BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

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. 16-WSEE-375-TAR
In the Matter of Westar Energy, Inc. and Kansas Gas and Electric Company Seeking Commission Approval to Implement Changes in their Transmission Delivery Charge Rate Schedules.	))))	Docket No. 17-WSEE-377-TAR
In the Matter of Westar Energy, Inc. and Kansas Gas and Electric Company Seeking Commission Approval to Implement Changes in their Transmission Delivery Charge Rate Schedules.	))))	Docket No. 18-WSEE-355-TAR

MOTION FOR OFFICIAL OR ADMINISTRATIVE NOTICE

Holly Frontier El Dorado Refining LLC ("Holly Frontier") pursuant to K.S.A. 77-524(f) and K.A.R. 82-1-230(h), requests the Kansas Corporation Commission ("Commission") take official or administrative notice of the portions of the record identified herein and attached hereto in Docket No. 12-WSEE-651-TAR ("651 Docket"). In the 651 docket, the Commission interpreted the language contained in Westar's Transmission Delivery Charge ("TDC") tariff. That same tariff language is at issue in the above-captioned proceedings, i.e., is Westar required to use the 12 CP ratio from its most recent rate case to allocate its transmission revenue requirement among classes under its TDC tariff. Therefore, the portion of the record in the 651 Docket set forth below is relevant to the issues in the above-captioned proceedings.

No.	Description	Date
1	Tariff for Westar	2/24/2012
2	Testimony of Dick F. Rohlfs on behalf of Westar	5/4/2012

3	Direct Testimony prepared by James T. Stamatson on behalf of KCC Staff	7/30/2012
4	Rebuttal Testimony of Dick F. Rohlfs on behalf of Westar	8/20/2012
5	Joint Motion to Approve Stipulation and Agreement and to Dismiss Evidentiary Hearing	8/27/2012
6	Order Granting Joint Motion to Approve Stipulation and Agreement and to Dismiss Evidentiary Hearing	9/27/2012
7	Westar's TDC Tariff	9/28/2012

Copies of the above documents are attached to this Motion so in the event this Motion is approved, the record in this docket will contain copies of those documents.

James G. Flaherty, #11177
ANDERSON & BYRD, LLP
216 S. Hickory ~ P.O. Box 17
Ottawa, Kansas 66067
(785) 242-1234, telephone
(785) 242-1279, facsimile
jflaherty@andersonbyrd.com
Attorneys for Holly Frontier El Dorado Refining LLC

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF FRANKLIN)

James G. Flaherty, of lawful age, being first duly sworn on oath, states: That he is an attorney for Holly Frontier El Dorado Refining LLC; that he has read the above and foregoing Motion for Official or Administrative Notice, knows the contents thereof; and that the statements contained therein are true.

James G. Flaherty

SUBSCRIBED AND SWORN to before me this 1st day of June, 2018.

NOTARY PUBLIC - State of Kansas
TRACY L. CLIFTON
My Appt. Exp. 10-16-20

Appointment/Commission Expires:

Notary Public

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via U. S. Mail, postage prepaid, hand-delivery, or electronically, this 1st day of June, 2018, addressed to:

Kurt J. Boehm
kboehm@bkllawfirm.com

Jody Kyler Cohn
jkylercohn@bkllawfirm.com

Andrew J. Zellers
andy.zellers@brightergy.com

Glenda Cafer
glenda@caferlaw.com

Terri Pemberton
terri@caferlaw.com

Thomas J. Connors
tj.connors@curb.kansas.gov

Todd E. Love
t.love@curb.kansas.gov

David W. Nickel
d.nickel@curb.kansas.gov

Shonda Rabb
s.rabb@curb.kansas.gov

Della Smith
d.smith@curb.kansas.gov

Aron Cromwell
acromwell@cromwellenv.com

Greg Wright
greg@emgnow.com

John Finnigan
jfinnigan@edf.org

William R. Lawrence
wlawrence@fed-firm.com

C. Edward Peterson
ed.peterson2010@gmail.com

Matthew H. Marchant
matthew.marchant@hollyfrontier.com

John Garretson
johng@ibew304.org

John R. Wine
jwine2@cox.net

Brian G. Fedotin
b.fedotin@kcc.ks.gov

Dustin L. Kirk
d.kirk@kcc.ks.gov

Michael R. Neeley
m.neeley@kcc.ks.gov

Amber Smith
a.smith@kcc.ks.gov

Robert Elliott Vincent
r.vincent@kcc.ks.gov

Robert V. Eye
bob@kauffmaneye.com

Kevin C. Higgins
khiggins@energystrat.com

Jacob J. Schlesinger
jschlesinger@kfwlaw.com

Brenda Harris
Brenda_Harris@oxy.com

Anne E. Callenbach
acallenbach@polsinelli.com

Frank A. Caro
fcaro@polsinelli.com

Luke A. Hagedorn
lhagedorn@polsinelli.com

James P. Zakoura
jim@smizak-law.com

David Hagg
David.Haag@tallgrassenergylp.com

Adam Schiche
adam.schiche@tallgrassenergylp.com

Katherine Coleman
katie.coleman@tklaw.com

Phillip Oldham
Phillip.Oldham@tklaw.com

Timothy E. McKee
temckee@twgfirm.com

Samuel D. Ritchie
sdritchie@twgfirm.com

Thomas R. Powell
tpowell@usd259.net

Gary Welch
gwelch@usd259.net

Kevin K. Lachance
kevin.k.lachance.civ@mail.mil

Matthew Dunne
matthew.s.dunne.civ@mail.mil

Robin Allacher
Robin.Allacher@westarenergy.com

Cathryn J. Dinges
cathy.dinges@westarenergy.com

Jeffrey L. Martin
jeff.martin@westarenergy.com

Cindy S. Wilson
cindy.s.wilson@westarenergy.com

David L. Woodsmall
david.woodsmall@woodsmalllaw.com

J.G. Flaherty

James G. Flaherty

Staff Assigned:

In the Matter of Westar Energy, Inc. and Kansas Gas and Electric	)	
Company Seeking Commission Approval to Implement Changes	)	Docket Number
in their Transmission Delivery Charges Rate Schedules.	)	12-WSEE-651-TAR
	)	

FILE DATE: February 24, 2012

2012.02.24 16:30:46
Kansas Corporation Commission
/S/ Patrice Petersen-Klein

Westar Energy®

February 24, 2012

Received
on

FEB 24 2012

by
State Corporation Commission
of Kansas

Patricia Petersen-Klein
Executive Director
Kansas Corporation Commission
1500 SW Arrowhead Rd.
Topeka, Kansas 666604-4027

RE: Transmission Delivery Charge

Dear Ms. Petersen-Klein:

Westar Energy, Inc. and Kansas Gas and Electric Company both doing business as Westar Energy hereby files updated Transmission Delivery Charge (TDC) tariffs.

This filing is in accordance with K.S.A. 66-1237 which states that utilities "may seek to recover costs associated with transmission of electric power, in a manner consistent with the determination of transmission related costs from an order of a regulatory authority having legal jurisdiction, through a separate transmission delivery charge included in customers' bills." The TDC is an update to the current TDC that was approved in Docket No. 11-WSEE-599-TAR.

Enclosed is an original and seven copies of the proposed TDC tariffs for both Westar Energy North and South rate areas. Work papers supporting the calculations have been provided to the KCC staff.

Westar would like to implement the new TDC within 30 business days as outlined in K.S.A. 66-1237. The date of implementation would be April 6, 2012.

Please call me at 575-1793 with any questions concerning this change.

Sincerely,

Michael B. Heim
Coordinator, Regulatory Affairs

Cc: Dick Rohlfs

Enc.

2012 TDC

New Tariffs

Index

THE STATE CORPORATION COMMISSION OF KANSAS

WESTAR ENERGY, INC.

(Name of Issuing Utility)

NORTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 1

which was filed December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

APPLICABLE

To all bills rendered by Company for utility service, provided the tariff under which such bills are rendered permits recovery of cost related to Company's transmission system.

BASIS OF CHARGE

Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on its annual transmission revenue requirement (ATRR) for costs to be recovered under the following schedules of the Open Access Transmission Tariff for Service Offered by the Southwest Power Pool (SPP) for service to Company's retail KCC-Jurisdictional customers:

- Schedule 1A – Tariff Administration Service;
- Schedule 9 – Network Integration Transmission Service;
- Schedule 10 – Wholesale Distribution Service;
- Schedule 11 – Base Plan Charge;
- Schedule 12 – FERC Assessment Charge;
- Other cost associated with Schedule 1 fees for transmission service provided on foreign wires.; and
- Direct Assigned SPP System Upgrade Charges

The cost to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By Michael Lennen

Michael Lennen, Vice President

TRANSMISSION DELIVERY CHARGE

METHOD OF BILLING

The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:

1. A dollar per kilowatt (kW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kW sales for that rate schedule; and/or

2. A cents per kilowatt hour (kWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kWh sales for that rate schedule.

The TDC Unit Charges included on the following sheets are designed to recover the retail transmission revenue requirement. The Company shall file to adjust TDC Unit Charges to reflect and track changes in FERC-approved rates for charges included in the ATRR according to the terms of this rate schedule.

The allocation of the annual ATRR increase to the respective rate schedules is based on the 12 coincident-peak (12 CP) allocation method used in Docket No. 12-WSEE-112-RTS. Specifically, the basis for allocating the increase in the ATRR to each rate schedule is the ratio of the rate schedule's average monthly system peak demand during the Company's monthly peak-hour demand to the average total monthly system peak-hour demand. The Company shall adjust TDC Unit Charges for each rate schedule by applying the Adjustment Factor described by the terms of this tariff. However, the Company shall reset the TDC Unit Charges by reallocating increased costs using this 12 CP method based on current test-year load research each time it files a retail rate proceeding, and at a minimum, once every five years, to limit cost shifting among retail classes.

Index ____________

THE STATE CORPORATION COMMISSION OF KANSAS

WESTAR ENERGY, INC.

(Name of Issuing Utility)

NORTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 3

which was filed December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

ADJUSTMENT TO TDC UNIT CHARGES

In years that do not incorporate a new or revised 12 Coincident-Peak (12 CP) allocation to customer classes, the TDC Unit Charges included on the following sheets shall be adjusted as follows:

$$ATRR = \left[\frac{(WRNITS_2 \times LRS_2)}{(WRNITS_1 \times LRS_1)} + (DASPP) \right]$$

and,

$$AF = \left[\frac{(ATRR_2)}{(ATRR_1)} \right] \times \left(\frac{y_1}{y_2} \right)$$

Where:

AF = Adjustment Factor,

$WRNITS_1$ = Westar Energy's retail NITS costs in Year 1
$WRNITS_2$ = Westar Energy's retail NITS costs in Year 2

DASPP = Direct Assigned and SPP Fees listed on page one

$ATRR_1$ = ATRR for the Company combined in Year 1,
$ATRR_2$ = ATRR for the Company combined in Year 2,

LRS_1 = Load Ratio Share (LRS) of the aggregated retail transmission customers for the Company combined in Year 1,
LRS_2 = LRS of the aggregated retail transmission customers for the Company combined in Year 2,

y_1 = Total retail sales volume in kWh for the Company combined in Year 1, and
y_2 = Total retail sales volume in kWh for the Company combined in Year 2.

Issued ____________
Month Day Year

Effective ____________
Month Day Year

By Michael Lennen

Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

WESTAR ENERGY, INC.

(Name of Issuing Utility)

NORTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 4

which was filed December 30, 2011

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

Sheet 4 of 5 Sheets

TRANSMISSION DELIVERY CHARGE

$$TDC_2(x) = TDC_1(x) \times AF$$

Where:

$TDC_1(x)$ = TDC Unit Charge for Retail Class x in Year 1,
$TDC_2(x)$ = TDC Unit Charge for Retail Class x in Year 2, and
AF = Adjustment Factor as defined above.

Company shall file to update its TDC Unit Charges at least annually to become effective with billing cycle 1 of July. Company may elect to file for a change in the TDC Unit Charges more frequently than once per year. All proposed TDC Unit Charges shall be filed with the KCC no later than 30 business days before the effective date of the proposed charges.

TDC UNIT CHARGES

The TDC Unit Charges in the following table shall be applied to a customer's demand, energy or bill of each rate schedule as indicated. The amount determined by applying the TDC Unit Charge shall become part of the total bill for electric service furnished and will be itemized separately on customer's bill.

Rate schedule	$ per kW	$ per kWh
Dedicated Off-Peak Service		$0.008959
Generation Substitution Service		$0.008959
High Load Factor Service	$3.127564	
Interruptible Contract Service		$0.006705
Large Tire Manufacturing (per KVa)	$2.675647	

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By Michael Lennen
Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

WESTAR ENERGY, INC.

(Name of Issuing Utility)

NORTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 5

which was filed December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

Rate Schedule	$ per Kw	$ per kWh
Medium General Service	$3.130704	
Private Area Lighting Service		$0.004357
Religious Institution Time of Day Service		$0.004182
Residential Service		$0.010173
Restricted Peak Service		$0.008959
Restricted Service to Schools		$0.006077
Short-Term Service		$0.008959
Small General Service		$0.008959
Small General Service – Church Option		$0.008959
Standard Educational Service		$0.006077
Street Lighting		$0.004357
Traffic Signal Service		$0.004357

DEFINITIONS AND CONDITIONS

Company for the purposes of this rate schedule or rider is defined as Westar Energy, Inc. and Kansas Gas and Electric Company.

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By Michael Lennen
Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 1

which was filed December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

APPLICABLE

To all bills rendered by Company for utility service, provided the tariff under which such bills are rendered permits recovery of cost related to Company's transmission system.

BASIS OF CHARGE

Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on its annual transmission revenue requirement (ATRR) for costs to be recovered under the following schedules of the Open Access Transmission Tariff for Service Offered by the Southwest Power Pool (SPP) for service to Company's retail KCC-Jurisdictional customers:

- Schedule 1A – Tariff Administration Service;
- Schedule 9 – Network Integration Transmission Service;
- Schedule 10 – Wholesale Distribution Service;
- Schedule 11 – Base Plan Charge;
- Schedule 12 – FERC Assessment Charge;
- Other cost associated with Schedule 1 fees for transmission service provided on foreign wires.; and
- Direct Assigned SPP System Upgrade Charges

The cost to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.

