BEFORE THE STATE CORPORATION COMMISSION

OF THE STATE OF KANSAS

SUPPLEMENTAL DIRECT TESTIMONY

OF

JEFF MARTIN

ON BEHALF OF

EVERGY KANSAS SOUTH, INC.[1]

DOCKET NO. 20-KG&E-112-CON

Q. PLEASE STATE YOUR NAME.

A. Jeff Martin.

Q. ARE YOU THE SAME JEFF MARTIN WHO FILED DIRECT TESTIMONY IN THIS DOCKET?

A. Yes.

Q. WHAT IS THE PURPOSE OF THIS SUPPLEMENTAL DIRECT TESTIMONY?

A. We have been able to secure wind generation to meet all of Spirit AeroSystems, Inc.'s ("Spirit") needs under the proposed Energy Supply Agreement ("ESA") that we filed for approval in this docket – as was contemplated in the initially proposed ESA – and are filing an

[1] Evergy Kansas South, Inc. (dba and hereafter referred to as "Evergy Kansas Central") is formerly known as Kansas Gas and Electric Company but recently changed its name. *See* Docket No. 20-WSEE-123-CCN.

amended ESA incorporating the specific details of that wind generation, attached hereto. This supplemental direct testimony explains the details of this wind generation and how it fits into the proposed ESA.

Q. WHAT WERE THE PROVISIONS OF THE INITIALLY FILED ESA RELATED TO WIND GENERATION?

A. The ESA contained provisions similar to Evergy Kansas Central's Direct Renewable Participation Service ("DRPS") tariff that would allow Spirit to take energy produced from designated wind farms at a specified rate as a substitute for the RECA. In the initially filed ESA, Evergy Kansas Central committed to dedicate 50 MW of the Soldier Creek I wind farm, which is currently under construction, and 95 MW from a different wind farm to Spirit for the ten-year term of the ESA. Evergy Kansas Central committed to secure this second wind farm to be in service by the end of 2021.

Q. HOW DOES THE AMENDED ESA CHANGE THESE PROVISIONS RELATED TO WIND GENERATION?

A. Evergy Kansas Central was able to secure approximately 128 MW of wind generation at the ** [redacted] ** wind farm that will meet all of Spirit's needs under the ESA.[2] Therefore, the amended ESA replaces the use of both Soldier Creek I wind farm and the

[2] Evergy Kansas Central has not publicly announced its PPA for wind generation at this wind farm yet but intends to do so in the near future. At that time, Evergy Kansas Central will lift the confidential designation for the name of the wind farm to make it publicly available.

unidentified 95 MW wind farm with the wind generation that will be available from ** **. Evergy Kansas Central has executed an 11-year purchased power agreement ("PPA") for the generation at ** ** and the wind farm is expected to be in service by the end of 2020.

Q. HOW WILL SPIRIT'S PURCHASE OF ENERGY FROM ** ** WORK UNDER THE ESA?

A. Beginning at the time that ** ** is placed into service, Spirit will take all of the energy from the wind farm for the remaining term of the ESA. Spirit will be billed for energy produced from ** ** at ** ** cents per kWh as a substitute for the Retail Energy Cost Adjustment ("RECA"). If Spirit's usage exceeds the amount of energy produced by the wind farm at the end of a calendar year, the excess usage will be subject to the then current RECA surcharge. If the energy from the wind farm produces more than Spirit uses during a calendar year, any excess generation will be credited to Customer's bill at 80% of the ESA rate for the wind generation.

The PPA that Evergy Kansas Central has signed for ** ** has an 11-year term. Thus, assuming the proposed ESA becomes effective as proposed by Evergy Kansas Central and Spirit and that the wind farm goes into service in December 2020, there will be approximately two years remaining under the PPA when the

ESA expires. Therefore, the ESA provides that at the end of its ten-year term, the energy from the ** [redacted] ** wind farm will be utilized for the benefit of all of Evergy Kansas Central's retail customers and the related cost for that wind will be used to offset fuel costs and will be recovered by Company through its RECA. This will allow all of Evergy Kansas Central's retail customers the opportunity to benefit from this low-cost wind generation after the initial term of this ESA with Spirit. In the event that Evergy Kansas Central has a customer or customers who wish to purchase the generation from the wind farms directly, similar to the terms of the ESA, Evergy Kansas Central agrees to consult with Commission Staff to determine whether such an agreement is acceptable or whether Staff would recommend that the wind benefit all of the Company's retail customers for the remaining term of the PPAs.

