

2. Westar has an existing “Policy for Residential Subdivisions” that addresses the provision of electric service to developers of residential housing areas prior to the time that homes are sold and permanent meters are set for the individual lots in the area. Under the current tariff, Westar provides a \$40,000 allowance towards a conventional overhead distribution system per subdivision. *See* Policy for Residential Subdivisions, ¶ 4. If the developer chooses to install something other than a conventional overhead distribution system, the developer is responsible for the difference between the cost of the conventional system and the cost of the system selected by the developer. *Id.* at ¶ 6. Additionally, the developer is required to deposit with Westar an amount equal to the difference between the \$40,000 allowance and the cost of a conventional overhead distribution system. *Id.* at ¶ 4. The developer is eligible for potential refunds of the deposit during

the five-year period after the deposit is made, based on the setting of permanent meters on at least the number of lots sufficient to cover Westar's investment. *Id.* at ¶ 4.

3. Westar has been approached by several developers who have indicated that the deposit requirement is burdensome for them and inhibits their ability to pursue development opportunities. These developers have requested the option of providing an irrevocable letter of credit instead of a deposit because this would provide them with more flexibility and allow them to have less cash tied up as they develop the subdivisions.

4. Allowing developers the option to provide an irrevocable letter of credit instead of a cash deposit will modernize Westar's business practices and assist with economic development. It will ensure that Westar – and its other customers – is protected and has the ability to recover its investment by drawing on the letter of credit but will allow the developers the flexibility they have requested.

5. Therefore, Westar is requesting approval of a revised version of its Policy for Residential Subdivisions that would allow developers to either provide a cash deposit or an irrevocable letter of credit. Clean and redlined version of the revised Policy for Residential Subdivisions are attached hereto.

WHEREFORE, Westar respectfully requests that the Commission issue an order approving its revised Policy for Residential Subdivisions in its entirety.

Respectfully submitted,

WESTAR ENERGY, INC.
KANSAS GAS AND ELECTRIC COMPANY

Cathryn Dinges
Cathryn J. Dinges, #20848
Senior Corporate Counsel
818 South Kansas Avenue
Topeka, Kansas 66612
Telephone: (785) 575-1986
Fax: (785) 575-8136

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

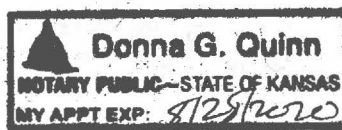
Cathryn J. Dinges, being duly sworn upon her oath deposes and says that she is the attorney for Westar Energy, Inc. and Kansas Gas and Electric Company; that she is familiar with the foregoing **Application** that the statements therein are true and correct to the best of her knowledge and belief.

Cathryn Dinges
Cathryn J. Dinges

SUBSCRIBED AND SWORN to before me this 16th day of October, 2017.

Donna G. Quinn
Notary Public

My Appointment Expires: 8/28/2020



THE STATE CORPORATION COMMISSION OF KANSAS

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

WESTAR RATE AREA

(Territory to which schedule is applicable)

Index _____

SCHEDULE Policy for Residential Subdivisions

Replacing Schedule Policy for Res Sheet 1

which was filed October 28, 2015

Deleted: April 18, 2012

Deleted:

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

Sheet 1 of 6 Sheets

POLICY FOR RESIDENTIAL SUBDIVISIONS

AVAILABLE

Electric service will be extended to new residential subdivisions consisting of average lot sizes of five acres or less at points on the Company's existing distribution facilities.

APPLICABLE

This policy is applicable to developers, contractors, and/or promoters (Developer) of residential housing areas above and beyond the scope of the Company's line extension policy. This policy is not applicable to Mobile Home Courts, multi-dwelling construction of more than four units, and construction of fewer than five residential units.

PURPOSE

This policy will encourage a more orderly development and provide for better coordination between Company and developer of residential subdivisions. This policy is intended to assist developer's request for new service installations and limit the investment in utility plant required by Company prior to eventual residential consumer demand for electricity.

GENERAL REQUIREMENTS

Developer shall apply to Company for the design of the electric distribution for the entire subdivision or portion thereof to be built in a twelve-month period that Developer is contemplating building residential housing units upon. Company shall design the initial distribution system based upon the Developer's plan consisting of all contiguous building sites on both sides of the utility easements within the project area. Company will install, own and maintain the entire distribution system in the new residential subdivision.

Company installation costs shall be limited to the cost of a conventional overhead distribution system adequate to serve the anticipated load in the proposed residential subdivision. Developer shall pay a non-refundable contribution in advance for the entire cost in excess of a conventional overhead distribution system.