Issued ______ Month Day Year

Effective ______ Month Day Year

By Michael Lennen

Michael Lennen, Vice President

Index ____________

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 2

which was filed December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

METHOD OF BILLING

The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:

1. A dollar per kilowatt (kW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kW sales for that rate schedule; and/or

2. A cents per kilowatt hour (kWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kWh sales for that rate schedule.

The TDC Unit Charges included on the following sheets are designed to recover the retail transmission revenue requirement. The Company shall file to adjust TDC Unit Charges to reflect and track changes in FERC-approved rates for charges included in the ATRR according to the terms of this rate schedule.

The allocation of the annual ATRR increase to the respective rate schedules is based on the 12 coincident-peak (12 CP) allocation method used in Docket No. 12-WSEE-112-RTS. Specifically, the basis for allocating the increase in the ATRR to each rate schedule is the ratio of the rate schedule's average monthly system peak demand during the Company's monthly peak-hour demand to the average total monthly system peak-hour demand. The Company shall adjust TDC Unit Charges for each rate schedule by applying the Adjustment Factor described by the terms of this tariff. However, the Company shall reset the TDC Unit Charges by reallocating increased costs using this 12 CP method based on current test-year load research each time it files a retail rate proceeding, and at a minimum, once every five years, to limit cost shifting among retail classes.

Issued ____________
Month Day Year

Effective ____________
Month Day Year

By ____________

Michael Lennen, Vice President

Index ______

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 3

which was filed December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

ADJUSTMENT TO TDC UNIT CHARGES

In years that do not incorporate a new or revised 12 Coincident-Peak (12 CP) allocation to customer classes, the TDC unit charges included on the following sheets shall be adjusted as follows:

$$ATRR = \left[\frac{(WRNITS_2 \times LRS_2)}{(WRNITS_1 \times LRS_1)} + (DASPP)\right]$$

and,

$$AF = \left[\frac{(ATRR_2)}{(ATRR_1)}\right] \times \left(\frac{y_1}{y_2}\right)$$

Where:

AF = Adjustment Factor,

$WRNITS_1$ = Westar Energy's retail NITS costs in Year 1
$WRNITS_2$ = Westar Energy's retail NITS costs in Year 2

DASPP = Direct Assigned and SPP Fees listed on page one

$ATRR_1$ = ATRR for the Company combined in Year 1,
$ATRR_2$ = ATRR for the Company combined in Year 2,

LRS_1 = Load Ratio Share (LRS) of the aggregated retail transmission customers for the Company combined in Year 1,
LRS_2 = LRS of the aggregated retail transmission customers for the Company combined in Year 2,

y_1 = Total retail sales volume in kWh for the Company combined in Year 1, and
y_2 = Total retail sales volume in kWh for the Company combined in Year 2.

Issued ______
Month Day Year

Effective ______
Month Day Year

By ______ Michael Lennen

Michael Lennen, Vice President

Index ____________

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 4

which was filed December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

$$TDC_2(x) = TDC_1(x) \times AF$$

Where:

$TDC_1(x)$ = TDC Unit Charge for Retail Class x in Year 1,
$TDC_2(x)$ = TDC Unit Charge for Retail Class x in Year 2, and
AF = Adjustment Factor as defined above.

Company shall file to update its TDC Unit Charges at least annually to become effective with billing cycle 1 of July. Company may elect to file for a change in the TDC Unit Charges more frequently than once per year. All proposed TDC Unit Charges shall be filed with the KCC no later than 30 business days before the effective date of the proposed charges.

TDC UNIT CHARGES

The TDC Unit Charges in the following table shall be applied to a customer's demand, energy or bill of each rate schedule as indicated. The amount determined by applying the TDC Unit Charge shall become part of the total bill for electric service furnished and will be itemized separately on customer's bill.

Rate schedule	$ per kW	$ per kWh
Dedicated Off-Peak Service		$0.008959
Generation Substitution Service		$0.008959
High Load Factor Service	$3.127564	
Medium General Service	$3.130704	
Private Area Lighting Service		$0.004357
Religious Institution Time of Day Service		$0.004182

Issued ____________
Month Day Year

Effective ____________
Month Day Year

By [signature]

Michael Lennen, Vice President

Index ______________

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 5

which was filed December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

Rate schedule	$ per kW	$ per kWh
Residential Service		$0.010173
Restricted Educational Institution Service		$0.006077
Restricted Peak Service		$0.008959
Restricted Total Electric – School and Church Service		$0.006077
Short-Term Service		$0.008959
Small General Service		$0.008959
Standard Educational Service		$0.006077
Street Lighting		$0.004357
Traffic Signal Service		$0.004357
Contract (a)		$0.005557

DEFINITIONS AND CONDITIONS

Company for the purposes of this rate schedule or rider is defined as Westar Energy, Inc. and Kansas Gas and Electric Company.

Issued ______________
Month Day Year

Effective ______________
Month Day Year

By Michael Lennen

Michael Lennen, Vice President

2012 TDC

Red-lined Tariffs

Index

THE STATE CORPORATION COMMISSION OF KANSAS

WESTAR ENERGY, INC.

(Name of Issuing Utility)

NORTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 1

which was filed ~~June 11, 2010~~December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

APPLICABLE

To all bills rendered by Company for utility service, provided the tariff under which such bills are rendered permits recovery of cost related to Company's transmission system.

BASIS OF CHARGE

Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on its annual transmission revenue requirement (ATRR) for costs to be recovered under the following schedules of the Open Access Transmission Tariff for Service Offered by the Southwest Power Pool (SPP) for service to Company's retail KCC-Jurisdictional customers:

- Schedule 1A – Tariff Administration Service;
- Schedule 9 – Network Integration Transmission Service;
- Schedule 10 – Wholesale Distribution Service;
- Schedule 11 – Base Plan Charge; ~~and~~
- Schedule 12 – FERC Assessment Charge;
- Other cost associated with Schedule 1 fees for transmission service provided on foreign wires.; and~~.~~
- Direct Assigned SPP System Upgrade Charges

The cost to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.

Issued ____________________
Month Day Year

Effective ____________________
Month Day Year

By ____________________
Michael Lennen, Vice President

TRANSMISSION DELIVERY CHARGE

METHOD OF BILLING

The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:

1. A dollar per kilowatt (kW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kW sales for that rate schedule; and/or

2. A cents per kilowatt hour (kWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kWh sales for that rate schedule.

The TDC Unit Charges included on the following sheets are designed to recover the retail transmission revenue requirement. The Company shall file to adjust TDC Unit Charges to reflect and track changes in FERC-approved rates for charges included in the ATRR according to the terms of this rate schedule.

The allocation of the annual ATRR increase to the respective rate schedules is based on the 12 coincident-peak (12 CP) allocation method used in Docket No. 12-WSEE-112-RTS. Specifically, the basis for allocating the increase in the ATRR to each rate schedule is the ratio of the rate schedule's average monthly system peak demand during the Company's monthly peak-hour demand to the average total monthly system peak-hour demand. ~~The rate schedule class allocator is based on the twelve (12) months of the test year ended December 31, 2007.~~ The Company shall adjust TDC Unit Charges for each rate schedule by applying the Adjustment Factor described by the terms of this tariff. However, the Company shall reset the TDC Unit Charges by reallocating increased costs using this 12 CP method based on current test-year load research each time it files a retail rate proceeding, and at a minimum, once every five years, to limit cost shifting among retail classes.

Issued ____________________
Month Day Year

Effective ____________________
Month Day Year

By ____________________
Michael Lennen, Vice President

Index ______________

THE STATE CORPORATION COMMISSION OF KANSAS

WESTAR ENERGY, INC.

(Name of Issuing Utility)

NORTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 3

which was filed ~~June 11, 2010~~December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

ADJUSTMENT TO TDC UNIT CHARGES

In years that do not incorporate a new or revised 12 Coincident-Peak (12 CP) allocation to customer classes, the ~~The~~ TDC Unit Charges included on the following sheets shall be adjusted as follows:

$$ATRR = \left[\frac{(WRNITS_2 \times LRS_2)}{(WRNITS_1 \times LRS_1)} + (DASPP)\right]$$

and,

$$AF = \left[\frac{(ATRR_2)}{(ATRR_1)}\right] \times \left(\frac{y_1}{y_2}\right)$$

Where:

AF = Adjustment Factor,

$WRNITS_1$ = Westar Energy's retail NITS costs in Year 1
$WRNITS_2$ = Westar Energy's retail NITS costs in Year 2

DASPP = Direct Assigned and SPP Fees listed on page one

$ATRR_1$ = ATRR for the Company combined in Year 1,
$ATRR_2$ = ATRR for the Company combined in Year 2,

LRS_1 = Load Ratio Share (LRS) of the aggregated retail transmission customers for the Company combined in Year 1,
LRS_2 = LRS of the aggregated retail transmission customers for the Company combined in Year 2,

Issued ______________
Month Day Year

Effective ______________
Month Day Year

By______________
Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

WESTAR ENERGY, INC.

(Name of Issuing Utility)

NORTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 4

which was filed ~~June 11, 2010~~December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

y_1 = Total retail sales volume in kWh for the Company combined in Year 1, and
y_2 = Total retail sales volume in kWh for the Company combined in Year 2.

$$TDC_2(x) = TDC_1(x) \times AF$$

Where:

$TDC_1(x)$ = TDC Unit Charge for Retail Class x in Year 1,
$TDC_2(x)$ = TDC Unit Charge for Retail Class x in Year 2, and
AF = Adjustment Factor as defined above.

Company shall file to update its TDC Unit Charges at least annually to become effective with billing cycle 1 of July. Company may elect to file for a change in the TDC Unit Charges more frequently than once per year. All proposed TDC Unit Charges shall be filed with the KCC no later than 30 business days before the effective date of the proposed charges.

TDC UNIT CHARGES

The TDC Unit Charges in the following table shall be applied to a customer's demand, energy or bill of each rate schedule as indicated. The amount determined by applying the TDC Unit Charge shall become part of the total bill for electric service furnished and will be itemized separately on customer's bill.

Rate schedule	$ per kW	$ per kWh
Dedicated Off-Peak Service		$0.008959

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By ______________________
Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

WESTAR ENERGY, INC.

(Name of Issuing Utility)

NORTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 5

which was filed ~~June 11, 2010~~December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

Generation Substitution Service~~Auxiliary~~		$0.008959~~$0.006559~~
~~Dedicated Off-Peak Service~~		~~$0.006559~~
~~Energywise Educational Service Real Time Pricing Pilot~~		~~$0.004922~~
~~Energywise High Load Factor Real Time Pricing Service Pilot~~	~~$2.406144~~	
~~Generation Substitution Service~~		~~$0.006559~~
High Load Factor Service	$~~2.406144~~3.127564	
Interruptible Contract Service		$0.~~005169~~006705
Large Tire Manufacturing (per KVa)	$~~1.991956~~2.675647	
~~Rate Schedule~~	~~$ per Kw~~	~~$ per kWh~~
Rate Schedule	$ per Kw	$ per kWh
~~Medium General Service~~	~~$2.551426~~	
Medium General Service	$3.130704	
Private Area Lighting Service		$0.~~003523~~004357

Issued
Month Day Year

Effective
Month Day Year

By
Michael Lennen, Vice President

Index ____________________

THE STATE CORPORATION COMMISSION OF KANSAS

WESTAR ENERGY, INC.

(Name of Issuing Utility)

NORTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 6

which was filed ~~June 11, 2010~~December 30, 2011

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

Sheet 6 of 6 Sheets

TRANSMISSION DELIVERY CHARGE

Religious Institution Time of Day Service	$0.~~002685~~004182
Residential Service	$0.~~007882~~010173
~~Restricted~~ Restricted Peak Service	$0.~~006559~~008959
Restricted Service to Schools	$0.~~004922~~006077
Short-Term Service	$0.~~006559~~008959
Small General Service	$0.~~006559~~008959
Small General Service – Church Option	$0.~~006559~~008959
Standard Educational Service	$0.~~004922~~006077
Street Lighting	$0.~~003523~~004357
Traffic Signal Service	$0.~~003523~~004357

DEFINITIONS AND CONDITIONS

Company for the purposes of this rate schedule or rider is defined as Westar Energy, Inc. and Kansas Gas and Electric Company.

~~DEFINITIONS AND CONDITIONS~~

~~Company for the purposes of this rate schedule or rider is defined as Westar Energy, Inc. and Kansas Gas and Electric Company.~~

Issued ____________________
Month Day Year

Effective ____________________
Month Day Year

By ____________________
Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 1

which was filed ~~June 11, 2010~~December 30, 2011

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

Sheet 1 of 10 Sheets

TRANSMISSION DELIVERY CHARGE

~~TRANSMISSION DELIVERY CHARGE~~

~~APPLICABLE~~

~~To all bills rendered by Company for utility service, provided the tariff under which such bills are rendered permits recovery of cost related to Company's transmission system.~~

~~BASIS OF CHARGE~~

~~Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on its annual transmission revenue requirement (ATRR) for costs to be recovered under the following schedules of the Open Access Transmission Tariff for Service Offered by the Southwest Power Pool (SPP) for service to Company's retail KCC-Jurisdictional customers:~~

- ~~Schedule 1A – Tariff Administration Service;~~
- ~~Schedule 9 – Network Integration Transmission Service;~~
- ~~Schedule 10 – Wholesale Distribution Service;~~
- ~~Schedule 11 – Base Plan Charge; and~~
- ~~Schedule 12 – FERC Assessment Charge.~~

~~The cost to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.~~

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By______________________

Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 2

which was filed ~~June 11, 2010~~December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

~~TRANSMISSION DELIVERY CHARGE~~

~~METHOD OF BILLING~~

~~The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:~~

~~1. A dollar per kilowatt (kW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kW sales for that rate schedule; and/or~~

~~2. A cents per kilowatt hour (kWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kWh sales for that rate schedule.~~

~~The TDC Unit Charges included on the following sheets are designed to recover the retail transmission revenue requirement. The Company shall file to adjust TDC Unit Charges to reflect and track changes in FERC approved rates for charges included in the ATRR according to the terms of this rate schedule.~~

~~The allocation of the ATRR to the respective rate schedules is based on the 12 coincident peak (12 CP) allocation method. Specifically, the basis for allocating the ATRR to each rate schedule is the ratio of the rate schedule's average monthly system peak demand during the Company's monthly peak-hour demand to the average total monthly system peak-hour demand. The rate schedule class allocator is based on the twelve (12) months of the test year ended December 31, 2007. The Company shall adjust TDC Unit Charges for each rate schedule by applying the Adjustment Factor described by the terms of this tariff. However, the Company shall reset the TDC Unit Charges by reallocating costs using this 12 CP method based on current test year load research each time it files a retail rate proceeding, and at a minimum, once every five years, to limit cost shifting among retail classes.~~