Q. DOES THE AMENDMENT TO THE ESA CHANGE YOUR REQUEST OR THE COMMISSION'S EVALUATION OF THE PROPOSED ESA IN THIS DOCKET?

A. No. The amendment to the ESA simply provides the Commission with more specific information regarding the wind generation that will be used to serve Spirit under the ESA. The ESA continues to meet the Commission's standard for approval of special contracts and Evergy Kansas Central and Spirit request that the Commission approve the proposed ESA with the amendment submitted with this

testimony so that the new rates can become effective by January 1, 2020.

Q. THANK YOU.

ENERGY SUPPLY AGREEMENT

BETWEEN

KANSAS GAS AND ELECTRIC COMPANY

And

SPIRIT AEROSYSTEMS, INC.

THIS ENERGY SUPPLY AGREEMENT ("Agreement") made and entered into this day of, 2019, by and between Spirit AeroSystems, Inc., a Delaware corporation ("Customer"), and Kansas Gas and Electric Company, a Kansas corporation, d/b/a Westar Energy ("Company" or "Westar Energy"). Each of Customer and Company may also be referred to individually as "Party" or collectively as "Parties."

WITNESSETH:

WHEREAS, Customer and Company recognize Customer's aerospace manufacturing operations are of vital importance to the economy of the State of Kansas and the economy of areas served by Company;

WHEREAS, Customer and Company recognize Customer desires to maintain and compete for expansions of its aerospace manufacturing operations in the Wichita, Kansas area;

WHEREAS, Customer and Company recognize the retail price of electricity is a material consideration in the Customer's ability to maintain and expand its aerospace manufacturing operations in the Wichita, Kansas area;

WHEREAS, Customer competes with manufacturers in jurisdictions with lower electricity pricing and Customer competes for capital investment with other internal divisions of its company located in jurisdictions with significantly lower electricity pricing; and

WHEREAS, Customer and Company desire to enter into this Energy Supply Agreement, with the terms set forth below, to maintain the ongoing operations of Customer and to support announced and potential future expansions by Customer;

NOW, THEREFORE, in consideration of the premises and of the mutual obligations and agreements herein contained, the Parties hereby agree as follows:

ARTICLE 1 - GENERAL DEFINITIONS

"Affiliate" means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, "control" means the direct or indirect ownership of 50% or more of the outstanding capital stock or other equity interests having ordinary voting power.

"Bankrupt" means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

"Business Day" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m., central prevailing time (either Central Standard Time or central day-light time). The principal place of business of Customer is deemed to be in Wichita, Kansas. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

"Code" means the United States Bankruptcy Code.

"Contract Quantity" has the meaning set forth in Section 4.1 of this Agreement.

"Contract Year" means, except for the first Contract Year, a 12 month period beginning 12:01 a.m. on the anniversary of the Effective Date in each new year and ending at midnight on last day prior to the anniversary of the Effective Date in the same year. The first Contract Year shall begin at 12:01 a.m. of the Effective Date and end at midnight on the date occurring twelve months after the Effective Date.

"Day" means a time period of 24 hours.

"Defaulting Party" has the meaning set forth in Section 11.1 of this Agreement.

"Delivery Points" means the point at which the Energy will be delivered and received under this Agreement, as specified in Section 4.3 of this Agreement.

"Effective Date" means the first day of the month immediately following the date of approval of this Agreement by the KCC.

"Energy" means electric energy of the character commonly known as three-phase, four wire, alternating current at approximately sixty-hertz expressed in MWhs or kWhs that is delivered at the nominal voltage at the Delivery Points at approximately 12,470 volts and 69,000 volts.

"Event of Default" has the meaning set forth in Section 11.1 of this Agreement.

"Equitable Defenses" means any bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

"Force Majeure" means an event not anticipated as of the Effective Date, which is not within the reasonable control of the Party (or in the case of third party obligations or facilities, the third party) claiming suspension (the "Claiming Party"), and which by the exercise of due diligence, the Claiming Party, or third party, is unable to overcome or obtain or cause to be obtained a commercially reasonable substitute therefore. Force Majeure may include, but is not restricted to: fire, flood, storm, extreme weather, or other acts of God; fire; civil disturbance; labor dispute; labor or material shortage; sabotage; action or restraint by court order or public or governmental authority (so long as the Claiming Party has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such government action). Force Majeure shall not be based on (i) the loss of Customer's markets, (ii) Customer's inability to economically use the Energy, (iii) Company's ability to sell the Energy at a price greater than the price established by this Agreement, or (iv) Customer's inability to pay for the Energy. Interruption by a Transmission Provider shall be deemed to be Force Majeure.

"Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, methodor act to the exclusion of all others, but rather to be a number of possible practices, methods or acts generally accepted in the region.

"Interest Rate" shall mean for any date, the lesser of (1) the per annum rate of interest equal to the prime lending rate as may from time to time be published in the Wall Street Journal under "Money Rates" on such day (or if not published on such day, the most recent preceding day on which published), plus 2% and (2) the maximum rate permitted by Kansas law.