Issued _____
Month Day Year

Effective _____
Month Day Year

By _____
Jeffrey L. Martin, Vice President

THE STATE CORPORATION COMMISSION OF KANSAS

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(Name of Issuing Utility)

WESTAR RATE AREA

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SCHEDULE Policy for Residential Subdivisions

Replacing Schedule Policy for Res. Sheet 2

which was filed October 28, 2015

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

Sheet 2 of 6 Sheets

POLICY FOR RESIDENTIAL SUBDIVISIONS

CALCULATION OF EXCESS COSTS

Company shall be solely responsible for the calculation of the differential between a conventional overhead distribution system which includes distribution lines, poles, and transformers, and the distribution system requested by Developer. Company may use the average cost per lot in calculating the differential between a conventional overhead and conventional underground electric distribution system. Developer shall be solely responsible and shall pay all costs of change orders requested by the Developer or required by city, county or other authority.

DEFINITIONS AND CONDITIONS

1. Developer shall supply all easement and rights-of-way required for the Company's facilities at no cost to the Company, on property owned and controlled by the Developer.
2. Developer shall clearly designate or have clearly designated utility easements suitable for electric facilities, right of ways, lot lines and location of other utility facilities placed in or to be placed in the utility easement. Easements shall be within six inches of final grade prior to installation of facilities.
3. Developer may upon prior approval of Company supply trenching, backfilling, transformer pads, and other items, thereby reducing the amount of special construction payment to Company. All such in-kind work shall be constructed or completed to the Company's construction specifications and in conjunction with Company's construction schedule. Company at its sole discretion shall require Developer's in-kind work to be redone if not constructed to Company's construction specifications.
4. Company will allow a \$40,000 allowance toward the conventional overhead distribution system per subdivision or portion thereof for each 12-month period. Developer shall deposit with Company all costs in excess of \$40,000 or provide an irrevocable letter of credit (ILOC), as defined in section 10, in an amount equal to all costs in excess of \$40,000. Developer may receive an additional \$40,000 allowance in a year as outlined in paragraph 5.
5. If the Developer elects to make a deposit instead of providing an ILOC, the deposit for

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THE STATE CORPORATION COMMISSION OF KANSAS

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

SCHEDULE Policy for Residential Subdivisions

Replacing Schedule Policy for Res Sheet 3

WESTAR RATE AREA

(Territory to which schedule is applicable)

which was filed October 28, 2015

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Sheet 3 of 6 Sheets

POLICY FOR RESIDENTIAL SUBDIVISIONS

the conventional overhead electric distribution system in excess of the \$40,000 allowance will be refunded without interest to Developer on a per lot basis in the following manner:

- a. The cost of conventional overhead electric distribution system shall be determined for Developer's subdivision.
- b. A per lot average of conventional overhead electric distribution system shall be calculated by dividing the cost by number of lots for Developer's subdivision.
- c. The number of lots covering Company's investment shall be determined by dividing Company's investment by the per lot average of a conventional overhead distribution system for Developer's subdivision.
- d. Developer shall be eligible for a deposit refund on a per lot basis after construction and setting of permanent meters on at least the number of lots sufficient to cover Company's investment. Refunds may occur on a periodic basis at the discretion of the Company.
- e. Deposit refunds shall not exceed the Developer's original deposit nor will refunds be made beyond a five-year period beginning from the date the deposit is made by Developer and Company installs the distribution system

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6. If the Developer provides an ILOC in lieu of a deposit, ILOC may be: 1) terminated at such times as the number of lots with permanent meters set are sufficient to cover Company's investment, as defined in Section 5, or 2) reduced based on the number of lots with permanent meters at the discretion of the Company. If, at the end of the five-year period beginning from the date the deposit is made by Developer and Company installs the distribution system, permanent meters have not been set on a sufficient number of lots to cover the Company's investment, Company may draw on the ILOC for an amount equal to the unrecovered amount of Company's investment.

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THE STATE CORPORATION COMMISSION OF KANSAS

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(Name of Issuing Utility)