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By ______________________
Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 3

which was filed ~~June 11, 2010~~December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

~~TRANSMISSION DELIVERY CHARGE~~

~~ADJUSTMENT TO TDC UNIT CHARGES~~

~~The TDC Unit Charges included on the following sheets shall be adjusted as follows:~~

$$\cancel{AF = \left[\frac{(ATRR_2 \times LRS_2)}{(ATRR_1 \times LRS_1)}\right] \times \left(\frac{y_1}{y_2}\right)}$$

~~Where:~~

~~AF = Adjustment Factor,~~

~~$ATRR_1$ = ATRR for the Company combined in Year 1,~~
~~$ATRR_2$ = ATRR for the Company combined in Year 2,~~

~~LRS_1 = Load Ratio Share (LRS) of the aggregated retail transmission customers for the Company combined in Year 1,~~
~~LRS_2 = LRS of the aggregated retail transmission customers for the Company combined in Year 2,~~

~~y_1 = Total retail sales volume in kWh for the Company combined in Year 1, and~~
~~y_2 = Total retail sales volume in kWh for the Company combined in Year 2.~~

$$\cancel{TDC_2(x) = TDC_1(x) \times AF}$$

~~Where:~~

~~$TDC_1(x)$ = TDC Unit Charge for Retail Class x in Year 1,~~

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By ______________________
Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 4

which was filed ~~June 11, 2010~~December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

~~$TDC_2(x)$ = TDC Unit Charge for Retail Class x in Year 2, and~~
~~AF = Adjustment Factor as defined above.~~

~~TRANSMISSION DELIVERY CHARGE~~

~~Company shall file to update its TDC Unit Charges at least annually to become effective with billing cycle 1 of July. Company may elect to file for a change in the TDC Unit Charges more frequently than once per year. All proposed TDC Unit Charges shall be filed with the KCC no later than 30 business days before the effective date of the proposed charges.~~

~~TDC UNIT CHARGES~~

~~The TDC Unit Charges in the following table shall be applied to a customer's demand, energy or bill of each rate schedule as indicated. The amount determined by applying the TDC Unit Charge shall become part of the total bill for electric service furnished and will be itemized separately on customer's bill.~~

APPLICABLE

To all bills rendered by Company for utility service, provided the tariff under which such bills are rendered permits recovery of cost related to Company's transmission system.

BASIS OF CHARGE

Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on its annual transmission revenue requirement (ATRR) for costs to be recovered under the following schedules of the Open Access Transmission Tariff for Service Offered by the Southwest Power Pool (SPP) for service to Company's retail KCC-Jurisdictional customers:

- Schedule 1A – Tariff Administration Service;
- Schedule 9 – Network Integration Transmission Service;
- Schedule 10 – Wholesale Distribution Service;

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By ______________________
Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 5

which was filed ~~June 11, 2010~~December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

- Schedule 11 – Base Plan Charge;
- Schedule 12 – FERC Assessment Charge;
- Other cost associated with Schedule 1 fees for transmission service provided on foreign wires.; and
- Direct Assigned SPP System Upgrade Charges

The cost to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.

METHOD OF BILLING

The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:

1. A dollar per kilowatt (kW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kW sales for that rate schedule; and/or

2. A cents per kilowatt hour (kWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kWh sales for that rate schedule.

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By ______________________
Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 6

which was filed ~~June 11, 2010~~December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

The TDC Unit Charges included on the following sheets are designed to recover the retail transmission revenue requirement. The Company shall file to adjust TDC Unit Charges to reflect and track changes in FERC-approved rates for charges included in the ATRR according to the terms of this rate schedule.

The allocation of the annual ATRR increase to the respective rate schedules is based on the 12 coincident-peak (12 CP) allocation method used in Docket No. 12-WSEE-112-RTS. Specifically, the basis for allocating the increase in the ATRR to each rate schedule is the ratio of the rate schedule's average monthly system peak demand during the Company's monthly peak-hour demand to the average total monthly system peak-hour demand. The Company shall adjust TDC Unit Charges for each rate schedule by applying the Adjustment Factor described by the terms of this tariff. However, the Company shall reset the TDC Unit Charges by reallocating increased costs using this 12 CP method based on current test-year load research each time it files a retail rate proceeding, and at a minimum, once every five years, to limit cost shifting among retail classes.

ADJUSTMENT TO TDC UNIT CHARGES

In years that do not incorporate a new or revised 12 Coincident-Peak (12 CP) allocation to customer classes, the TDC unit charges included on the following sheets shall be adjusted as follows:

$$ATRR = \left[\frac{(WRNITS_2 \times LRS_2)}{(WRNITS_1 \times LRS_1)} + (DASPP) \right]$$

and,

Issued
Month Day Year

Effective
Month Day Year

By

Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 7

which was filed ~~June 11, 2010~~December 30, 2011

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

Sheet 7 of 10 Sheets

TRANSMISSION DELIVERY CHARGE

$$AF = \left[\frac{(ATRR_2)}{(ATRR_1)} \right] \times \left(\frac{y_1}{y_2} \right)$$

Where:

AF = Adjustment Factor,

$WRNITS_1$ = Westar Energy's retail NITS costs in Year 1
$WRNITS_2$ = Westar Energy's retail NITS costs in Year 2

DASPP = Direct Assigned and SPP Fees listed on page one

$ATRR_1$ = ATRR for the Company combined in Year 1,
$ATRR_2$ = ATRR for the Company combined in Year 2,

LRS_1 = Load Ratio Share (LRS) of the aggregated retail transmission customers for the Company combined in Year 1,
LRS_2 = LRS of the aggregated retail transmission customers for the Company combined in Year 2,

y_1 = Total retail sales volume in kWh for the Company combined in Year 1, and
y_2 = Total retail sales volume in kWh for the Company combined in Year 2.

$$TDC_2(x) = TDC_1(x) \times AF$$

Where:

$TDC_1(x)$ = TDC Unit Charge for Retail Class x in Year 1,
$TDC_2(x)$ = TDC Unit Charge for Retail Class x in Year 2, and
AF = Adjustment Factor as defined above.

Company shall file to update its TDC Unit Charges at least annually to become effective with

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By______________________
Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 8

which was filed ~~June 11, 2010~~December 30, 2011

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

Sheet 8 of 10 Sheets

TRANSMISSION DELIVERY CHARGE

billing cycle 1 of July. Company may elect to file for a change in the TDC Unit Charges more frequently than once per year. All proposed TDC Unit Charges shall be filed with the KCC no later than 30 business days before the effective date of the proposed charges.

TDC UNIT CHARGES

The TDC Unit Charges in the following table shall be applied to a customer's demand, energy or bill of each rate schedule as indicated. The amount determined by applying the TDC Unit Charge shall become part of the total bill for electric service furnished and will be itemized separately on customer's bill.

Rate schedule	$ per kW	$ per kWh
Dedicated Off-Peak Service		$0.008959~~6559~~
~~Energywise Educational Service Real Time Pricing Pilot~~		~~$0.004922~~
~~Energywise High Load Factor Real Time Pricing Service Pilot~~	~~$2.406144~~	
Generation Substitution Service		$0.~~006559~~008959
High Load Factor Service	$~~2.406144~~3.127564	
Medium General Service	$~~2.551426~~3.130704	
Private Area Lighting Service		$0.~~003523~~004357

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By ______________________

Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 9

which was filed ~~June 11, 2010~~December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

Religious Institution Time of Day Service		$0.004182
Rate schedule	$ per kW	$ per kWh
~~Religious Institution Time of Day Service~~		~~$0.002685~~

~~TRANSMISSION DELIVERY CHARGE~~

~~Rate schedule~~	~~$ per kW~~	~~$ per kWh~~
Residential Service		$0.~~007882~~010173
Restricted Educational Institution Service		$0.~~004922~~006077
Restricted Peak Service		$0.~~006559~~008959
Restricted Total Electric – School and Church Service		$0.~~002685~~006077
Short-Term Service		$0.~~006559~~008959
Small General Service		$0.~~006559~~008959
Standard Educational Service		$0.~~004922~~006077
Street Lighting		$0.~~003523~~004357
Traffic Signal Service		$0.~~003523~~004357
Contract (a)		$0.~~004271~~005557

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By______________________
Michael Lennen, Vice President

Index

THE STATE CORPORATION COMMISSION OF KANSAS

KANSAS GAS AND ELECTRIC COMPANY, d/b/a Westar Energy

(Name of Issuing Utility)

SOUTH RATE AREA

(Territory to which schedule is applicable)

SCHEDULE TDC

Replacing Schedule TDC Sheet 10

which was filed ~~June 11, 2010~~December 30, 2011

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

TRANSMISSION DELIVERY CHARGE

~~DEFINITIONS AND CONDITIONS~~

~~Company for the purposes of this rate schedule or rider is defined as Westar Energy, Inc. and Kansas Gas and Electric Company.~~DEFINITIONS AND CONDITIONS

Company for the purposes of this rate schedule or rider is defined as Westar Energy, Inc. and Kansas Gas and Electric Company.

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By______________________

Michael Lennen, Vice President

2012.05.04 16:10:01
Kansas Corporation Commission
/S/ Patrice Petersen-Klein

BEFORE THE STATE CORPORATION COMMISSION

OF THE STATE OF KANSAS

Received
on
MAY 04 2012
by
State Corporation Commission
of Kansas

TESTIMONY

OF

DICK F. ROHLFS

DOCKET NO. 12-WSEE-651-TAR

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Dick F. Rohlfs, 818 South Kansas Avenue, Topeka, Kansas 66612.

Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

A. I am employed by Westar Energy, Inc. (Westar). My position is Director, Retail Rates.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.

A. I graduated from the University of Northern Iowa with a Bachelor of Arts degree in accounting. My utility experience began in 1976 when I was employed by the Iowa State Commerce Commission as a utility analyst. In 1980, I joined the staff of the State Corporation Commission of Kansas. In 1982, I accepted a position with Kansas Gas and Electric Company (KGE) as a rate auditor, advancing to senior regulatory accountant. In 1992, with the merger of The Kansas Power and Light Company (KPL) and KGE, I accepted a position of regulatory coordinator before advancing to senior manager in February 1996. In June 2001, I assumed my current position.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I will provide an overview of Westar's request to update its Transmission Delivery Charge (TDC) to reflect current costs pursuant to K.S.A. 66-1237(c) and the manner in which Westar proposed to allocate the TDC costs to the various classes of customers.

Q. WHAT IS THE TDC?

A. The TDC is a mechanism authorized by statute to ensure that utilities have the opportunity to recover transmission-related costs associated with service to their KCC-jurisdictional customers. K.S.A. 66-1237(c) provides:

> All transmission-related costs incurred by an electric utility and resulting from any order of a regulatory authority having legal jurisdiction over transmission matters, including orders setting rates on a subject-to-refund basis, shall be conclusively presumed prudent for purposes of the transmission delivery charge and an electric utility may change its transmission delivery charge whenever there is a change in transmission-related costs resulting from such an order. The commission may also order such a change if the utility fails to do so. An electric utility shall submit a report to the commission at least 30 business days before changing the utility's transmission delivery charge. If the commission

> subsequently determines that all or part of such charge did not result from an order described by this subsection, the commission may require changes in the transmission delivery charge and impose appropriate remedies, including refunds.

Westar's TDC was established in Docket No. 05-WSEE-981-RTS (981 Docket). Westar has updated its TDC annually since it was established to reflect its current transmission-related costs. In this docket, Westar provided notice to the Commission of its intent to update its TDC to reflect its current transmission-related costs

Q. HOW IS THE AMOUNT RECOVERED THROUGH THE TDC DETERMINED?

A. Westar purchases transmission service from the Southwest Power Pool, Inc. (SPP) to serve its retail customers. The amount included in the TDC is the amount Westar pays to SPP for transmission service to serve those customers.

Q. HOW MUCH WILL WESTAR'S TDC INCREASE AS A RESULT OF THE NOTICE PROVIDED IN THIS DOCKET?

A. The notice reflects an annual increase of $36.7 million.

Q. PLEASE EXPLAIN THE METHOD WESTAR USES TO ALLOCATE THE TRANSMISSION EXPENSES RECOVERED THROUGH THE TDC TO THE VARIOUS CLASSES OF CUSTOMERS?

A. The TDC tariff requires Westar to use the 12-CP allocation ratio from its most recent rate case to allocate the transmission revenue requirement among classes. A 12-CP allocation is used because the SPP calculates the charges for Network Integration Transmission Service (NITS) – the type of transmission service Westar purchases from the SPP – based on each NITS customer's proportionate share of the total system transmission load using a 12-CP methodology. This calculation determines each NITS customer's "load ratio share" of the SPP transmission system load. SPP uses Westar's load ratio share to determine Westar's bill for NITS. To properly recognize the causation of Westar's TDC costs, it is appropriate to utilize the same allocation methodology – 12-CP – to allocate TDC costs to Westar's retail customers. Thus, Westar allocates the TDC transmission revenue requirement to classes of retail customers based on each class' contribution to Westar's 12 coincident peaks.

At the time of a general rate case – or at a minimum of at least every five years – the TDC is adjusted for each customer class using the updated 12-CP allocation ratio from Westar's most recent rate case. Between rate proceedings, the 12-CP allocation ratio from the previous rate case is maintained and the TDC rate is adjusted by increasing or decreasing the rates for each customer class by the same percentage amount.

Prior to this docket, the most recent adjustment to the allocation of the TDC revenue requirement occurred following

Westar's rate case in Docket No. 08-WSEE-1041-RTS (1041 Docket), based on the 12-CP allocation ratio determined in that case.

Q. WHAT TRANSPIRED FOLLOWING THE 1041 DOCKET THAT AFFECTED THE CLASS 12-CP ALLOCATION RATIO?

A. Following the 1041 Docket, Westar was permitted to file an abbreviated rate case to reflect in rates the remaining cost of the Emporia Energy Center and the two Westar-owned wind farms that were not reflected in rates in the 1041 Docket. The abbreviated case was docketed as Docket No. 09-WSEE-925-RTS (925 Docket). In the 925 Docket, Westar also restated a proposal it had previously made to consolidate rates for Westar North and Westar South. In that docket, the parties signed a unanimous settlement that resulted in the consolidation of rates for more than 96 percent of Westar's customers. The Commission approved the settlement on January 27, 2010.