"kW" means kilowatt.

"kWh" means kilowatt-hour.

"KCC" means Kansas Corporation Commission.

"Letters of Credit" means one or more irrevocable standby letters of credit from a major U.S. commercial bank with such bank having a credit rating of at least "A-" from S&P or "A3" from Moody's, in such form as is consistent with standard commercial banking practices and reasonably acceptable to the party in whose favor the Letter of Credit is issued.

"MW" means megawatt.

"MWH" means megawatt-hour.

"Material Adverse Change" means with respect to a Party, a material change has occurred in the creditworthiness, financial condition or ongoing business of that Party and such change is or is reasonably likely to materially and adversely affect that Party's ability to perform hereunder.

"Moody's" means Moody's Investor Services, Inc. or its successor.

"New Tax" means a franchise, license, or excise fee or an occupation, gross receipts, business, sales, excise, privilege or similar tax imposed upon the electrical operations of Company or Westar Energy after the Effective Date by a federal, state, county, local governmental authority, and which the KCC or other applicable regulatory body authorizes Company to pass through to all of Company's retail customers as a charge in addition to or as part of tariff rates.

"PTS" means Property Tax Surcharge.

"Performance Assurance" means collateral in the form of either cash, obligations of the U.S. government with a maturity date of less than one year, or Letters of Credit.

"Potential Event of Default" means an event which, to the knowledge of the subject Party, with notice or passage of time or both, would constitute an Event of Default, and for purposes of this Agreement, any Material Adverse Change shall be deemed to be a Potential Event of Default.

"Regulatory Event" has the meaning set forth in Section 14.4 of this Agreement.

"S&P" means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor.

"Term" has the meaning set forth in Section 9.1 of this Agreement.

"Transmission Provider" means any third party provider of electric transmission services that are relevant to a Party's performance of its obligations under this Agreement, and in particular regard to this definition, the claiming Party's performance obligations.

ARTICLE 2 -REPRESENTATIONS AND WARRANTIES

2.1 On the Effective Date, each Party represents and warrants to the other Party that:

A. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

B. it has, or will have as of the Effective Date, all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

C. the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

D. this Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, subject to any Equitable Defenses;

E. it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;

F. there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially and adversely affect its ability to perform its obligations under this Agreement;

G. no Event of Default or Potential Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

H. it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

I. it is a "forward contract merchant" and that this Agreement is a "forward contract" as that term is defined in the Code;

J. it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of the Energy referred to in this Agreement to which it is a Party; and

K. the electricity delivered by Company to Customer pursuant to this Agreement at all times shall meet the requirements of Energy as defined herein.

ARTICLE 3 - FACILITIES TO BE PROVIDED

3.1 Company agrees to maintain the facilities it owns necessary to supply Energy to Customer's Plant at two substations. Westar owns and operates the 138-10 and 138-12 breakers in Boeing substation and at Stearman substation, Westar owns and operates all 138 kV and 12kV devices on the west side of the substation.

ARTICLE 4 – COMPANY'S SUPPLY OF ENERGY

4.1 Company shall provide and sell to Customer and Customer shall purchase from Company Energy sufficient to supply the total requirement of Customer's Plant at such operating levels as Customer shall determine from time to time in its sole discretion. In the event that Company cannot supply Customers full demand pursuant to this agreement, the Customer shall have the right to employ temporary generation onsite, until such time that

the Company can resume full demand delivery. Unless the Parties otherwise mutually agree in writing, Company shall not be required to supply to Customer Capacity, as measured over a 15-minute interval, in excess of 120,000 kW ("Contract Quantity").

4.2 Energy sold by Company to Customer shall be used solely for the purpose of operating Customer's Plant and related facilities.

4.3 The Delivery Points for the Energy to be supplied to Customer under this Agreement shall be at Customer's side of the point of interconnection at Company's facilities located on Customer's campus between 31st Street and 47th Street South in Wichita, Kansas. Any of Customer's other points of delivery for service from Westar will not be supplied pursuant to this Agreement but instead will be subject to the provisions of Westar's standard rate schedules.

4.4 Subject to the terms of this Agreement, the Energy requirements of Customer's Plant shall be served by Company.

ARTICLE 5 - RATES

5.1 Beginning on the Effective Date of this Agreement, Customer shall pay monthly Company for all Energy provided hereunder. Pricing of such purchased Energy shall be established pursuant to the then applicable rates (cents per kWh) specified in the following monthly rate schedule:

A. For all months:

i.	First Block- 7,000,000 kWh per month	$[redacted]
ii.	Second Block- 11,000,000 kWh per month	$
iii.	Third Block- 22,000,000 kWh per month	$
iv.	Fourth Block- all additional kWh per month	$

C. Applicable taxes and/or fees, as identified in Sections 5.5 and 5.7 of this Agreement shall be added to Customer's monthly bill.

