



CATHRYN J. DINGES
Corporate Counsel

March 6, 2012

Patti Petersen-Klein
Executive Director
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, Kansas 66604

Received
on

MAR 06 2012

by
State Corporation Commission
of Kansas

Re: In the Matter of Westar Energy, Inc. and Kansas Gas and Electric Company Seeking Commission Approval to Implement Changes in their Transmission Delivery Charges Rate Schedules, Docket No. 12-WSEE-651-TAR

Dear Ms. Petersen-Klein:

Enclosed for filing please find the original and nine photocopies of the Supplemental Information Regarding Proposed Tariff Language Changes regarding Westar's transmission delivery charge (TDC) filing. This supplemental information provides details regarding the proposed changes to the TDC tariff made by Westar in its initial filing.

Please file stamp one copy for my files.

Thank you for your assistance.

Sincerely,


Cathryn J. Dinges

cc: Service List

**Transmission Delivery Charge
Supplemental Information Regarding Proposed Tariff Language Changes**

- Introduction –

Westar Energy, Inc.'s (Westar) current transmission delivery charge (TDC) tariff requires Westar to use a 12-CP allocation ratio to allocate the transmission revenue requirement among classes. The TDC tariff requires Westar to update the 12-CP ratio based on current test-year load research each time it files a retail rate proceeding, and at a minimum, once every five years. This tariff language would require Westar to utilize the 12-CP ratio from its most recently filed rate case, Docket No. 12-WSEE-112-RTS, when allocating the proposed increase to the TDC revenue requirement in this docket. For the reasons discussed below, Westar has proposed an amendment to the TDC tariff that would allow Westar to consider principles of gradualism and fairness, as well as issues related to consolidation of rate areas and customer migration, when allocating the TDC. The allocation Westar has proposed in this docket would allocate the new portion of the TDC revenue requirement based on the 12-CP ratio from Docket No. 12-WSEE-112-RTS and would retain the current allocation for the portion of the TDC revenue requirement that is already in rates.

The current TDC rates are based on the 12-CP allocation ration that was developed as part of Westar's general rate case in Docket No. 08-WSEE-1041-RTS. In that docket, the 12-CP allocation ratios were developed separately for Westar North and Westar South.

- Impact of rate consolidation –

In the subsequent abbreviated rate proceeding (Docket No. 09-WSEE-925-RTS), the TDC charges for each class were combined into a uniform TDC charge for all of Westar's service area. In doing so, the 12-CP ratio was combined for future TDC filings until a revised 12-CP ratio was developed for a rate proceeding or within 5 years pursuant to the TDC rate schedule.

- Introduction of new rate schedules –

As a part of rate consolidation, Westar introduced rate schedules that previously were available in only one rate area to the other rate area. These rate schedules include Restricted Peak Service, Religious Institution Time of Day, Generation Substitution Service, and Dedicated Off-Peak Service. Customers have migrated to these newly-introduced rate schedules over time. This has caused a disconnect between the 12-CP allocation ratio from Docket No. 08-WSEE-1041-RTS docket and the 12-CP ratio that

Westar presented as part of its application in its recently filed general rate case, Docket No. 12-WSEE-112-RTS.

- Other Migration items –

There are certain rate classes that customers may migrate between. Two of these classes are the High Load Factor (HLF) and Medium General Service (MGS) classes. Following implementation of rates from Docket Nos. 08-WSEE-1041-RTS and 09-WSEE-925-RTS, Westar experienced migration from HLF to MGS.

- Impact of new 12-CP ratio –

The introduction and use of the 12-CP ratio from Docket No. 12-WSEE-112-RTS would create a four percent increase for Religious Institution Time of Day customers. This four percent increase is greater than the increase that would result if the Stipulation and Agreement in Docket No. 12-WSEE-112-RTS were approved. It will also likely result in additional migration between the MGS and HLF rate schedules.

- Suggested approach in TDC filing –

Westar proposes to use the 12-CP ratio from Docket No. 12-WSEE-112-RTS for the increased portion of the TDC revenue requirement and to maintain the existing 12-CP allocation for the portion of the TDC revenue requirement already in rates. The TDC charges from the new allocation would be added to the existing TDC charge to create a total TDC charge.

- Rationale –

The approach proposed by Westar incorporates the updated 12-CP ratio from Docket No. 12-WSEE-112-RTS into the TDC as contemplated by the existing tariff but also incorporates it in such a manner that does not introduce or produce significant increases to any one rate group. Moreover, Westar's approach allows for gradualism, eliminates broad swings in rate impacts, and significantly reduces the impact of unintended customer migration between rate schedules. Finally, the existing tariff language would not have permitted Westar to address customer migration or the introduction of new rate schedules into the 12-CP allocation for the TDC. The new tariff language proposed by Westar allows Westar to consider these impacts rather than, without exercising any judgment, automatically imposing the results of a new 12-CP allocation ratio.