Rates were set in the 925 Docket using the 12-CP allocation ratios from the 1041 Docket; thus, no reallocation of TDC charges occurred at that time. However, when we consolidated rates, we introduced new tariff options, primarily for Westar North customers, and customers migrated to those new options in the subsequent years. This migration caused the 12-CP allocation ratio from the 1041 Docket to become stale prematurely. Moreover, the consolidation caused certain large customers to migrate from the High Load Factor rate schedule to the Medium General Service rate schedule following the conclusion of the 925 Docket.

Q. HOW DID THE 12-CP ALLOCATION RATIO CHANGE FROM THE 1041 DOCKET TO WESTAR'S MOST RECENT RATE CASE?

A. There were two changes. The first is that the 12-CP ratio developed in Westar's most recently filed rate case, Docket No. 12-WSEE-112-RTS (112 Docket), was developed on a system-wide basis as opposed to separately for Westar North and Westar South as was done in the 1041 Docket. Second, the make-up of the customer classes in the 12-CP allocation ratios changed slightly from the 1041 Docket to the 112 Docket. In particular, customers that were on a specific rate schedule at the time of the 1041 Docket had moved to a different rate schedule when the 12-CP allocation ratio was determined for the 112 Docket. The movement of these customers between rate schedules did not impact the rate increase they received in the 112 Docket. However, if the costs in the TDC are allocated according to the existing tariff, these customers will be disproportionately impacted from the increase in the TDC.

Q. HOW WOULD CUSTOMERS BE DISPROPORTIONATELY IMPACTED IF COSTS ARE ALLOCATED ACCORDING TO THE EXISTING TDC TARIFF?

A. As indicated above, Westar's TDC tariff currently requires the costs included in the TDC to be allocated using the 12-CP allocation ratio from Westar's most recent rate case. Because of the impacts from rate consolidation discussed above, use of the 12-CP allocation ratio from the 112 Docket results in disproportionately high rate increases for certain customer classes, including certain school and church customers and high load factor customers.

Q DID WESTAR DISCUSS THE POTENTIAL FOR DISPROPORTIONATE CUSTOMER IMPACTS WITH STAFF PRIOR TO MAKING ITS FILING IN THIS DOCKET?

A. Yes. We met with Staff prior to filing the TDC update. Staff had a few TDC-related questions and we advised Staff of the potential issues related to allocation among customer classes. We discussed three possible solutions to the allocation issue. The solutions we discussed were the same three that Staff identified and included in its Motion for a Suspension Order and Temporary Waiver filed March 15, 2012. The options are (1) using the 12-CP ratio from Westar's most recently filed rate case, the 112 Docket; (2) using the 12-CP ratio from Westar's previous rate case, the 1041 Docket; and (3) using a hybrid allocation method with some combination of the two 12-CP ratios.

Q. WHICH OF THESE THREE OPTIONS DID WESTAR PROPOSE IN THIS DOCKET TO REDUCE THE IMPACT OF THE ALLOCATION CHANGE ON AFFECTED CUSTOMERS?

A. Westar proposed to apply the hybrid approach – to apply the 12-CP ratio from the 1041 Docket to the transmission-related costs previously included in the TDC and the 12-CP ratio from the 112 Docket to the additional costs being added in this update.

Q. WHY DID WESTAR PROPOSE A HYBRID APPROACH?

A. We were concerned that the impact on customers would be very uneven if all of the TDC costs were allocated using the 12-CP allocation ratio from the 112 Docket. The customers that would be most disproportionately impacted include certain churches and schools as well as high load factor customers, We also recognized that a number of other customers would benefit from use of the hybrid approach.

A table outlining the impacts to each customer class of each of the three allocation methods is attached hereto as Exhibit DFR-1. As is indicated in this Exhibit DFR-1, if Westar were to utilize the 12-CP ratio from the 112 Docket to allocate the TDC costs, a number of customer classes would receive disproportionate rate increases. Use of the new 12-CP ratio would have very significant impacts on the Religious Institution Time of Day Service and

Restricted Total Electric – School and Church Service customers with respective percent changes of 150% and 93%.

We proposed the hybrid approach because we believed it would allow for transition from the historic 12-CP allocation ratio to a new 12-CP allocation ratio and would reduce the impacts on certain customers.

Q. IS OCCIDENTAL CHEMICAL CORPORATION ONE OF THE CUSTOMERS THAT WOULD BE IMPACTED BY USE OF THE 12-CP ALLOCATION RATIO FROM THE 112 DOCKET?

A. Yes. The hybrid approach proposed by Westar reduced the impact to Occidental Chemical Corporation by approximately **$[redacted]** when compared to the impact if the 12-CP ratio from the 112 Docket is used.

Q. WHAT ALLOCATION METHOD DID STAFF PROPOSE IN ITS MOTION FOR SUSPENSION ORDER AND ORDER GRANTING TEMPORARY WAIVER?

A. Staff proposed to utilize the 12-CP ratio from the 1041 Docket during an interim period while the Commission determines the appropriate allocation method for Westar to use. The Commission accepted Staff's proposal and allowed Westar to begin collecting its updated TDC with the allocation of the costs to customers charged on a subject-to-refund basis.

** Denotes Confidential Information Omitted **

Q. WHAT ALLOCATION METHOD DOES WESTAR PROPOSE TO BE APPLIED TO THE CURRENT TDC UPDATE AND UPDATES THAT OCCUR IN THE FUTURE?

A. We believe that the Commission should use this docket to soften the impact of the differences between the 12-CP ratios in the 1041 Docket and 112 Docket that occurred because of rate consolidation. By utilizing a hybrid of the two ratios to allocate the TDC costs in this docket, the Commission can move towards use of the most current allocation ratio but reduce the impact to customers that would result from moving to the new allocation ratio all at once. Once this transition occurs, Westar can return to allocation of its TDC costs as provided in the current tariff language – using the most current allocation ratio available from Westar's most recent rate case.

Q. THANK YOU.

TRANSMISSION DELIVERY CHARGE					percent change		
Rate schedule	previous	as filed	staff interim (1)	new 12-CP	as filed	staff interim	new 12-CP
Dedicated Off-Peak Service	$0.006559	$0.008959	$0.008391	$0.010778	37%	28%	64%
Generation Substitution Service	$0.006559	$0.008959	$0.008391	$0.010778	37%	28%	64%
High Load Factor Service	$2.406144	$3.127564	$3.078308	$3.239889	30%	28%	35%
Interruptible Contract Service	$0.005169	$0.006705	$0.006613	$0.006900	30%	28%	33%
Large Tire Manufacturing (per KVa)	$1.991956	$2.675647	$2.548415	$3.070235	34%	28%	54%
Medium General Service	$2.551426	$3.130704	$3.264175	$2.601533	23%	28%	2%
Private Area Lighting Service	$0.003523	$0.004357	$0.004507	$0.003746	24%	28%	6%
Religious Institution Time Of Day Service	$0.002685	$0.004182	$0.003435	$0.006723	56%	28%	150%
Residential Service	$0.007882	$0.010173	$0.010084	$0.010289	29%	28%	31%
Restricted Peak Service	$0.006559	$0.008959	$0.008391	$0.010778	37%	28%	64%
Restricted Service to Schools	$0.004922	$0.006077	$0.006297	$0.005186	23%	28%	5%
Restricted Educational Institution Service	$0.004922	$0.006077	$0.006297	$0.005186	23%	28%	5%
Restricted Total Electric – School and Church Service	$0.002685	$0.006077	$0.003435	$0.005186	126%	28%	93%
Short-Term Service	$0.006559	$0.008959	$0.008391	$0.010778	37%	28%	64%
Small General Service	$0.006559	$0.008959	$0.008391	$0.010778	37%	28%	64%
Small General Service – Church Option	$0.006559	$0.008959	$0.008391	$0.010778	37%	28%	64%
Standard Educational Service	$0.004922	$0.006077	$0.006297	$0.005186	23%	28%	5%
Street Lighting	$0.003523	$0.004357	$0.004507	$0.003746	24%	28%	6%
Traffic Signal Service	$0.003523	$0.004357	$0.004507	$0.003746	24%	28%	6%
Contract (a)	$0.004271	$0.005557	$0.005464	$0.005776	30%	28%	35%

(1) staff interim - subject to refund

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of May, 2012, the original and eight copies foregoing **Response to Petition for Reconsideration** were delivered to:

Patti Peterson-Klein
Executive Director
KANSAS CORPORATION COMMISSION
1500 SW Arrowhead
Topeka, Kansas 66604

that one copy was served via electronic mail to:

TAMMY COOPER
ANDREWS KURTH L.L.P.
111 CONGRESS AVENUE, SUITE 1700
AUSTIN, TX 78701

PHILLIP OLDHAM
ANDREWS KURTH L.L.P.
111 CONGRESS AVENUE, SUITE 1700
AUSTIN, TX 78701

NIKI CHRISTOPHER, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604

C. STEVEN RARRICK, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604

SHONDA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604

DAVID SPRINGE, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604

RAY BERGMEIER, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027

BRIAN G. FEDOTIN, ADVISORY COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027

ANDREW SCHULTE, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027

TERESA J. JAMES, ATTORNEY
MARTIN, PRINGLE, OLIVER, WALLACE & BAUER, LLP
6900 COLLEGE BLVD STE 700
OVERLAND PARK, KS 66211-1842

STANFORD J. SMITH, JR., ATTORNEY
MARTIN, PRINGLE, OLIVER, WALLACE & BAUER, LLP
100 NORTH BROADWAY, SUITE 500
WICHITA, KS 67202

CARSON M. HINDERKS, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362

JAMES P. ZAKOURA, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362

Cathryn Dinges

Cathryn J. Dinges

Westar Energy®

CATHRYN J. DINGES
Corporate Counsel

May 4, 2012

Received
on
MAY 04 2012
by
State Corporation Commission
of Kansas

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

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 eight photocopies of the Testimony of Dick F. Rohlfs.

Please file stamp one copy for my files.

Thank you for your assistance.

Sincerely,

Cathryn Dinges

Cathryn J. Dinges

cc: Service List

818 South Kansas Avenue / P.O. Box 889 / Topeka, Kansas 66601
Telephone: (785) 575-8344 / Fax: (785) 575-8136
cathy.dinges@WestarEnergy.com

2012.07.30 13:06:44
Kansas Corporation Commission
/S/ Patrice Petersen-Klein

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))

Received
on

JUL 3 0 2012

by
State Corporation Commission
of Kansas

DIRECT TESTIMONY

PREPARED BY

JAIME T. STAMATSON

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION STAFF

Q: Please state your name and business address.

A: Jaime T. Stamatson, Kansas Corporation Commission, 1500 SW Arrowhead Road, Topeka, Kansas, 66604-4027.

Q: In what capacity does the Commission employ you?

A: Since August 2008 I have been employed by the Commission as Senior Research Economist. My duties include conducting research and providing economic analysis on regulatory issues before the Commission.

Q: Have you previously testified before the Commission?

A: Yes. I have testified in Docket Numbers 09-KCPE-246-RTS, 10-KCPE-415-RTS, 10-EPDE-314-RTS, 10-BHCG-639-TAR, 11-WSEE-377-PRE, 11-MDWE-609-RTS, 12-MDAP-068-RTS, and 12-SUBW-359-RTS.

Q: Please describe your professional qualifications.

A: I earned a Bachelor of Science degree in 2004 and a Master of Arts degree in 2007, both in Economics, from Kansas State University. Prior to my employment at the Commission, I was employed by Kansas State University's Department of Economics as a Graduate Teaching Assistant. My duties included teaching undergraduate courses in Macroeconomics and conducting research on a variety of Macroeconomic and Microeconomic topics.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to support Kansas Gas and Electric Company and Westar Energy, Inc. (collectively, Westar) in its overall increase for its annual Transmission Delivery Charge (TDC) update and to request the Commission require Westar to allocate that amount among its customers based upon its most recent 12-Coincident Peak (12-CP) demand allocator in Docket No. 12-WSEE-112-RTS (the 112 Docket).

Q: What is the amount that Westar is requesting in its annual TDC update?

A: Westar is requesting a Total Annual Transmission Cost (TATC) of $164,628,391 be allocated among its retail customers. This reflects a net increase of $36,742,491 over the current TDC after removing $287,368 to reflect a previous double counted cost related to Southwest Power Pool (SPP) Base Plan Funded (BPF) projects and the removal of $7,642 to reflect SPP Open Access Transmission Tariff (OATT) Schedule 12 Federal Energy Regulatory Commission (FERC) Fees that Westar incurred on behalf of three wholesale buyers that are part of Westar's native load.

Q: Did Staff find any errors in this TDC filing?

A: Staff did find one error in this filing. Line 14 c of Schedule H, Zonal Annual Transmission Revenue Requirement (ATRR) for Kansas Power Pool (KPP) is listed as $528,917 when in fact the correct number is $350,243. This can be verified via the Commission's Order in Docket No. 12-KPPE-630-MIS. Staff has communicated this error to Westar and due to the diminutive nature of it with respect to the entire ATRR, Westar has agreed to make the correction at the time of its next TDC filing. Therefore, Staff supports a TATC of $164,628,391 and Westar allocating this amount among its retail customers based in its most recent 12-CP demand allocator.

Q: Please discuss the two costs that are removed from the net TDC increase.

A: These two costs were discovered during Staff's investigation of Westar's previous TDC update in Docket No. 11-WSEE-599-TAR (the 599 Docket) and were documented in the Notice of Filing of Staff Report and Recommendation (Staff's R&R).

The first adjustment is a result of a Docket Westar filed with FERC on December 16, 2010. Westar filed FERC Docket No. ER11-2395 requesting to correct an error in its Transmission Formula Rate (TFR) template. Westar had discovered that its zonal revenue requirement calculated under its FERC approved TFR was being overstated due to the double counting of a certain true-up mechanism. FERC approved Westar's application to modify its TFR template on May 3, 2011 and approved effective rates for the revised ATRR on January 1, 2011. This would have allowed Westar to back bill wholesale transmission customers taking transmission service in Westar's zone, including Westar itself as it acts as a Transmission Customer (TC) on behalf of its Network Load.[1] However, because the adjustment to retail rates would have been de minimis,[2] Staff recommended in the 599 Docket that Westar make the $287,368 adjustment at the time of its next TDC filing.

The second adjustment is a result of FERC fees accidentally allocated to retail customers that Westar incurred on behalf of wholesale customers that are part of its native load. Westar is the Load Serving Entity (LSE) for both its retail customers and various wholesale cities, making it a TC acting on behalf of the combined load at SPP. Because SPP passes the FERC assessment on to the TC without regard to what the load is actually composed of, these fees end up aggregated together. In order for the correct amount of fees to be included in the TDC, wholesale customers that are part of native load must be removed. Fees of $7,642 associated with the cities of Wamego, Herrington, and Eudora were included in the TDC calculation when, in fact, they should have been removed. Because of the diminutive effect removing these fees would have on the overall

[1] Staff's R&R. page.7, Docket No. 11-WSEE-599-TAR (Dec 2, 2011).
[2] This would have resulted in approximately .0018 cents/kWh decrease in residential rates resulting in a refund of about 2 cents per month for the average residential customer.