D. Rates in Article 5.1 may be adjusted by the Customer's Power Factor (as defined in Section 1.21 of the Company's General Terms and Conditions on file with the KCC) provided the power factor is less than 0.90 at the point of delivery and the Company provides to Customer reasonable substantiating documentation of such Power Factor. Rates may be increased by the following equation:

Article 5.1 rates multiplied by 0.90 and dividing by the monthly power factor.

E. The foregoing rates are subject to adjustment as provided in the following Schedules as filed with KCC:

1. Property Tax Surcharge;

2. Transmission Delivery Charge; and
3. Energy Efficiency Rider.

F. The foregoing rates are also subject to adjustment as provided in Company's Retail Energy Cost Adjustment rate schedule subject to the following provisions:

1. Company has secured wind generation from [redacted] Wind Farm, approximate nameplate capacity of 128 MW. Beginning at the time that [redacted] Wind Farm is placed in service, Customer will take entire output produced for a term consistent with the remaining Term of this Agreement. Energy produced at [redacted] Wind Farm will be billed at [redacted] cents per kWh as a substitute for RECA. Customer usage exceeding the amount of energy produced by [redacted] Wind Farm at the end of a calendar year will be subject to the then current RECA surcharge. If the output of energy from [redacted] Wind Farm produces more than Customer uses during a calendar year, any excess generation will be credited to Customer's bill at 80% of the [redacted] cents per kWh rate.

2.

3. Company will use best commercial efforts to ensure that the [redacted] Wind Farm will be in production by the end of December 2020.

4. At the end of the ten-year term of this Agreement, the energy procured pursuant to Paragraph 5.1.F.1 will be utilized to serve all of Company's retail customers and the related cost for that wind will be recovered by Company through its Retail Energy Cost Adjustment (RECA). In the event that Company has a customer or customers who wish to purchase the generation procured pursuant to Paragraph 5.1.f.1, similar to the terms of this Agreement, Company will consult with the Staff of the Kansas Corporation Commission to determine whether it is acceptable or whether Staff would prefer that the energy procured pursuant to Paragraph 5.1.F.1 be utilized to serve all of Company's retail customers for the remaining term of the procured energy.

5.2 Each Party shall act in good faith and shall use commercially reasonable efforts necessary to obtain the KCC's approval of this Agreement. This Agreement shall be filed with the KCC for approval within 45 days of the Execution Date.

5.3 Customer's minimum monthly bill, before taxes, shall be $[redacted] during the Term of this Agreement. The monthly minimum bill shall be prorated in any month during the Term of this Agreement to the extent that in such month Customer's usage is reduced by the occurrence of an event of Force Majeure (a "Reduction Event"). In those months when the monthly minimum bill is prorated, the minimum amount payable shall be determined by multiplying $[redacted] by a fraction, the numerator of which shall be the total hours in that billing month less the number of hours in that billing month that Customer's usage is reduced by a Reduction Event and the denominator of which shall be the number of hours in that billing month.

5.4 A. The monthly bill shall be due and payable when received by Customer. If Customer fails to pay Company within 15 days from such date, Customer shall pay a late payment charge pursuant to Company's Service Regulations.

B. All claims as to error in the preparation and computation of monthly bills, must, in each instance, be submitted by the claiming Party to the other Party in writing within 2 years from the date when such bill was rendered, otherwise each such claim shall for all purposes be considered and held to be waived. Any claim made pursuant to this Section 5.4, if not resolved by informal negotiations between the Parties, shall be submitted for resolution in accordance with Section 13.1 of this Agreement.

5.5 Any New Tax shall be added as a separate charge(s) and charged to Customer's bill for the Energy in the same form and at the same rate in which it is imposed on Company if the Energy to Customer is not exempted from the New Tax.

5.6 Customer shall be entitled its proportionate share of any refund required to be paid by Company to Company's other customers, as directed by KCC.

5.7 A. After the Effective Date, (i) Customer agrees that the PTS rate schedule and the resulting rate as filed with and approved by the KCC shall be applied to the rates included in Section 5.1 of this Agreement as such rate schedule is modified from time to time; or
(ii) if any federal, state, county or local governmental authority imposes, increases, decreases, or removes any applicable exemption on any sales, use, energy, value added, severance, production or similar tax or fee upon the fuels used by Company to generate electricity; or (iii) if any federal, state, county or local governmental authority imposes, increases, decreases or removes any applicable exemption on any tax, fee or charge upon Company for emissions or discharges associated with the electricity generated, sold or purchased by Company, then Company hereby reserves the right to make an application to the KCC to recover such increase in taxes or fees from, or pass such decrease in taxes or fees through to, Customer as a billing surcharge or credit, as the case may be, provided such increase or decrease applies against or is in favor of other customers of Company. The modification to costs described immediately above in consequence of increases or decreases in taxes or fees shall be allocated to Customer based on the ratio of sales to Customer in the prior 12 months divided by sales to all of Company's customers in the prior 12 months or pursuant to such alternative allocation methodology as may be ordered by the KCC. Customer reserves the right to oppose any such application by Company to the KCC hereunder.

