- b. For transactions that source and sink in two different Control Areas, both within the Transmission System, scheduling will be performed by the operators of the source and sink Control Area and the Transmission Provider, but not by any intervening Control Area operators.
- c. For transactions that source and sink in two different Control Areas, one internal to the Transmission System and one external to the Transmission System, scheduling will be performed by the Control Area operator of the internal Control Area, the Transmission Provider, and the external Control Area that is the Point of Receipt/Point of Delivery.
- d. For transactions with a Point of Receipt and a Point of Delivery in Control Areas external to the Transmission System and transmitted through the Transmission System, scheduling will be performed by the Transmission Provider.

Issued by: L. Patrick Bourne, Manager
Transmission and Regulatory Policy

Issued on: March 30, 2004

Effective: April 1, 2004

Individual Control Area operators within the Transmission System may perform the functions necessary for the movement of power within, into, or out of the respective Control Area as described above. In such instances the Transmission Owner(s) whose Control Area operator(s) perform such functions may charge the Transmission Provider for its services as necessary to effectuate the transaction and the Transmission Provider will pass through to the Transmission Customer the actual charges for each transaction without any markup. The Transmission Provider shall pass through the revenues it receives for this service to the Transmission Owner(s) whose Control Area operator(s) provided the service. Each Control Area Transmission Owner shall maintain a schedule showing its cost of providing this service. For the Commission regulated Transmission Owners, these charges shall be pursuant to Commission approved schedules.

Issued by: L. Patrick Bourne, Manager
Transmission and Regulatory Policy

Issued on: March 30, 2004

Effective: April 1, 2004

SCHEDULE 1-A

Tariff Administration Service:

The Transmission Provider shall provide Tariff Administration Service to carry out its responsibilities under this Tariff. The Transmission Customer must purchase this service from the Transmission Provider. The charges for this Service are to be developed as shown below.

1. Administration Charge:

An administration charge shall be applied to all transmission service under this Tariff to cover the Transmission Provider's expenses related to administration of this Tariff. For Point-To-Point Transmission Service this charge shall be up to \$0.20 per MW per hour for all capacity reserved. For Network Integration Transmission Service this charge shall be up to \$0.20 per MW per hour for the 12 month average of the Transmission Customer's coincident Zonal Demands used to determine the Demand Charges under Schedule 9 multiplied by the number of all hours of the applicable month. The charge per MW per hour shall be the same for Point-to-Point Transmission Service as for Network Integration Transmission Service.

For each calendar year, the Transmission Provider shall establish a rate for this administration charge by dividing projected expenses based on its budget for the calendar year divided by the projected annual Schedule 1-A billing units for the calendar year. The Transmission Provider shall reconcile actuals to budgeted figures and shall adjust charges for the following calendar year to reflect either over or under recoveries of its costs for the prior year to allow the Transmission Provider to recover its actual costs. In projecting and recovering its expenses, the Transmission Provider shall recover 100% of its total expenses through this charge up to the cap of \$0.20 per MW per hour for all transmission service under the Tariff.

Issued by: L. Patrick Bourne, Manager
Transmission and Regulatory Policy

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2. Transmission Service Request Charges:

The Transmission Customer shall pay the Transmission Provider a charge for each new Transmission Service Request as follows:

- (i) For Firm Point-To-Point Transmission Service:
 - Reservations less than one month: \$100
 - Reservations one month or longer: \$200
- (ii) For Non-Firm Point-To-Point Transmission Service:
 - Each Reservation: \$0.

However, the Transmission Customer shall have this fee rebated to it once the Transmission Customer becomes legally obligated to pay the applicable Firm Point-to-Point Transmission Service charges under this Tariff or if the requested Firm Point-to-Point Transmission Service is denied by the Transmission Provider.

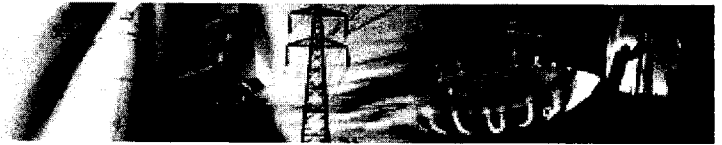
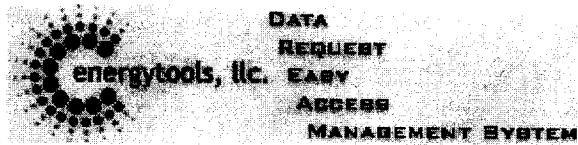
3. Bad Debt Expense:

The Transmission Provider shall include in its charges under this Schedule a component to cover estimated bad debts. The Transmission Provider shall reconcile actuals to estimates and shall adjust future monthly charges to reflect either over or under recoveries.

Issued by: L. Patrick Bourne, Manager
Transmission and Regulatory Policy

Issued on: March 30, 2004

Effective: April 1, 2004



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Docket: [05-WSEE-981-RTS] 2005 Rate Case
Requestor: [CURB] [David Springe]
Data Request: CURB 253 :: Ancillary Service
Date: 2005-08-11

Question 1 (Prepared by Bob Oakes)

Reference Exhibit ____ (WSS-2). Please break out the cost of each type of ancillary service included in Westar's total claimed TDC revenue requirement of \$81.6 million, i.e., by Schedules 1,2,3,5 and 6. Also, provide a break out of the cost of Energy Imbalance service (former Schedule 4). Include an electronic copy of all associated workpapers in spreadsheet format with all formulae intact.

Response:

There are no costs associated with ancillary services included in Westar's total TDC revenue requirement of \$81.6 million.

No Digital Attachments Found.

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CERTIFICATE OF SERVICE

05-WSEE-981-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, or hand-delivered this 9th day of September, 2005, to the following:

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CERTIFICATE OF SERVICE

05-WSEE-981-RTS

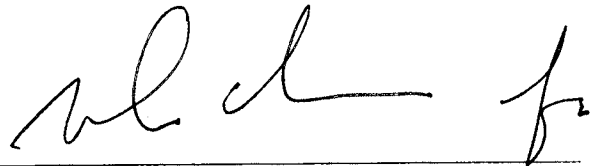
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