TDC,[3] Staff and Westar agreed in the 599 Docket that the fees should be removed during the next TDC filing.[4]

Q: Are there any other issues that arose out of the 599 Docket that need to be accounted for in this Docket?

A: Yes, there are two. 1) There is an issue related to the direct allocation of costs related to two windfarms, and 2) Network Integrated Transmission Service (NITS) cost required to serve load on foreign wires.

With regard to directly assigned costs, Westar owns/has Purchase Power Agreements (PPAs)[5] with two windfarms located outside of its zone. Therefore, Westar is required to procure from SPP as a TC 100 MW of Firm Transmission Rights and move power from Flat Ridge and 96 MW of Firm Transmission Rights and move power from Meridian Way in order to serve its load. These two Transmission Service Requests[6] resulted in the need for a number of network upgrades to be performed on the SPP system, identified in SPP-2007-AG3. These upgrades had to be performed before transmission service could be fulfilled and the costs were allocated, at least in part,[7] to Westar as a TC acting on behalf of its native load under the NITS agreement. The issue with these costs was that they were not listed in any of the approved OATT Schedules in Westar's KCC approved TDC tariff. They are now listed in Schedule 9 of the SPP

[3] Less that .01% of total costs filed.
[4] Staff's R&R, page 8, Docket No. 11-WSEE-599-TAR (Dec. 2, 2011).
[5] Westar owns 50 MW of Flat Ridge and has a PPA for the other 50 MW. Westar has a PPA for 96 MW of Meridian Way.
[6] TSR 73447934 and TSR 73447931
[7] These upgrades are partially Base Plan funded in accordance with attachment J of the SPP OATT. This means Westar pays 25% of the costs directly, and 1/3 of the remaining 75%, with the other 2/3 being spread among the rest of the system.

OATT as a result of FERC Docket No. ER12-455 and are also directly listed in Westar's KCC approved TDC tariff.

With regard to NITS costs to serve load using non-Westar facilities, SPP registers the city of Morganville in Mid-Kansas Electric Company, LLC's (MKEC's) zone. However, Morganville is part of Westar's native load so Westar is charged by SPP as TC procuring NITS on behalf of Morganville. These charges are logged under a separate Open Access Same-Time Information System (OASIS) reservation number and are assessed under SPP OATT Schedules 1, 1-A, 9, 11, and 12. The KCC schedules approved at the time of the 599 Docket filing allowed the pass through of costs in all schedules except for Schedule 1, Scheduling, System Control, and Dispatch of Power. Schedule 1 fees related to these activities within Westar's Balancing Area are included in Retail Rate Base with an offset for revenues Westar receives from these services. Because of the unique circumstance that Morganville poses, Staff recognized that Schedule 1 Fees related to Morganville should be allowed to be recovered in the TDC, but the tariff didn't specifically allow it. Therefore, Staff requested that Westar modify its TDC tariff to specifically allow the pass-through of costs to serve load on foreign wires. Westar has included this language in its tariff filing in this Docket.

Q: Staff supports Westar's Total Annual Transmission Cost being allocated among its retail customers based on its most recent 12-CP demand allocator. Did Westar propose using this allocator in this Docket?

A: No, Westar did not. Westar proposes using the 12-CP demand allocator from Docket No. 08-WSEE-1041-RTS (the 1041 Docket) to allocate the majority of the amount of transmission costs while using the most recent 12-CP demand allocator from the 112

Docket to allocate just the increase in costs between this TDC filing and the previous TDC filing in the 599 Docket. This is what Westar terms the "Hybrid approach."[8] Currently, Westar's KCC approved TDC tariff requires Westar to use the 12-CP demand allocator from its most recent rate case or conduct a load research study every five years to calculate a new 12-CP demand allocator, whichever comes first. Therefore, Westar's hybrid approach would be a deviation from the current tariff.

Q: Why does Westar want to deviate from the tariff and use the hybrid approach?

A: The reasons given for using the hybrid approach in lieu of the most recent 12-CP demand allocator as stated in the tariff is to mitigate rate shock due to using the new 12-CP demand allocator and customer migration between rate classes.

Q: How could the new 12-CP demand allocator cause rate shock?

A: The new 12-CP demand allocator from the 112 Docket was developed on a system-wide basis rather than separately for the North and the South, as was done in the 1041 Docket and prior.[9] This means the allocation among customer classes may change significantly. If these changes are large enough, it would lead to rate shock. Also, there has been customer migration due to tariffs being offered in both the North and South zones as a result of rate consolidation. These rate schedules include Restricted Peak Service, Religious Institution Time of Day, Generation Substitution Service, and Dedicated Off-Peak Service.[10] Also, customers may migrate between the High Load Factor (HLF) and Medium General Service (MGS) rate classes. Westar has experienced customers

[8] Direct Testimony of Dick Rohlfs, page 8, line 4.
[9] Rohlfs, page 6, line 7.
[10] Supplemental Information Regarding Proposed Tariff Language Changes Regarding Westar's TDC Filing, Page 1.

migrating from HLF to MGS after the implementation of rates in the 1041 Docket and Docket No. 09-WSEE-925-RTS.[11]

Q: Does Westar cite any specific examples where using the new 12-CP demand allocator may cause rate shock?

A: Yes. Using the new 12-CP would cause the TDC to increase 150% for Religious Institution Time of Day Service (RITODS) customers and 93% for Restricted Total Electric- School and Church Service (RTE-SCS) customers.[12]

Q: These seem like very large increases caused by using the new 12-CP demand allocator. Does this concern Staff?

A: In short, no. The reason Staff is not concerned about the magnitude of these increases is that they are simply the increase in the TDC component of these customer's rates, not the total bill. The TDC is a relatively small component of the total bill of any given rate class. With respect to the two examples Westar cites, under the TDC update prior to this one, the TDC was 2.59% of the average annual bill for RITODS customers and 3.49% for RTE-SCS customers.[13] Under Westar's Hybrid proposal, it would move to 3.98% for RITODS customers and 7.56% for RTE-SCS customers versus 6.25% for RITODS customers and 6.52% for RTE-SCS customers using the new 12-CP demand allocator. Translating this into impacts on average bills, RITODS customers would see their bills increase by 1.45% using the Westar Hybrid approach versus 3.90% using the new 12-CP demand allocator. RTE-SCS customers would actually see a lesser rate increase using the

[11] Ibid. page 2.
[12] Rohlfs, page 8, line 21 and page 9, line 1.
[13] Westar divided RTE-SCS customers into small and large customers in response to Staff Data Request 2. Here large customers are being referenced, but there is little difference between large customers and small customers.

new 12-CP demand allocator (3.25%) versus the Hybrid approach (4.40%). A more complete analysis of this type can be seen in Exhibit JTS-1.

Q: So the overall rate impact is much less than one may be lead to believe by simply looking at the increase in the TDC caused by using the new 12-CP demand allocator?

A: Yes. This is the reason Staff does not see the need to gradually increase the TDC as Westar suggests with its Hybrid approach. There really is no rate shock occurring by simply switching to the new 12-CP demand allocator. In the absence of rate shock, Staff sees no reason to depart from the tariff as written.

Q: What is Staff's recommendation for the Commission?

A: Staff recommends the Commission accept Westar's proposed TATC of $164,628,391, representing a net increase of $36,742,491 over the prior TATC. Staff also recommends the Commission reject Westar's proposed Hybrid allocation approach and instead require the Company to allocate the TATC among rate classes using the new 12-CP demand allocator from the 112 Docket. Also, Staff recommends the Commission order Westar to account for the error found on line 14c of Schedule H at the time of its next TDC filing.

Q: Does this conclude your testimony?

A: Yes.

Exhibit JTS-1
Annual Bill Impacts
12-WSEE-651-TAR

RES	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$85.08	$108.96	$109.92	$ 111.12
Annual Bill	$1,125.18	$1,149.06	$1,150.02	$1,151.22
% TDC	7.56%	9.48%	9.56%	9.65%
Bill Impact		2.12%	2.21%	2.31%

SGS	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$787.08	$1,006.92	$1,075.08	$1,293.36
Average Bill	$10,860.42	$11,080.26	$11,148.42	$11,366.70
% TDC	7.25%	9.09%	9.64%	11.38%
Bill Impact		2.02%	2.65%	4.66%

MGS	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$15,308.56	$19,585.05	$18,784.22	$15,609.20
Annual Bill	$180,771.83	$185,048.32	$184,247.50	$181,072.47
% TDC	8.47%	10.58%	10.20%	8.62%
Bill Impact		2.37%	1.92%	0.17%

North HLF	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$86,621.18	$110,819.09	$112,592.30	$116,636.00
Annual Bill	$1,199,520.34	$1,223,718.24	$1,225,491.46	$1,229,535.16
% TDC	7.22%	9.06%	9.19%	9.49%
Bill Impact		2.02%	2.17%	2.50%

South HLF	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$86,621.18	$110,819.09	$112,592.30	$116,636.00
Annual Bill	$1,086,435.88	$1,110,633.78	$1,112,407.00	$1,116,450.70
% TDC	7.97%	9.98%	10.12%	10.45%
Bill Impact		2.23%	2.39%	2.76%

RITODS	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$95.37	$122.01	$148.54	$238.80
Annual Bill	$3,676.56	$3,703.20	$3,729.74	$3,819.99
% TDC	2.59%	3.29%	3.98%	6.25%
Bill Impact		0.72%	1.45%	3.90%

RTECS Small	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$21.27	$27.21	$48.13	$41.07
Annual Bill	$638.61	$644.55	$665.48	$658.42
% TDC	3.33%	4.22%	7.23%	6.24%
Bill Impact		0.93%	4.21%	3.10%

RTECS Large	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$345.88	$442.50	$782.84	$668.06
Annual Bill	$9,920.95	$10,017.56	$10,357.90	$10,243.13
% TDC	3.49%	4.42%	7.56%	6.52%
Bill Impact		0.97%	4.40%	3.25%

SES Small	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$203.97	$260.95	$251.83	$214.91
Annual Bill	$4,243.28	$4,300.26	$4,291.15	$4,254.22
% TDC	4.81%	6.07%	5.87%	5.05%
Bill Impact		1.34%	1.13%	0.26%

SES Large	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$427.29	$546.66	$527.56	$450.21
Annual Bill	$6,269.16	$6,388.52	$6,369.42	$6,292.07
% TDC	6.82%	8.56%	8.28%	7.16%
Bill Impact		1.90%	1.60%	0.37%

REIS Small	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$474.09	$606.53	$585.34	$499.52
Annual Bill	$7,612.43	$7,744.87	$7,723.68	$7,637.86
% TDC	6.23%	7.83%	7.58%	6.54%
Bill Impact		1.74%	1.46%	0.33%

REIS Large	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$10,175.74	$13,018.42	$12,563.59	$10,721.54
Annual Bill	$154,396.42	$157,239.10	$156,784.27	$154,942.22
% TDC	6.59%	8.28%	8.01%	6.92%
Bill Impact		1.84%	1.55%	0.35%

RSS Small	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$170.02	$217.51	$209.91	$179.13
Annual Bill	$3,371.36	$3,418.85	$3,411.25	$3,380.48
% TDC	5.04%	6.36%	6.15%	5.30%
Bill Impact		1.41%	1.18%	0.27%

RSS Large	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$937.94	$1,199.96	$1,158.03	$988.24
Annual Bill	$16,835.10	$17,097.12	$17,055.20	$16,885.41
% TDC	5.57%	7.02%	6.79%	5.85%
Bill Impact		1.56%	1.31%	0.30%

PAL	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$2.37	$3.03	$2.93	$2.52
Annual Bill	$125.44	$126.10	$126.00	$125.59
% TDC	1.89%	2.40%	2.32%	2.00%
Bill Impact		0.53%	0.45%	0.12%

ICS	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$356,458.71	$456,038.20	$462,382.60	$475,829.97
Annual Bill	$3,997,929.11	$4,059,696.49	$4,103,853.00	$4,117,300.37
% TDC	8.92%	11.23%	11.27%	11.56%
Bill Impact		1.54%	2.65%	2.99%

LTM	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$557,863.21	$713,704.01	$749,336.35	$859,843.87
Annual Bill	$8,106,898.50	$8,262,739.29	$8,298,371.63	$8,408,879.16
% TDC	6.88%	8.64%	9.03%	10.23%
Bill Impact		1.92%	2.36%	3.72%

Rest. Peak Small	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$13,813.25	$17,671.45	$18,867.65	$22,698.47
Annual Bill	$130,102.56	$133,960.76	$135,156.96	$138,987.78
% TDC	10.62%	13.19%	13.96%	16.33%
Bill Impact		2.97%	3.88%	6.83%

Rest. Peak Large	prior TDC	Staff Interim	Westar Hybrid	New 12-CP
Annual TDC	$30,719.73	$39,300.09	$41,960.37	$50,479.84
Annual Bill	$263,251.82	$271,832.17	$274,492.46	$283,011.93
% TDC	11.67%	14.46%	15.29%	17.84%
Bill Impact		3.26%	4.27%	7.51%

CERTIFICATE OF SERVICE

12-WSEE-651-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Direct Testimony Prepared by Jaime T. Stamatson was served by electronic service on this 30th day of July, 2012, to the following parties who have waived receipt of follow-up hard copies.