SCHEDULE Policy for Residential Subdivisions

Replacing Schedule Policy for Res. Sheet 4

WESTAR RATE AREA

(Territory to which schedule is applicable)

which was filed October 28, 2015

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Sheet 4 of 6 Sheets

POLICY FOR RESIDENTIAL SUBDIVISIONS

7. The Company's allowance limit of \$40,000 is applicable to one allowance per 12-month period. Company may, at its sole discretion, provide a second allowance provided the Developer meets certain requirements including but not limited to a) requesting the design of the entire subdivision at one time in lieu of design work on each phase, b) notifying the Company during initial request to install electric facilities for a phased installation of said facilities during the year, c) Company's ability to accommodate the installation schedule of the Developer, d) Ninety percent of the lots have permanent meters installed in previous subdivisions phases and e) the total allowances do not exceed the original amount contemplated in the subdivision design.
8. In addition to any deposit or irrevocable letter of credit required pursuant to paragraph 4 above, Developer shall pay a non-refundable contribution for the entire cost of the work requested or required in excess of a conventional overhead distribution system.
9. Payment of any deposit or provision of an irrevocable letter of credit pursuant to paragraph 4 and any contribution pursuant to paragraph 5 shall be completed by Developer prior to the start of work.
10. Letter of Credit Form Requirements:
 - a. Must be issued by a financial institution that has authority to issue letters of credit.
 - b. Must identify Westar Energy, Inc. as the "Beneficiary", the financial institution as the "Issuer", and the party contracting with Westar Energy, Inc. as the "Developer" or "Principal".
 - c. Must be signed and notarized by the appropriate officer of the issuing financial institution.
 - d. Must identify the Westar Energy, Inc. project name and/or number.
 - e. Must state the maximum amount to be drawn.

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THE STATE CORPORATION COMMISSION OF KANSAS

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SCHEDULE Policy for Residential Subdivisions

Replacing Schedule Policy for Res. Sheet 5

which was filed October 28, 2015

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

Sheet 5 of 6 Sheets

POLICY FOR RESIDENTIAL SUBDIVISIONS

- f. Expiration date must be at least twelve months after the effective date of the letter of credit with automatic six (6) month extensions, unless notice is given by the issuing financial institution at least ninety (90) days prior to the expiration of a term of non-renewal. Any extensions to the subdivision installation shall require extensions of the letter of credit. Letter of credit must not be revocable.
- g. Westar Energy shall have the unconditional right to draw on the ILOC at the end of the 5-year period in an amount equal to its unrecovered investment.
- h. The letter of credit cannot be modified, amended or terminated prior to the expiration date without the written consent of Westar Energy, Inc.
- i. Any choice of law provision must elect Kansas laws as governing.

Financial Institution Requirements:

- j. Must have authority to issue letters of credit and be regulated by a Federal or State agency.
- k. Must be insured by the Federal Deposit Insurance Corporation (FDIC)
- l. The address of presentation must be an office of the financial institution located within the State of Kansas, unless otherwise mutually agreed by Westar Energy, Inc. and Developer in writing.
- m. The principal's name on the letter of credit must be the same Developer who applies for the subdivision installation with Westar Energy, Inc.
- n. The total letter of credit exposure to Westar Energy, Inc. at the lending institution is limited to no more than 10% of the institution's equity capital.

If the financial institution that has issued an outstanding letter of credit to Westar Energy, Inc. has indicated its intent not to renew such letter of credit, Developer shall provide a

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SCHEDULE Policy for Residential Subdivisions

Replacing Schedule Policy for Res. Sheet 6

WESTAR RATE AREA

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Sheet 6 of 6 Sheets

POLICY FOR RESIDENTIAL SUBDIVISIONS

substitute letter of credit at least twenty (20) days prior to the expiration of that outstanding letter of credit. In the financial institution issuing a letter of credit shall fail to honor the Westar Energy Inc.'s properly documented request to draw on an outstanding letter of credit or such financial institution enters bankruptcy proceedings, Developer shall provide for the benefit of Westar Energy, Inc. (a) a substitute letter of credit that is issued by a financial institution acceptable to Westar Energy, Inc., or (b) provide Westar Energy, Inc. with cash in an amount specified by Westar Energy, Inc. to cover Developer's continuing contractual obligations, in either case within five (5) business days after Developer receives notice of such refusal or bankruptcy. In all cases, the costs and expenses of establishing, renewing, substituting, canceling, increasing and reducing the amount of (as the case may be) one or more letters of credit shall be borne solely by Developer.

11. Service under this rate schedule is subject to Company's General Terms and Conditions presently on file with the State Corporation Commission of Kansas and any modifications subsequently approved.

All provisions of this rate schedule are subject to changes made by order of the regulatory authority having jurisdiction.

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THE STATE CORPORATION COMMISSION OF KANSAS

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(Name of Issuing Utility)

SCHEDULE Policy for Residential Subdivisions

Replacing Schedule Policy for Res. Sheet 1

WESTAR RATE AREA

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Sheet 1 of 6 Sheets

POLICY FOR RESIDENTIAL SUBDIVISIONS

AVAILABLE

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APPLICABLE

This policy is applicable to developers, contractors, and/or promoters (Developer) of residential housing areas above and beyond the scope of the Company's line extension policy. This policy is not applicable to Mobile Home Courts, multi-dwelling construction of more than four units, and construction of fewer than five residential units.