B. If any federal, state, county or local governmental authority enacts any rule, order, law, regulation or assessment which results in an increase or decrease in the sales or use tax on the fuel purchased by Company for use in its generating facilities in the production of electricity, the rates set forth in this Agreement will be automatically adjusted to reflect the actual cost of such sales or use tax; provided, however, such increase or decrease applies against all of Company's other retail customers.

C. If any federal, state, county, or local governmental authority adjusts a fee or imposes a new fee and (i) such fee is applicable to Company and (ii) such fee is not reflected in Company's retail rates, then Company may file with the KCC to reflect such fee. Customer's rates as described in Section 5.1 of this Agreement and Customer's rate shall be modified to reflect any such applicable fee byadjusting the amount to incorporate the rate approved by the KCC or the rate, surcharge or adjustment amount approved by the KCC.

D. If either through existing or future legislation, the Kansas legislature authorizes or otherwise permits Company to seek recovery of costs not covered in existing rates, or modify existing rates to effect an unbundling of costs and Company files an application with the KCC to seek recovery of such costs or effect an unbundling of costs with respect to all of Company's retail customers, then Customer's rates as described in Section 5.1 of this Agreement shall be modified accordingly as authorized by the KCC.

E. If the regulatory compact changes in a material way as a result of legislation, regulation, or otherwise, either Company or Customer shall have the option to terminate this Agreement on six months written notice.

1. If Customer terminates the Agreement pursuant to Paragraph 5.7.E, Customer will be responsible for purchasing the output of the wind generation procured pursuant to Paragraphs 5.1.F.1 and 5.1.F.2 for the remainder of the ten-year term of this Agreement. Company will use reasonable commercial efforts to sell the wind generation to a different customer or obtain recovery of the remaining amount through the regulatory process and, if Company is successful, Customer's responsibility for the portion of the wind generation resold or recovered through rates will terminate. In this event, Customer will remain responsible for any portion of the wind generation not resold or recovered through rates for the remainder of the term of this Agreement. In the event that Company's efforts to resell or recover through rates result in a recovery by Company of an amount per kWh less than the amount per kWh Customer is responsible for under this Agreement, Customer will be responsible for paying the difference between the two amounts for the remainder of the term of this Agreement.

2. If Company terminates the Agreement pursuant to Paragraph 5.7.E, Customer will begin taking service under the ILP tariff, including the RECA and all other applicable riders and surcharges, upon the effective date of the termination of the Agreement.

F. If the KCC authorizes or otherwise permits Company to modify existing rates to effect an unbundling of costs and Company files an application with the KCC to seek recovery of such costs with respect to all of Company's retail customers, then Customer's rates as described in Section 5.1 of this Agreement shall be modified accordingly as authorized by the KCC.

G. Company may petition the KCC to reflect cost changes in rates. Company may in that petition seek recovery of a prorata share of said costs changes through the rates described in Section 5.1. In that petition, Company will request the KCC apply the same overall percentage increase or decrease that is allocated to the Industrial and Large Power Service (ILP) class of customers; however, the final allocation of any increase or decrease is under the full purview of the KCC. The rates in Section 5.1 shall be modified accordingly as authorized by the KCC order. In the event Company does petition the KCC to reflect cost changes in rates, then Customer shall be notified at least 60 days in advance of proposed changes.

H. Customer agrees to pay in full all applicable taxes, fees and charges that are in effect as of the Effective Date of this Agreement and authorized by the KCC to be charged to Company's retail customers.

5.8 If Company receives notice from any federal, state or local governmental authority that a change(s) to any tax, fee, cost or charge upon Company is being proposed, and if the same may be passed through as a charge(s) to Customer under applicable law, then Company shall notify Customer of such proposed change(s) within a reasonable time of Company's receiving notice from that governmental authority. Company's failure to notify Customer

hereunder shall not relieve Customer of any charges due and payable pursuant to the terms of this Article 5.

5.9 Notwithstanding Customer's compliance with Section 5.2, thereafter Customer is not prohibited by this Agreement from protesting and opposing any application to the KCC by Company seeking an increase in taxes, fees, costs or charges of the types contemplated by foregoing provisions of Article 5, or from instituting a proceeding before the KCC seeking a decrease in any taxes, fees, costs or charges of the types described in the foregoing provisions of Article 5 that are imposed on Customer.