TAMMY COOPER
ANDREWS KURTH L.L.P.
111 CONGRESS AVENUE
SUITE 1700
AUSTIN, TX 78701
Fax: 512-320-9292
tammycooper@andrewskurth.com

PHILLIP OLDHAM
ANDREWS KURTH L.L.P.
111 CONGRESS AVENUE
SUITE 1700
AUSTIN, TX 78701
Fax: 512-320-9292
phillipoldham@andrewskurth.com

NIKI CHRISTOPHER, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
n.christopher@curb.kansas.gov
Hand Delivered

C. STEVEN RARRICK, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
s.rarrick@curb.kansas.gov
Hand Delivered

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
d.smith@curb.kansas.gov
Hand Delivered

SHONDA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
sd.smith@curb.kansas.gov
Hand Delivered

DAVID SPRINGE, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
d.springe@curb.kansas.gov
Hand Delivered

RAY BERGMEIER, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
Fax: 785-271-3354
r.bergmeier@kcc.ks.gov
Hand Delivered

BRIAN G. FEDOTIN, ADVISORY COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
Fax: 785-271-3314
b.fedotin@kcc.ks.gov
Hand Delivered

ANDREW SCHULTE, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
Fax: 785-271-3354
a.schulte@kcc.ks.gov
Hand Delivered

CERTIFICATE OF SERVICE

12-WSEE-651-TAR

TERESA J. JAMES, ATTORNEY
MARTIN, PRINGLE, OLIVER, WALLACE & BAUER, LLP
6900 COLLEGE BLVD STE 700
OVERLAND PARK, KS 66211-1842
Fax: 913-491-3341
tjjames@martinpringle.com

STANFORD J. SMITH, JR., ATTORNEY
MARTIN, PRINGLE, OLIVER, WALLACE & BAUER, LLP
100 NORTH BROADWAY
SUITE 500
WICHITA, KS 67202
Fax: 316-265-2955
sjsmith@martinpringle.com

CARSON M. HINDERKS, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362
Fax: 913-661-9863
carson@smizak-law.com

JAMES P. ZAKOURA, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362
Fax: 913-661-9863
jim@smizak-law.com

CATHRYN J. DINGES, CORPORATE COUNSEL
WESTAR ENERGY, INC.
818 S KANSAS AVENUE
PO BOX 889
TOPEKA, KS 66601-0889
Fax: 785-575-8136
cathy.dinges@westarenergy.com

MICHAEL B. HEIM, SR. REGULATORY ANALYST
WESTAR ENERGY, INC.
818 S KANSAS AVENUE
PO BOX 889
TOPEKA, KS 66601-0889
michael.heim@westarenergy.com

DICK F. ROHLFS, DIRECTOR, RETAIL RATES
WESTAR ENERGY, INC.
818 S KANSAS AVENUE
PO BOX 889
TOPEKA, KS 66601-0889
Fax: 785-575-6472
dick.rohlfs@westarenergy.com

Pamela Griffeth
Pamela Griffeth
Administrative Specialist

2012.08.20 17:00:42
Kansas Corporation Commission
/S/ Patrice Petersen-Klein

BEFORE THE STATE CORPORATION COMMISSION

OF THE STATE OF KANSAS

REBUTTAL TESTIMONY

OF

DICK F. ROHLFS

WESTAR ENERGY

Received
on
AUG 2 0 2012
by
State Corporation Commission
of Kansas

DOCKET NO. 12-WSEE-651-TAR

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Dick F. Rohlfs, 818 South Kansas Avenue, Topeka, Kansas 66612.

Q. ARE YOU THE SAME DICK ROHLFS THAT SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes I am.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. The purpose of my rebuttal testimony is to respond to the testimony of Mr. Pollock for Occidental Chemical Corporation (OXY) and Mr. Stamatson for Staff. Specifically, I will comment and respond to the adjustment proposed by Staff, the allegation made by OXY that Westar improperly filed its transmission delivery charge (TDC) update, OXY's testimony regarding the appropriate set of billing determinants for this TDC update, the use of the 12-CP allocation factors from Westar's most recent rate proceeding, and the TDC filing process.

Q. STAFF PROPOSED A CHANGE ASSOCIATED WITH KANSAS POWER POOL'S (KPP) TRANSMISSION REVENUE REQUIREMENT THAT IS INCLUDED IN WESTAR'S ANNUAL TRANSMISSION REVENUE REQUIREMENT (ATRR). PLEASE COMMENT ON THIS PROPOSED CHANGE.

A. KPP recently submitted an annual transmission revenue requirement (ATRR) to the Southwest Power Pool (SPP) in order to recover its transmission costs through the SPP Open Access Transmission Tariff (OATT). The SPP filed with the Federal Energy Regulatory Commission (FERC) proposed modifications to the SPP OATT to incorporate KPP's formula template and include KPP's ATRR. The KCC subsequently intervened in the FERC docket, arguing that KPP should have sought the KCC's approval of KPP's ATRR before SPP made its filing with FERC.

FERC accepted SPP's filing of KPP's formula template subject to normal suspension. The acceptance allowed for the new charge to be placed in effect subject to refund. FERC assigned a settlement judge and ordered the parties to attempt to resolve the issue. As part of the settlement process, KPP agreed to file its proposed formula and ATRR with the KCC. During settlement discussions at the KCC, KCC Staff and KPP reached an agreement resulting in a reduction in KPP's ATRR. This settlement was approved by the KCC and is now pending before FERC.

Q. IS THE REDUCED KPP ATRR REFLECTED IN SPP'S OATT THAT IS CHARGED TO WESTAR OR IN WESTAR'S PROPOSED TDC UPDATE?

A. Not yet. At the time that Westar filed its TDC update in this docket, KPP and the KCC Staff had not yet reached the settlement to reduce KPP's ATRR and transmission rates under the SPP OATT were being calculated using KPP's ATRR as originally filed, subject to refund. As a result, Westar included the transmission costs as they were being billed by SPP, including KPP's original ATRR, in its TDC update.

Westar's TDC will be updated in a subsequent TDC filing after FERC accepts the reduction in KPP's transmission revenue requirement resulting from the settlement. In the meantime, the higher ATRR is in effect subject to refund and Westar continues to be assessed the higher transmission expense associated with KPP's originally filed ATRR. After the rate is modified, SPP will issue a refund associated for any overcharges incurred by Westar.

Q. IS WESTAR WILLING TO REFLECT THE KPP/KCC SETTELMENT TRANSMISSION REVENUE REQUIREMENT IN ITS TDC FILING?

A. Yes, provided that FERC accepts the settlement between KPP and KCC. Mr. Stamatson suggests that Westar is in agreement with making that change at the time of the next TDC filing. We do agree and will incorporate that change in a subsequent TDC filing if the settlement is approved by FERC.

Q. MR. POLLOCK CONTENDS THAT WESTAR DID NOT MAKE A PROPER TDC FILING. HOW DO YOU RESPOND TO THIS CONTENTION?

A. Mr. Polluck's contention is unsupported and incorrect. As Westar has previously explained in pleadings in this docket, Westar is entitled to adjust its TDC rates to include transmission-related costs that it incurs if those costs result from an order of FERC as long as it provides the Commission with 30 business days notice of its intent to update the rates. K.S.A. 66-1237 does not address the allocation of costs among customer classes or preclude an electric utility from changing the language in its TDC tariff related to allocation. It simply provides that Westar is entitled to begin recovering its updated transmission-related costs on 30 business days notice to the Commission regardless of how those costs are allocated. The fact that Westar proposed amendments to the tariff language related to allocation of costs at the same time that it gave the Commission notice of its intent to update the TDC is wholly irrelevant to Westar's statutory right to begin recovering its updated TDC costs with 30 business days notice.

K.S.A. 66-117 requires utilities to give the Commission 30 days notice of any proposed tariff change. Westar complied with that requirement when it filed its proposed changes to the allocation provisions of the TDC tariff. The Commission decided to separate its review of the tariff language related to allocation of costs from the update of the TDC costs because the Commission has the right to suspend the proposed tariff changes under K.S.A. 66-117 but does not have the right to suspend the TDC update under K.S.A. 66-1237. The Commission's approach to addressing these two separate issues is reasonable and consistent with the relevant statutes and addresses the concerns expressed by OXY regarding the procedure used in this docket.

Q. WHY DID WESTAR BELIEVE THAT IT WAS NECESSARY TO PROPOSE TARIFF CHANGES IN THIS DOCKET?

A. The current TDC tariff would require Westar to allocate the TDC costs it is entitled to recover under K.S.A. 66-1237 based on the 12-CP ratio from its most recently filed rate case, Docket No. 12-WSEE-112-RTS (112 Docket). When filing its notice in this docket, Westar analyzed the customer impacts of an allocation based on the 12-CP ratio from the 112 Docket (new 12-CP ratio) as well as two other allocation methods – use of the 12-CP ratio from Westar's previous rate case (old 12-CP ratio) and use of a hybrid allocation method with some combination of the two 12-CP ratios. Westar determined that because of impacts related to the consolidation of rates between Westar North and Westar South, use of the new 12-CP ratio would result in disproportionate rate increases for certain customer classes.

Thus, in an attempt to mitigate some of the impact of complete movement to the new 12-CP ratio, Westar developed and proposed a hybrid approach. Under the approach proposed by Westar, the transmission-related costs previously included in the TDC would be allocated based on the old 12-CP ratio and the additional costs being added in this update would be allocated based on the new 12-CP ratio. Westar's proposal was to utilize this hybrid approach during an interim period between this update and the next general rate case in an attempt to phase-in use of the new 12-CP ratio.

Westar was concerned that if it were to utilize the new 12-CP ratio to allocate the TDC costs, a number of customer classes, including High Load Factor customers such as OXY, would receive disproportionate rate increases. Westar was also concerned that use of the new 12-CP ratio would have very significant impacts on the Religious Institution Time of Day Service and Restricted Total Electric – School and Church Service customers with respective percent changes of 150% and 93%.

By proposing this hybrid approach, Westar was simply attempting to mitigate the impacts of the TDC update and the shift from the old allocation ratio to the new allocation ratio on certain customers based on the reaction we expected from those customers. We did not intend whatsoever to upset customers or cause additional concern or anxiety over the update or the update process. Based on the testimony filed by both Staff and OXY, it appears that Westar was mistaken in its expectation that customers would prefer the hybrid approach and a more gradual transition from the old allocation ratio to the new allocation ratio. As discussed below, given their testimony, Westar is willing to apply the new 12-CP allocation ratio in this TDC update.

Q. HAVE THERE BEEN OTHER MODIFICATIONS TO THE TDC TARIFF SINCE IT WAS FIRST IMPLEMENTED?

A. Yes. The most recent change was made following Staff's review of Westar's 2011 TDC update. In that review, Staff concluded that charges being incurred by Westar for service to a retail community that was in a different utility's balancing area could be recovered through the TDC. In order to provide transparency, Staff recommended that Westar provide additional language in the TDC Tariff regarding this service arrangement to continue to recover it in the TDC. The suggested language change that Staff proposed was provided by Westar and incorporated into our 2012 TDC filing.

Also, in Westar's 2008 TDC filing, Staff noted an unintended consequence associated with the use of the Adjustment Factor (AF) used to adjust the TDC unit charges between rate proceedings. Initially, AF was the sales volume for each "retail" class. Staff proposed and utilized an AF that reflected "total retail" sales volume to avoid potential customer migration that could occur and the resulting advantage or disadvantage to certain customer classes.

Q. IS IT COMMON FOR RATE SCHEDULES AND PROCESSES TO EVOLVE OVER TIME?

A. Yes. When circumstances such as customer usage characteristics change, new rate schedules are introduced, or new regulations affecting the existing rate-making process are implemented, the application of an existing rate schedule can suddenly result in an unreasonable result or a disproportionate burden on certain customer groups. In order to avoid or reduce such impacts, it is common for us – either Westar or Staff – to propose modifications to the existing rate schedule in order to make the impact on customers more reasonable and allow the change to occur more gradually.

Q. WHEN IT CALCULATED ITS TDC UPDATE IN THIS DOCKET, WHAT BILLING DETERMINANTS DID WESTAR USE?

A. Westar utilized the billing determinants from its most recent rate case, the 112 Docket. These billing determinants are weather normalized and consistent with the use of the 12-CP allocation ratio from the 112 Docket, as required by the TDC Tariff.

Q. MR. POLLOCK CRITICIZED THE USE OF THE BILLING DETERMINANTS FROM THE 112 DOCKET. HOW DO YOU RESPOND?

A. Mr. Pollock contends that by using the billing determinants from the 112 Docket, Westar would have the opportunity to significantly over-recover its transmission costs. Mr. Pollock, however, fails to recognize that just the opposite could also occur. It is equally possible that Westar could significantly under-recover its transmission costs. The billing determinants from any given test year will always vary from the actual billing determinants for a billing period and the actual billing determinants can either be higher or lower than those from the test year. If the actual billing determinants are higher than those from the test year, Westar would over-recover. If the actual billing determinants were lower, Westar would under-recover.

Mr. Polluck suggests that Westar should use actual billing determinants from calendar year 2011 when calculating the TDC rate for this update. He fails to recognize the fact that the actual billing determinants from 2011 are not weather normalized and that there is a bias associated with using a set of billing determinants influenced by weather. He also fails to realize that use of the actual numbers from 2011 does not eliminate the possibility for over or under-recovery. As I indicated above, that possibility always exists when calculating rates using billing determinants from a historical test period.

Q. HOW DO YOU SUGGEST MR. POLLUCK'S CONCERNS REGARDING THE POTENTIAL FOR OVER-RECOVERY BE ADDRESSED?

A. A simple resolution of his concern is to incorporate a true-up mechanism in the TDC. The true-up mechanism would permit the recovery of the actual cost incurred over the actual billing determinants – nothing more and nothing less. Additionally, a true-up factor could include any corrections, such as the correction noted in Mr. Stamatson's testimony that will likely be necessary as a result of the refund associated with the reduction in KPP's ATRR. Moreover, a true-up mechanism is used in nearly all cost adjustment mechanisms, including Westar's other cost recovery riders such as the Retail Energy Cost Adjustment (RECA) tariff and the Environmental Cost Recovery Rider (ECRR).

Q. HAS A TRUE-UP MECHANISM BEEN PROPOSED BEFORE?

A. Yes. Westar proposed a true-up mechanism in 2005. At that time, however, Staff did not recommend the use of a true-up mechanism and the Commission adopted Staff's recommended approach. Westar believes that this may be an appropriate time for the

Commission to reconsider the use of a true-up mechanism, given the concerns expressed by OXY and the adjustments recommended by Staff.

Q. ARE THERE OTHER CHANGES WESTAR RECOMMENDS TO THE TDC TARIFF AT THIS TIME?

A. Yes. Westar suggests that the TDC rate be established with budgeted, weather normalized billing determinants every year. Using budgeted, weather normalized data will assure that there is an equal chance of over and under-recovery in any one year. Then, if a true-up mechanism is utilized, any difference would be included in the TDC update for the following year. Use of budgeted, weather normalized data would replace the use of the AF factor during the intervening years between rate cases.

Q. MR. POLLOCK AND MR. STAMATSON BOTH SUGGEST USING THE NEW 12-CP ALLOCATION FROM THE 112 DOCKET. HOW DO YOU RESPOND?

A. As noted in my direct testimony and above, Westar was concerned about possible negative implications associated with using the new 12-CP allocation ratio for certain customer classes, including the class of customers that OXY belongs to. If Staff and OXY are unconcerned about these potential negative impacts, Westar will withdraw its proposal to use the hybrid approach and will agree to use the new 12-CP allocation ratio.