PURPOSE

This policy will encourage a more orderly development and provide for better coordination between Company and developer of residential subdivisions. This policy is intended to assist developer's request for new service installations and limit the investment in utility plant required by Company prior to eventual residential consumer demand for electricity.

GENERAL REQUIREMENTS

Developer shall apply to Company for the design of the electric distribution for the entire subdivision or portion thereof to be built in a twelve-month period that Developer is contemplating building residential housing units upon. Company shall design the initial distribution system based upon the Developer's plan consisting of all contiguous building sites on both sides of the utility easements within the project area. Company will install, own and maintain the entire distribution system in the new residential subdivision.

Company installation costs shall be limited to the cost of a conventional overhead distribution system adequate to serve the anticipated load in the proposed residential subdivision. Developer shall pay a non-refundable contribution in advance for the entire cost in excess of a conventional overhead distribution system.

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(Name of Issuing Utility)

WESTAR RATE AREA

(Territory to which schedule is applicable)

SCHEDULE Policy for Residential SubdivisionsReplacing Schedule Policy for Res Sheet 2which was filed October 28, 2015No supplement or separate understanding
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Sheet 2 of 6 Sheets

POLICY FOR RESIDENTIAL SUBDIVISIONS**CALCULATION OF EXCESS COSTS**

Company shall be solely responsible for the calculation of the differential between a conventional overhead distribution system which includes distribution lines, poles, and transformers, and the distribution system requested by Developer. Company may use the average cost per lot in calculating the differential between a conventional overhead and conventional underground electric distribution system. Developer shall be solely responsible and shall pay all costs of change orders requested by the Developer or required by city, county or other authority.

DEFINITIONS AND CONDITIONS

1. Developer shall supply all easement and rights-of-way required for the Company's facilities at no cost to the Company, on property owned and controlled by the Developer.
2. Developer shall clearly designate or have clearly designated utility easements suitable for electric facilities, right of ways, lot lines and location of other utility facilities placed in or to be placed in the utility easement. Easements shall be within six inches of final grade prior to installation of facilities.
3. Developer may upon prior approval of Company supply trenching, backfilling, transformer pads, and other items, thereby reducing the amount of special construction payment to Company. All such in-kind work shall be constructed or completed to the Company's construction specifications and in conjunction with Company's construction schedule. Company at its sole discretion shall require Developer's in-kind work to be redone if not constructed to Company's construction specifications.
4. Company will allow a \$40,000 allowance toward the conventional overhead distribution system per subdivision or portion thereof for each 12-month period. Developer shall deposit with Company all costs in excess of \$40,000 or provide an irrevocable letter of credit (ILOC), as defined in section 10, in an amount equal to all costs in excess of \$40,000. Developer may receive an additional \$40,000 allowance in a year as outlined in paragraph 5.
5. If the Developer elects to make a deposit instead of providing an ILOC, the deposit for

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SCHEDULE Policy for Residential Subdivisions

(Name of Issuing Utility)

Replacing Schedule Policy for Res. Sheet 3

WESTAR RATE AREA

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Sheet 3 of 6 Sheets

POLICY FOR RESIDENTIAL SUBDIVISIONS

the conventional overhead electric distribution system in excess of the \$40,000 allowance will be refunded without interest to Developer on a per lot basis in the following manner:

- a. The cost of conventional overhead electric distribution system shall be determined for Developer's subdivision.
 - b. A per lot average of conventional overhead electric distribution system shall be calculated by dividing the cost by number of lots for Developer's subdivision.
 - c. The number of lots covering Company's investment shall be determined by dividing Company's investment by the per lot average of a conventional overhead distribution system for Developer's subdivision.
 - d. Developer shall be eligible for a deposit refund on a per lot basis after construction and setting of permanent meters on at least the number of lots sufficient to cover Company's investment. Refunds may occur on a periodic basis at the discretion of the Company.
 - e. Deposit refunds shall not exceed the Developer's original deposit nor will refunds be made beyond a five-year period beginning from the date the deposit is made by Developer and Company installs the distribution system
6. If the Developer provides an ILOC in lieu of a deposit, ILOC may be: 1) terminated at such times as the number of lots with permanent meters set are sufficient to cover Company's investment, as defined in Section 5, or 2) reduced based on the number of lots with permanent meters at the discretion of the Company. If, at the end of the five-year period beginning from the date the deposit is made by Developer and Company installs the distribution system, permanent meters have not been set on a sufficient number of lots to cover the Company's investment, Company may draw on the ILOC for an amount equal to the unrecovered amount of Company's investment.