ARTICLE 6 - METERING

6.1 Metering facilities for Delivery Points as described in Section 3.1 of this Agreement shall be owned and installed by Company.

6.2 The amounts of Energy supplied and received hereunder (including Energy supplied to Company from the Cogeneration Plant) shall be determined from measurements taken by the metering facilities provided by Company. All meters located at the Delivery Points served under this Agreement will be totalized each billing month in order to calculate Customer's bill.

6.3 At Company's option, Energy may be metered at other than the delivery voltage, in which event; Company shall adjust such metered measurements to compensate for losses between the point of measurement and the point of interconnection.

ARTICLE 7 - INDEMNIFICATION

7.1 Each Party hereto shall defend, indemnify, and save harmless the other Party against liability, loss, costs and expense on account of any injury to persons (except employees of the Parties), including death, or damage to property occasioned on or adjacent to facilities of the indemnifying Party on its own respective side of the Delivery Points; provided, however, that no such indemnity obligation shall arise hereunder with respect to any injury or damage to the extent caused by the intentional and/or negligent act or omission of the other Party.

7.2 With respect to its own employees, each Party shall be deemed an "Employer" for purposes of this Agreement. Notwithstanding any provision to the contrary contained herein, an Employer shall have no obligation to defend, indemnify or save harmless the other Party against any liability, loss, costs or expenses resulting from injury to, or death of, the Employer's employees occurring while acting within the scope of their employment.

ARTICLE 8 - COMMISSION APPROVAL

8.1 This Agreement and all of the terms and conditions provided herein are contingent upon approval by the KCC and will become effective on the first day of the month following the month in which this Agreement is approved by the KCC (such date is referred to as the "Effective Date"). If the KCC does not approve this Agreement, as written, it shall be deemed null and void unless otherwise agreed upon by both Parties.

8.2 This Agreement will not become effective unless the KCC approves the Company's deferral as a regulatory asset of the difference in the amount recovered from Customer as a result of this Agreement and what would have been recovered under the existing tariffs until the time rates are changed in conjunction with Company's next general rate case, giving the Company the right to request recovery of that regulatory asset in the next general rate case and approves any necessary adjustments to the calculation of Company's TDC rates and/or allocation of the TDC revenue requirement to the customer classes to ensure other customers are not impacted by Customer's move from the ILP rate class to the special contract rate class.

8.3 Delivery of Energy under this Agreement is subject to the General Terms and Conditions of Company's Tariff at present on file with the KCC and any subsequent modifications or substitutions thereof lawfully made.

ARTICLE 9 - TERM AND TERMINATION

9.1 The primary term ("Term") of this Agreement shall be from the Effective Date through the date occurring ten (10) calendar years after the Effective Date, and this Agreement shall thereafter expire as to Term, unless terminated earlier pursuant to the terms of this Agreement.

9.2 If at any time during the Term of this Agreement the KCC issues an order or imposes an agency action which will increase Customer's average monthly bill, expressed in cents per kWh, by greater than 5% in any rolling 24 month period or by greater than 15% over the Term of this Agreement over and above those monthly bill increases otherwise provided for in this Agreement, Customer may terminate this Agreement on one year prior written notice.

9.3 Customer may elect to terminate this Agreement at any time upon two months prior written notice coupled with an election to purchase Energy from Company after such termination pursuant to the terms of an applicable published tariff of Company.

9.4 If Customer terminates this Agreement in accordance with Section 9.2 or 9.3, then Customer shall pay Company an amount equal to the accumulated difference between what Customer's rates would have been under the ILP Tariff, or other applicable tariffs, as compared to what the rates actually were under the Agreement for the 24-month period immediately prior to any early termination of the Agreement.

9.5 Customer agrees that this ESA is based on the continuation of reasonably stable and / or growing operations and workforce at Customer's Wichita facilities. Customer will make good faith efforts to maintain and/or increase the employment and operations at Company's Wichita facilities. Customer will provide annually to Company, its EEO Form 1 as submitted to the Department of Labor that reflects Customer employment at the Wichita facilities. The Company acknowledges that Customer operates in a highly competitive market, and that a change in the number of employees at Customer's Wichita facilities and / or a change in the level of operations at the Wichita facilities during the term of the ESA may be necessary and appropriate to reflect changing market conditions in the future.

9.6 In an effort to support a stable or growing workforce, Customer agrees to invest no less than $[redacted]/year on a three-year rolling average in capital expenditures at Customer's Plant (e.g., replacement of plant equipment, plant upgrades, or plant production improvements) through the Term).