Q. HAVE YOU CALCULATED THE TDC RATES THAT WOULD RESULT FROM THE USE OF THE NEW 12-CP ALLOCATION RATIO?

A. Yes. Those TDC rates are attached as Exhibit DFR-2. These TDC rates are calculated by first allocating the transmission revenue requirement to the classes using the new 12 CP allocation ratio and then applying the class revenue requirement to the weather normalized billing determinants from the 112 Docket to calculate the class TDC rates.

Q. MR. POLLOCK CONCLUDES HIS TESTIMOMY BY MAKING SUGGESTIONS REGARDING THE TDC FILING PROCESS. HOW DO YOU RESPOND?

A. Mr. Pollock suggests that Westar should provide supporting documentation and workpapers when it files a new TDC update. Westar, however, already provides Staff with this information as part of the TDC update process. In this case, we provided to Staff a complete set of workpapers and also verbally discussed the filing with Staff prior to filing. As part of that discussion, Westar reviewed its concern regarding the potential customer impacts that could result from use of the new 12-CP allocation ratio and possible solutions to address those impacts.

Q. THANK YOU.

Exhibit DFR-2

Customer Classes	112 Docket 12-CP	TDC Revenue Requirement $ 164,628,391	112 Docket Billing Determinants	New Rate (1)	Per Unit
Residential	40.7099%	$ 67,020,001	6,525,903,756	$ 0.010270	kWh
Small General Service	23.3906%	$ 38,507,642	3,579,269,511	$ 0.010759	kWh
Churches (RITODS)	0.0519%	$ 85,448	12,732,309	$ 0.006711	kWh
Medium General Service	15.7186%	$ 25,877,220	9,965,107	$ 2.596783	kW
Schools (PS,SES,EIS,TESC)	1.8043%	$ 2,970,319	573,777,444	$ 0.005177	kWh
High Load Factor	15.8287%	$ 26,058,525	8,057,726	$ 3.233980	kW
Large Tire Manufacturer	0.5045%	$ 830,607	271,011	$ 3.064847	kVA
Lighting	0.3680%	$ 605,912	162,028,204	$ 0.003740	kWh
Special Contract (a)	1.3793%	$ 2,270,672	393,823,000	$ 0.005766	kWh
Interruptible Contract Service	0.2442%	$ 402,045	58,371,464	$ 0.006888	kWh
	100.0000%	$ 164,628,391			

(1) Rate developed using 12 CP allocation factors from the 12-WSEE-112-RTS docket

Westar Energy

August 20, 2012

Received
on

AUG 2 0 2012

by
State Corporation Commission
of Kansas

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

Re: In the Matter of the Application 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 eight photocopies of the **Rebuttal Testimony of Dick F. Rohlfs, Westar Energy**.

Please file stamp one copy for my files.

Thank you for your assistance.

Sincerely,

Cathryn Dinges

Cathryn J. Dinges

Enclosures
cc: Service List

818 South Kansas Avenue / P.O. Box 889 / Topeka, Kansas 66601
Office Telephone: (785) 575-6300

2012.08.27 15:17:24
Kansas Corporation Commission
/S/ Patrice Petersen-Klein
Received
on
AUG 27 2012
by
State Corporation Commission
of Kansas

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

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

**JOINT MOTION TO APPROVE STIPULATION AND AGREEMENT
AND TO DISMISS THE EVIDENTIARY HEARING IN THIS DOCKET**

COME NOW the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively), Westar Energy, Inc. and Kansas Gas and Electric Company (collectively as "Westar"), Occidental Chemical Corporation (OXY), and the Citizens' Utility Ratepayer Board (CURB) (collectively referred to as the "Joint Movants") and respectfully move the Commission for an Order approving the Stipulation and Agreement ("Stipulation") filed contemporaneously with this Motion. The Stipulation is attached as Exhibit 1. The Joint Movants also request the Commission waive the August 30, 2012 evidentiary hearing set out in the procedural schedule contained in the May 1, 2012 *Prehearing Officer's Order Granting Joint Motion for Procedural Schedule* in this docket.

I. INTRODUCTION

1. On February 24, 2012, Westar filed with the Commission notice of its intent to update its transmission delivery charge (TDC) tariffs pursuant to K.S.A. 66-1237(c). At that same time, Westar also proposed to allocate the costs to be recovered through the TDC in a manner different than that contemplated by the existing TDC-tariff and proposed a corresponding change to the tariff.

2. OXY, CURB, Cargill, Hawker, and Boeing each filed petitions to intervene in this proceeding, which were granted by this Commission.

3. On March 15, 2012, Staff filed a Motion for Suspension Order and an Order Granting Temporary Waiver requesting that the Commission direct Westar to allocate the costs of both the current TDC amount and the increase based on the current methodology. Staff further recommended that the Commission grant a temporary waiver of the current tariff requirement to use updated 12-CP data, subject to refund. Staff also requested that the Commission suspend the effective date of Westar's requested tariff revisions for 240 days.

4. One March 21, 2012, OXY filed a Protest and Motion to Dismiss requesting that the Commission dismiss Westar's application.

5. On March 22, 2012, the Commission issued a Suspension Order and Order granting Temporary Waiver. This Order (1) granted Westar a temporary waiver of the requirement to use the updated 12-CP data as provided in Westar's TDC tariff, which would have required the TDC revenue requirement to be allocated using the 12-CP allocation factors from Westar's most recent rate case (Docket No. 12-WSEE-112-RTS); (2)directed Westar to allocate the costs of both the current TDC amount and the increase based on the 12-CP allocation factors from Westar's previous rate case (Docket No. 08-WSEE-1041-RTS), on an interim basis subject to refund; and (3) suspended Westar's proposed tariff changes for 240 days.

6. On August 22, 2012, the Joint Movants met to discuss settlement of this docket. Following negotiations, the Joint Movants entered into the Stipulation (attached as Exhibit 1) for the purpose of resolving all issues in the above-captioned docket. As stated above, although Cargill, Hawker, and Boeing are not signatories to the Stipulation, counsel for those parties has advised the Joint Movants that they do not oppose the Stipulation.

II. THE STIPULATION MEETS THE COMMISSION'S FIVE-PART TEST FOR APPROVAL OF SETTLEMENT AGREEMENTS AND SHOULD BE APPROVED.

7. The Commission applies a five-part test to determine the reasonableness of settlement agreements:

i. Whether each party had an opportunity to be heard on its reasons for opposing the Stipulation;

ii. Whether the Stipulation is supported by substantial competent evidence;

iii. Whether the Stipulation conforms with applicable law;

iv. Whether the Stipulation results in just and reasonable rates; and

v. Whether the results of the Stipulation are in the public interest.

8. **Whether each party had an opportunity to be heard on its reasons for opposing the Stipulation**. The Stipulation is either supported or not opposed by all parties to the docket. A procedural schedule was set on May 1, 2012, providing opportunity for Direct Testimony by Westar, responsive Direct Testimony by Staff, CURB, and the other intervenors, Cross-Answering Testimony by Staff, CURB, and the other intervenors, and Rebuttal Testimony by Westar. Westar, Staff, and OXY filed direct testimony and Westar also filed rebuttal testimony. No parties filed cross-answering testimony. Additionally, all parties to the case participated in the August 22, 2012, settlement conference wherein they reached the agreement as outlined in the Stipulation. Cargill, Hawker, and Boeing were given notice of the settlement conference and proposed agreement and given an opportunity to participate although they chose not to. Follow-up communication regarding the joint motion and settlement agreement included all parties to the case. Therefore, appropriate and sufficient opportunity was provided for all parties to the docket to be heard on any reasons for opposing the Stipulation.

9. **Whether the Stipulation is supported by substantial competent evidence**. The TDC revenue requirement update, cost allocation, and procedural matters agreed to in the Stipulation are supported by substantial competent evidence. Westar provided support for the

revenue requirement update through the Direct Testimony of Dick Rohlfs, at pp. 2-3. The Direct Testimony of Jaime Stamatson, at pp. 2-5, and Rebuttal Testimony of Dick Rohlfs, at pp. 2-4, provided additional support for the revenue requirement update and the adjustment proposed by Staff and accepted by Westar related to Kansas Power Pool's annual transmission revenue requirement. OXY witness Jeffry Pollock did not identify any problems with the calculation of the TDC revenue requirement update in his direct testimony. The Direct Testimony of Jaime Stamatson, at pp. 5-8, and Jeffry Pollock, at pp. 8-12, and the Rebuttal Testimony of Dick Rohlfs, at pp. 11-12, provided support for the allocation of the costs utilizing the 12-CP allocation factor from Docket No. 12-WSEE-112-RTS (112 Docket) and for the use of the billing determinants as agreed in the Stipulation. The Direct Testimony of Jeffry Pollock, at p. 9, and Rebuttal Testimony of Dick Rohlfs, at p. 12, provided support for the procedural matters addressed in the Stipulation.

10. **Whether the Stipulation conforms with applicable law**. "An Order is 'lawful' if it is within the statutory authority of the commission, and if the prescribed statutory and procedural rules are followed in making the Order." *Central Kansas Power Co. v. State Corp. Comm'n*, 221 Kan. 505, Syl. 1 (1977). The Stipulation deals with the update of Westar's transmission-related costs as contemplated by K.S.A. 66-1237(c) and the allocation of those costs among customer classes. Thus, the subject matter of the Stipulation is clearly within the Commission's authority. It is also clear that the applicable statutory and procedural rules have been followed. The Stipulation is the result of negotiations among and is supported or not opposed by all of the parties to this proceeding. Commission approval of the Stipulation under these circumstances would clearly be in compliance with applicable law.

11. **Whether the Stipulation results in just and reasonable rates**. Approval by the Commission of the Stipulation in this docket will result in just and reasonable rates. Westar has the statutory right to recover update its TDC to recover its transmission-related costs pursuant to K.S.A. 66-1237(c). Westar, Staff, and OXY have provided testimony that indicates the allocation of those costs based on the 12-CP allocation factor from the 112 Docket is just and reasonable. *See* Rohlfs Rebuttal, at pp. 11-12; Stamatson Direct, at pp. 5-8, Pollock Direct, at pp. 8-12. Although CURB did not file testimony in this docket, CURB supports the Stipulation – which would allow Westar to update its TDC and require allocation based on the 12-CP allocation factors from the 112 Docket – as just and reasonable.

12. **Whether the results of the Stipulation are in the public interest**. The Joint Movants agree the terms of this Stipulation are in the public interest and should be approved by the Commission. Each party to this proceeding has a duty to protect the interests of the party it represents. Westar has a duty to both its customers and shareholders. CURB represents the interests of residential and small commercial customers. The Staff is in the unique position of being required to weigh and balance the interests of the companies, the utility customers, and any other party to a proceeding. OXY is a retail customer of Westar and has a direct financial interest in the TDC tariff. By signing or not opposing this Stipulation, these parties represent to the Commission that the total effect of the terms of the Stipulation represents an equitable balancing of the interests of all parties. It is also in the public interest to avoid the cost of litigation in this matter and the unanimous settlement promotes administrative efficiency and reduces related litigation costs. Thus, the Stipulation is in the public interest, and should be adopted by the Commission in its entirety.

13. As indicated above, the following testimony has been submitted in this docket and supports the terms of the Stipulation:

- Direct and Rebuttal Testimony of Dick Rohlfs for Westar;
- Direct Testimony of Jaime Stamatson for Staff; and
- Direct Testimony of Jeffry Pollock for OXY.

14. The Joint Movants ask that the testimony listed in paragraph 11 be admitted into the record. Because a settlement supported or unopposed by all parties is being presented and the terms of the Stipulation are supported by testimony in the record, the Joint Movants do not believe that it is necessary for the Commission to hold an evidentiary hearing in this docket. Thus, the Joint Movants request the Commission waive the August 30, 2012 evidentiary hearing set out in the procedural schedule contained in the May 1, 2012 *Prehearing Officer's Order Granting Joint Motion for Procedural Schedule* in this docket.

WHEREFORE, the Parties respectfully request that the Commission approve the Stipulation, waive the need for an evidentiary hearing on this matter and for any further relief the Commission shall deem just and appropriate.

Respectfully submitted,

Andrew Schulte, # 24412
Litigation Counsel
Ray Bergmeier, # 24974
Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3196
(785) 271-3167 Fax

Cathryn J. Dinges, (#20848)
Corporate Counsel
Westar Energy, Inc. and Kansas Gas and Electric Company
818 South Kansas Avenue
Topeka, KS 66612
(785) 575-1986
(785) 575-8136 (Fax)

David Springe, #15619
Niki Christopher, #19311
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3200
(785) 271-3116 (Fax)

Cathryn Dinges

Cathryn J. Dinges, (#20848)
Corporate Counsel
Westar Energy, Inc. and Kansas Gas and Electric Company
818 South Kansas Avenue
Topeka, KS 66612
(785) 575-1986
(785) 575-8136 (Fax)

David Springe, #15619
Niki Christopher, #19311
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3200
(785) 271-3116 (Fax)

Teresa J. James

Teresa J. James, #12194
Martin, Pringle, Oliver, Wallace & Bauer, L.L.P.
6900 College Boulevard, Suite 700
Overland Park, KS 66211
(913) 491-5500
(913) 491-3341 (Fax)

Phillip Oldham, TX Bar # 00794392
Tammy Cooper, TX Bar # 00796401
Andrews Kurth LLP
111 Congress Avenue, Suite 1700
Austin, TX 78701
(512) 320-9200
(512) 320-9292

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

Cathryn J. Dinges, being duly sworn upon her oath deposes and says that she is one of the attorneys for Westar Energy, Inc. and Kansas Gas and Electric Company; that she is familiar with the foregoing **Joint Motion**; and 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 27th day of August, 2012.

Patti Beasley
Notary Public

My Appointment Expires: 11-18-12

Patti Beasley
NOTARY PUBLIC—STATE OF KANSAS
MY APPT EXP: 11-18-12

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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

STIPULATION AND AGREEMENT

This Stipulation and Agreement ("Stipulation") is entered into by and between the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively), Westar Energy, Inc. and Kansas Gas and Electric Company (collectively as "Westar"), Occidental Chemical Corporation (OXY), and the Citizens' Utility Ratepayer Board (CURB) (collectively referred to as the "Parties").