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SCHEDULE Policy for Residential SubdivisionsReplacing Schedule Policy for Res Sheet 4

WESTAR RATE AREA

(Territory to which schedule is applicable)

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Sheet 4 of 6 Sheets

POLICY FOR RESIDENTIAL SUBDIVISIONS

7. The Company's allowance limit of \$40,000 is applicable to one allowance per 12-month period. Company may, at its sole discretion, provide a second allowance provided the Developer meets certain requirements including but not limited to a) requesting the design of the entire subdivision at one time in lieu of design work on each phase, b) notifying the Company during initial request to install electric facilities for a phased installation of said facilities during the year, c) Company's ability to accommodate the installation schedule of the Developer, d) Ninety percent of the lots have permanent meters installed in previous subdivisions phases and e) the total allowances do not exceed the original amount contemplated in the subdivision design.
8. In addition to any deposit or irrevocable letter of credit required pursuant to paragraph 4 above, Developer shall pay a non-refundable contribution for the entire cost of the work requested or required in excess of a conventional overhead distribution system.
9. Payment of any deposit or provision of an irrevocable letter of credit pursuant to paragraph 4 and any contribution pursuant to paragraph 5 shall be completed by Developer prior to the start of work.
10. Letter of Credit Form Requirements:
 - a. Must be issued by a financial institution that has authority to issue letters of credit.
 - b. Must identify Westar Energy, Inc. as the "Beneficiary", the financial institution as the "Issuer", and the party contracting with Westar Energy, Inc. as the "Developer" or "Principal".
 - c. Must be signed and notarized by the appropriate officer of the issuing financial institution.
 - d. Must identify the Westar Energy, Inc. project name and/or number.
 - e. Must state the maximum amount to be drawn.

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SCHEDULE Policy for Residential SubdivisionsReplacing Schedule Policy for Res Sheet 5

WESTAR RATE AREA

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POLICY FOR RESIDENTIAL SUBDIVISIONS

- f. Expiration date must be at least twelve months after the effective date of the letter of credit with automatic six (6) month extensions, unless notice is given by the issuing financial institution at least ninety (90) days prior to the expiration of a term of non-renewal. Any extensions to the subdivision installation shall require extensions of the letter of credit. Letter of credit must not be revocable.
- g. Westar Energy shall have the unconditional right to draw on the ILOC at the end of the 5-year period in an amount equal to its unrecovered investment.
- h. The letter of credit cannot be modified, amended or terminated prior to the expiration date without the written consent of Westar Energy, Inc.
- i. Any choice of law provision must elect Kansas laws as governing.

Financial Institution Requirements:

- j. Must have authority to issue letters of credit and be regulated by a Federal or State agency.
- k. Must be insured by the Federal Deposit Insurance Corporation (FDIC)
- l. The address of presentation must be an office of the financial institution located within the State of Kansas, unless otherwise mutually agreed by Westar Energy, Inc. and Developer in writing.
- m. The principal's name on the letter of credit must be the same Developer who applies for the subdivision installation with Westar Energy, Inc.
- n. The total letter of credit exposure to Westar Energy, Inc. at the lending institution is limited to no more than 10% of the institution's equity capital.

If the financial institution that has issued an outstanding letter of credit to Westar Energy, Inc. has indicated its intent not to renew such letter of credit, Developer shall provide a

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SCHEDULE Policy for Residential SubdivisionsReplacing Schedule Policy for Res Sheet 6

WESTAR RATE AREA

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POLICY FOR RESIDENTIAL SUBDIVISIONS

substitute letter of credit at least twenty (20) days prior to the expiration of that outstanding letter of credit. In the financial institution issuing a letter of credit shall fail to honor the Westar Energy Inc.'s properly documented request to draw on an outstanding letter of credit or such financial institution enters bankruptcy proceedings, Developer shall provide for the benefit of Westar Energy, Inc. (a) a substitute letter of credit that is issued by a financial institution acceptable to Westar Energy, Inc., or (b) provide Westar Energy, Inc. with cash in an amount specified by Westar Energy, Inc. to cover Developer's continuing contractual obligations, in either case within five (5) business days after Developer receives notice of such refusal or bankruptcy. In all cases, the costs and expenses of establishing, renewing, substituting, canceling, increasing and reducing the amount of (as the case may be) one or more letters of credit shall be borne solely by Developer.

11. Service under this rate schedule is subject to Company's General Terms and Conditions presently on file with the State Corporation Commission of Kansas and any modifications subsequently approved.

All provisions of this rate schedule are subject to changes made by order of the regulatory authority having jurisdiction.

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