ARTICLE 10 - CONFIDENTIALITY

10.1 Customer and Company consider the price terms of this Agreement confidential subject to any legally required review by a jurisdictional regulatory agency or disclosure required by any law (including SEC rules) applicable to either Party. In the event that either of the Parties is requested or becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or any similar process) to disclose any information relating to the price terms of this Agreement, the compelled Party will provide the other Party with prompt written notice so that the noncompelled Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Section 12.1. In the event that such protective order or other remedy is not obtained or that the noncompelled Party waives compliance with the provisions of this Section 12.1, the compelled Party will furnish only that portion of the requested information which is legally required. Notwithstanding the foregoing, confidential terms and conditions shall not include any information or data that (a) is or becomes publicly known through no act or omission of the receiving Party in violation of this Agreement; (b) was known by the receiving Party without confidential or proprietary restriction before receipt from the disclosing Party, as evidenced by the receiving Party's contemporaneous written records; (c) becomes known to the receiving Party without confidential or proprietary restriction from a source other than the disclosing Party that is not known by the receiving Party to owe a duty of confidentiality to the disclosing Party with respect to such information and data; or (d) is independently developed by the receiving Party without reference to such information and data. In addition, the receiving Party may use or disclose such information and data to the extent (i) approved in writing in advance by the disclosing Party or (ii) the receiving Party is legally compelled to disclose such information and data, provided, however, that prior to any such compelled disclosure, the receiving Party shall, to the extent practicable, give the disclosing Party prompt advance notice of any such disclosure and shall cooperate with the disclosing Party, at the disclosing Party's cost, in protecting against any such disclosure and/or obtaining a protective order narrowing the scope of such disclosure and/or use of such information and data. If the disclosing Party is unable to obtain or does not seek such a protective order or the disclosing

Party waives compliance with the provisions hereof and the receiving Party is, in the opinion of its counsel, legally obligated to disclose the such information and data, disclosure of such information may be made without liability and is considered in accordance with this Agreement.

ARTICLE 11- EVENTS OF DEFAULT

11.1 Events of Default. An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

A. the failure to make, when due, any payment required pursuant to this Agreement if such failure is not cured within three (3) Business Days after written notice;

B. any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

C. the failure to perform any material covenant or obligation set forth in this Agreement if such failure is not cured within ten (10) days after written notice;

D. such Party is Bankrupt;

E. such Party is affected by the occurrence of a Material Adverse Change; provided, however, that such Material Adverse Change shall not be considered an Event of Default if, pursuant to the pertinent provisions of Section 11.4 hereof, such affected Party establishes and maintains for so long as the Material Adverse Change is continuing, Performance Assurance to the benefit of the other Party which is in form and amount acceptable to the other Party; or,

F. such Party fails to establish, maintain, extend or increase Performance Assurance when required pursuant to Section 11.4 of this Agreement.

11.2 Remedies. Upon the occurrence of an Event of Default (including the expiration of applicable cure periods), the non-defaulting Party (the "Non-Defaulting Party") may terminate this Agreement upon three (3) days prior written notice. Except with respect to Customer's obligations in Article 7, the Parties expressly agree that Customer's aggregate liability for direct actual damages arising from one or more Events of Default by Customer shall not exceed the amount of liquidated damages that would be payable by Customer pursuant to Section 9.3.

11.3 Bankruptcy. Upon the filing of a petition by or against the Defaulting Party under the Code, the Defaulting Party, as debtor and as debtor-in-possession, agrees to adequately protect the Non-Defaulting Party as follows:

A. to cure or to provide adequate assurance to cure each and every obligation of the Defaulting Party under this Agreement until such time as this Agreement is either rejected or assumed by order of the Bankruptcy Court;

B. to pay all monetary obligations required under this Agreement, including, without limitation, the payment of all sums required to be paid by the Defaulting Party under the terms and conditions of this Agreement as reasonable compensation for the Energy provided under this Agreement;

C. to provide the Non-Defaulting Party a minimum 30 days' prior written notice, unless a shorter period is permitted by the Code of any proceedings relating to any assumption of this Agreement or any intent to vacate or abandon this Agreement, which vacating or abandonment shall be deemed a rejection of this Agreement; and

D. to perform to the benefit of the Non-Defaulting Party as otherwise required under the Code.

11.4 Performance Assurance. Upon the occurrence of a Material Adverse Change that may adversely affect performance of a Party, the affected Party will promptly provide the unaffected Party with written notice of a Potential Event of Default, identifying with reasonable specificity in such notice the nature and extent of the Material Adverse Change. Within a reasonable time after receiving such notice of Potential Event of Default, the unaffected Party may give written notice requesting Performance Assurance in an amount determined in a commercially reasonable manner. Upon receipt of such notice requesting Performance Assurance, the Party affected by the Material Adverse Change shall have 3 Business Days to cure the Potential Event of Default by providing such Performance Assurance. In the event the affected Party fails to provide such Performance Assurance acceptable to the unaffected Party within 3 Business Days of receipt of notice, then an Event of Default under this Article 11 shall be deemed to have occurred, and the Non-Defaulting Party will be entitled to the remedies set forth in this Agreement.

ARTICLE 12 - NOTIFICATION

12.1 All notices required or contemplated under this Agreement shall be first attempted via telephone to the appropriate personnel as contained herein. All notices via telephone communication(s) shall be followed, within a 24 hour period, with written communication(s) taking the form of personal delivery, registered mail, courier delivery service or email. All communication(s) shall be deemed to have been given when received by the other Party, in all instances all charges prepaid, addressed as follows:

If to Customer:

Spirit AeroSystems, Inc.
PO Box 780008 MC 20-30
Wichita, KS 67278-0008
Attention: Adam Pogue
Phone: (316) 526-9686
Email: Adam.M.Pogue@spiritaero.com

If to Kansas Gas and Electric Company:

Westar Energy, Inc.
818 S. Kansas Ave.
Topeka, KS 66612
Attention: Kristen Aberle
Phone: (316) 261-6249
Email: kristen.aberle@westarenergy.com

Notice by email or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day unless the sender of a notice via email receives a return message that the notice recipient is "out of office" or otherwise unavailable for a specified period of time, in which case, such notice via email will not be effective until the return date specified by such recipient in the automated reply to sender. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith.

ARTICLE 13 - DISPUTE RESOLUTION

13.1 In the event of a dispute which arises out of or relates to this Agreement, or the breach thereof, the Parties agree first to notify the other in writing of the nature of the dispute and of the remedy sought, and to try in good faith to settle the dispute by informal negotiations between representatives of Customer and Company who have authority to settle the dispute before resorting to litigation; provided, however, that notwithstanding the foregoing obligation to participate in good faith informal dispute resolution negotiations, either Party may seek appropriate injunctive relief upon proper showing.

ARTICLE 14 - MISCELLANEOUS PROVISIONS

14.1 Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an Affiliate of such Party, or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of Customer or to all or substantially all of the electric business assets of Company; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof. In the event of any such assignment, if the non-assigning Party reasonably determines that the assignee does not meet the non-assigning Party's credit worthiness criteria for similarly sized companies as the assignee, the non-assigning Party may require the assignee to provide a suitable guaranty, Performance Assurance, or other credit or

performance support in order to meet the credit and performance requirements of the non-assigning Party.

14.2 Any and all suits for any breach of this Agreement or for rescission or specific performance of this Agreement shall be filed and maintained in any court of competent jurisdiction in Topeka, Kansas. The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Kansas, without reference to principles of conflicts of laws. Each Party waives its respective rights to any jury trial with respect to any litigation arising under or in connection with this Agreement.

14.3 No waiver by either Company or Customer of any default of the other under this Agreement shall operate as a waiver of future default, whether of like or different character or nature.

14.4 Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change (individually or collectively, such events referred to as "Regulatory Event") will not otherwise affect the remaining lawful obligations that arise under this Agreement; and provided, further, that if a Regulatory Event occurs, the Parties shall use commercially reasonable efforts to reform this Agreement in order to give effect to the original intention of the Parties.

14.5 This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. The Parties agree that this Agreement shall not be interpreted or construed to favor either Party more than the other.

14.6 Each Party (and its representative(s)) has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If requested, a Party shall provide to the other Party statements evidencing the quantities of the Energy delivered at the Delivery Points. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be promptly made and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid. No adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of 2 years from the rendition thereof. This provision will survive any termination or expiration of this Agreement for a period of 2 years from the date of such termination or expiration for the purpose of such statement and payment objections.

14.7 This Agreement constitutes the final, complete and entire agreement between the Parties relating to the subject matter contemplated by this Agreement and supersedes any previous agreements, representations, or discussions, whether oral or written, between the Parties relating to the subject matter contemplated by this Agreement.

14.8. Notwithstanding any provisions herein to the contrary, the obligations set forth in Articles 7, 9, 10, 11 and 14 shall survive the expiration or termination of this Agreement for a period of twenty-four (24) months there from.

ARTICLE 15 - LIMITATIONS OF REMEDIES, LIABILITY AND DAMAGES

15.1 EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, A PARTY'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT. IT IS THE INTENT OF THE PARTIES THAT, EXCEPT AS TO ACTS OF GROSS NEGLIGENCE OR WILFULL, WANTON OR INTENTIONAL MISCONDUCT, THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date above set forth.

SPIRIT AEROSYSTEMS, INC.

By: [signature]
Name: [illegible]
Its: VICE PRESIDENT

KANSAS GAS AND ELECTRIC COMPANY

By: [signature]
Name: Darrin Ives
Its: Vice President, Regulatory