1. On February 24, 2012, Westar filed with the Commission notice of its intent to update its transmission delivery charge (TDC) tariffs pursuant to K.S.A. 66-1237(c). At that same time, Westar also proposed to allocate the costs to be recovered through the TDC in a manner different than that contemplated by the existing TDC-tariff and proposed a corresponding change to the tariff.

2. OXY, CURB, Cargill, Hawker, and Boeing each filed petitions to intervene in this proceeding, which were granted by this Commission.

3. On March 15, 2012, Staff filed a Motion for Suspension Order and an Order Granting Temporary Waiver requesting that the Commission direct Westar to allocate the costs of both the current TDC amount and the increase based on the current methodology. Staff further recommended that the Commission grant a temporary waiver of the current tariff requirement to use updated 12-CP data, subject to refund. Staff also requested that the Commission suspend the effective date of Westar's requested tariff revisions for 240 days.

4. One March 21, 2012, OXY filed a Protest and Motion to Dismiss requesting that the Commission dismiss Westar's application.

5. On March 22, 2012, the Commission issued a Suspension Order and Order granting Temporary Waiver. This Order (1) granted Westar a temporary waiver of the requirement to use the updated 12-CP data as provided in Westar's TDC tariff, which would have required the TDC revenue requirement to be allocated using the 12-CP allocation factors from Westar's most recent rate case (Docket No. 12-WSEE-112-RTS) ; (2) directed Westar to allocate the costs of both the current TDC amount and the increase based on the 12-CP allocation factors from Westar's previous rate case (Docket No. 08-WSEE-1041-RTS), on an interim basis subject to refund; and (3) suspended Westar's proposed tariff changes for 240 days.

6. On August 22, 2012, the Parties met to discuss settlement of this docket. Following negotiations, the Parties entered into the Stipulation for the purpose of resolving all issues in the above-captioned docket. As stated above, although Cargill, Hawker, and Boeing are not signatories to the Stipulation, counsel for those parties has advised the Parties that they do not oppose the Stipulation.

I. TERMS OF THE STIPULATION

7. This Stipulation is entered into for the purpose of resolving all of the outstanding issues in the above-captioned docket related to the update of Westar's transmission delivery charge (TDC) and the allocation of the costs recovered through the TDC among customer classes.

8. The Parties agree that the Commission should approve Westar's proposed update to its TDC and its annual transmission revenue requirement request.

9. The Parties agree that Westar will correct the error on Line 14c, Schedule H, Zonal Annual Transmission Revenue Requirement (ATRR) for Kansas Power Pool (KPP) identified by Staff as part of Westar's next TDC update if KPP's ATRR that was approved by the Commission in Docket No. 12-KPPE-630-MIS is approved by the Federal Energy Regulatory Commission, as explained in the Rebuttal Testimony of Dick Rohlfs, at pp. 3-4.

10. The Parties agree that the TDC revenue requirement should be allocated using the 12-CP allocation factors from Docket No. 12-WSEE-112-RTS (112 Docket), as reflected in Exhibit DFR-2 to the Rebuttal Testimony of Dick Rohlfs.

11. Westar will begin billing the TDC using the 12-CP allocation factors from the 112 Docket beginning with Cycle 1 of the first month following the Commission's approval of this S&A.

12. The Parties agree that the language in Westar's TDC tariff regarding use of the most recent 12-CP allocation factors should not be changed.

13. The Parties agree that the rates that Westar have been charging since the TDC update went into effect on April 6, 2012, will not be adjusted retroactively at this time and that the allocation of the TDC revenue requirement utilizing the 12-CP allocation factors from the 112 Docket will be on a prospective basis. Westar agrees to file the per class difference between interim rates that were billed compared to what would have been billed if the allocation factors from the 112 Docket were in effect as of April 6, 2012. Westar agrees to provide this information within 90 days of the Commission Order on this S&A. The Parties agree that a refund reflecting the foregoing difference may be addressed at the time of Westar's next TDC update.

14. The Parties agree that no change should be made to the language in the TDC tariff regarding use of billing determinants. Westar will continue to use the billing determinants from the test period from its most recent rate case in its first TDC update after the rate case and to use the Adjustment Factor (AF) in the TDC tariff for adjusting the TDC rates in intervening years.

15. The Parties agree that the Commission should approve the TDC tariff revisions proposed by Westar in the above-captioned docket to allow the costs for serving load on foreign wires as requested by Staff in Westar's previous TDC update, Docket No. 11-WSEE-599-TAR (599 Docket).

16. The Parties agree that any future tariff changes will be requested in a separate tariff change proceeding and not in a TDC update case. If Westar files a tariff change at the same time as a TDC update, Westar can file them as part of the same docket but must file the TDC update as required under the then-existing tariff, and separately request a tariff change, with documentation supporting the requested change, so that the Commission can issue a suspension order for those changes as it did in the above-captioned docket.

17. The Parties agree that Westar is required to follow the TDC tariff as written unless the Commission orders it to do otherwise.

18. The Parties agree that Westar will make a good faith effort to provide all supporting documents and workpapers to Staff and OXY at the time it files any new TDC case, subject to any confidentiality limitations. For confidential materials, Westar will provide those materials to OXY after OXY has intervened in the docket and signed the required non-disclosure agreement.

19. The Parties agree that the remaining issues from the 599 Docket have been addressed in Westar's filing as recommended by Staff.

20. The Parties have pre-filed the testimony and exhibits of the following witnesses, which supports the terms of the Stipulation:

- Direct and Rebuttal Testimony of Dick Rohlfs for Westar;
- Direct Testimony of Jaime Stamatson for Staff; and
- Direct Testimony of Jeffry Pollock for OXY.

II. RESERVATIONS

21. Except as specified in this Stipulation, none of the Parties to the agreement shall be deemed to have approved or acquiesced in any question of the Commission authority, decommissioning methodology, rate making principle, valuation methodology, cost of service methodology or determination, rate design methodology, or cost allocation that may underlie this Stipulation.

22. The matters resolved herein are resolved on the basis of a compromise and settlement. Except to the extent that this Stipulation expressly governs a Parties' rights and obligations for future periods, this Stipulation shall not be binding or serve as precedent upon a Party outside this proceeding. It is acknowledged that a Party's support of the matters contained in this Stipulation may differ from the position taken or testimony presented by it in other dockets. To the extent there is a difference, a Party does not waive its position in any of those other dockets. Because this is a stipulated resolution, no Party is under any obligation to take the same positions as set out in this Stipulation in other dockets, whether those dockets present the same or a different set of circumstances, except as otherwise may be explicitly provided in this Stipulation.

23. This Stipulation fully resolves issues specifically addressed in this proceeding between the Parties. The terms of this Stipulation constitute a fair and reasonable resolution of the issues addressed herein.

24. The terms and provisions of this Stipulation have resulted from negotiations between the signatories and are interdependent. In the event the Commission does not approve and adopt the terms of the Stipulation in total, any party has the option to terminate this Stipulation and, if so terminated, none of the signatories hereto shall be bound by, prejudiced, or in any way affected by any of the agreements or provisions hereof, unless otherwise provided herein.

25. This Stipulation is binding on each of the Parties to the agreement only for the purpose of settling the issues as set forth herein and for no other purposes. If the Commission accepts this Stipulation in its entirety and incorporates the same into its final order in this docket, the Parties intend to be bound by its terms and the Commission's order incorporating its terms as to all issues addressed herein, and will not appeal the Commission's order on those issues.

26. If the Commission accepts this Stipulation in its entirety and incorporates the same into its final order in this docket, Parties agree to waive their rights to cross-examination of witnesses, right to present oral argument and written briefs pursuant to Commission rules, and right to judicial review pursuant to Kansas law. This waiver applies only to those matters explicitly addressed by this Stipulation.

27. This Stipulation may be executed in counterparts and all so executed shall constitute one and the same instrument binding on all parties, each of which shall be fully effective as an original.

28. The Stipulation shall be binding on all Parties upon signing.

IN WITNESS HERETO, the Parties have executed and approved this Stipulation effective by subscribing their signatures below.

Respectfully submitted,

Andrew Schulte, #
Litigation Counsel
Ray Bergmeier, #
Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3196
(785) 271-3167 Fax

Cathryn Dinges

Cathryn J. Dinges, (#20848)
Corporate Counsel
Westar Energy, Inc. and Kansas Gas and Electric Company
818 South Kansas Avenue
Topeka, KS 66612
(785) 575-1986
(785) 575-8136 (Fax)

David Springe, #15619
Niki Christopher, #19311
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3200
(785) 271-3116 (Fax)

Teresa J. James, #12194
Martin, Pringle, Oliver, Wallace & Bauer, L.L.P.
6900 College Boulevard, Suite 700
Overland Park, KS 66211
(913) 491-5500
(913) 491-3341 (Fax)

Phillip Oldham, TX Bar # 00794392
Tammy Cooper, TX Bar # 00796401
Andrews Kurth LLP
111 Congress Avenue, Suite 1700
Austin, TX 78701
(512) 320-9200
(512) 320-9292

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Respectfully submitted,

Andrew Schulte, # 24412
Litigation Counsel
Ray Bergmeier, # 24974
Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3196
(785) 271-3167 Fax

Cathryn J. Dinges, (#20848)
Corporate Counsel
Westar Energy, Inc. and Kansas Gas and Electric Company
818 South Kansas Avenue
Topeka, KS 66612
(785) 575-1986
(785) 575-8136 (Fax)

David Springe, #15619
Niki Christopher, #19311
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3200
(785) 271-3116 (Fax)

Teresa J. James, #12194
Martin, Pringle, Oliver, Wallace & Bauer, L.L.P.
6900 College Boulevard, Suite 700
Overland Park, KS 66211
(913) 491-5500
(913) 491-3341 (Fax)

Phillip Oldham, TX Bar # 00794392
Tammy Cooper, TX Bar # 00796401
Andrews Kurth LLP
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(512) 320-9200
(512) 320-9292

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Andrew Schulte, #
Litigation Counsel
Ray Bergmeier, #
Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3196
(785) 271-3167 Fax

Cathryn J. Dinges, (#20848)
Corporate Counsel
Westar Energy, Inc. and Kansas Gas and Electric Company
818 South Kansas Avenue
Topeka, KS 66612
(785) 575-1986
(785) 575-8136 (Fax)

David Springe, #15619
Niki Christopher, #19311
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3200
(785) 271-3116 (Fax)

Teresa J. James, #12194
Martin, Pringle, Oliver, Wallace & Bauer, L.L.P.
6900 College Boulevard, Suite 700
Overland Park, KS 66211
(913) 491-5500
(913) 491-3341 (Fax)

Phillip Oldham, TX Bar # 00794392
Tammy Cooper, TX Bar # 00796401
Andrews Kurth LLP
111 Congress Avenue, Suite 1700
Austin, TX 78701
(512) 320-9200
(512) 320-9292

CERTIFICATE OF SERVICE

12-WSEE-651-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Joint Motion to Approve Stipulation and Agreement and to Dismiss the Evidentiary Hearing in this Docket was served by electronic service on this 27th day of August, 2012, to the following parties who have waived receipt of follow-up hard copies.

TAMMY COOPER
ANDREWS KURTH L.L.P.
111 CONGRESS AVENUE
SUITE 1700
AUSTIN, TX 78701
Fax: 512-320-9292
tammycooper@andrewskurth.com

PHILLIP OLDHAM
ANDREWS KURTH L.L.P.
111 CONGRESS AVENUE
SUITE 1700
AUSTIN, TX 78701
Fax: 512-320-9292
phillipoldham@andrewskurth.com

NIKI CHRISTOPHER, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
n.christopher@curb.kansas.gov
Hand Delivered

C. STEVEN RARRICK, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
s.rarrick@curb.kansas.gov
Hand Delivered

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
d.smith@curb.kansas.gov
Hand Delivered

SHONDA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
sd.smith@curb.kansas.gov
Hand Delivered

DAVID SPRINGE, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
d.springe@curb.kansas.gov
Hand Delivered

RAY BERGMEIER, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
Fax: 785-271-3354
r.bergmeier@kcc.ks.gov
Hand Delivered

BRIAN G. FEDOTIN, ADVISORY COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
Fax: 785-271-3314
b.fedotin@kcc.ks.gov
Hand Delivered

ANDREW SCHULTE, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
Fax: 785-271-3354
a.schulte@kcc.ks.gov
Hand Delivered

CERTIFICATE OF SERVICE

12-WSEE-651-TAR

TERESA J. JAMES, ATTORNEY
MARTIN, PRINGLE, OLIVER, WALLACE & BAUER, LLP
6900 COLLEGE BLVD STE 700
OVERLAND PARK, KS 66211-1842
Fax: 913-491-3341
tjjames@martinpringle.com

STANFORD J. SMITH, JR., ATTORNEY
MARTIN, PRINGLE, OLIVER, WALLACE & BAUER, LLP
100 N BROADWAY STE 500
WICHITA, KS 67202
Fax: 316-265-2955
sjsmith@martinpringle.com

CARSON M. HINDERKS, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362
Fax: 913-661-9863
carson@smizak-law.com

JAMES P. ZAKOURA, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362
Fax: 913-661-9863
jim@smizak-law.com

CATHRYN J. DINGES, CORPORATE COUNSEL
WESTAR ENERGY, INC.
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
Fax: 785-575-8136
cathy.dinges@westarenergy.com

MICHAEL B. HEIM, SR. REGULATORY ANALYST
WESTAR ENERGY, INC.
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
michael.heim@westarenergy.com

DICK F. ROHLFS, DIRECTOR, RETAIL RATES
WESTAR ENERGY, INC.
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
Fax: 785-575-6472
dick.rohlfs@westarenergy.com

Pamela Griffeth
Pamela Griffeth
Administrative Specialist

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Mark Sievers, Chairman
Thomas E. Wright
Shari Feist Albrecht

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

ORDER GRANTING JOINT MOTION TO APPROVE STIPULATION AND AGREEMENT AND TO DISMISS THE EVIDENTIARY HEARING

This matter comes before the State Corporation Commission of the State of Kansas (Commission) on the application of Westar Energy, Inc. and Kansas Gas and Electric Company (collectively Westar) seeking approval of updated Transmission Delivery Charge (TDC) rates within its TDC tariff, pursuant to K.S.A. 66-1237. After reviewing the pleadings, files, and records, the Commission makes the following findings and conclusions:

I. BACKGROUND

1. On February 24, 2012, Westar filed its Application to Implement Changes in Their Transmission Delivery Charges Rate Schedules (Application) seeking Commission approval of its updated TDC rates within its TDC tariff, pursuant to K.S.A. 66-1237.

2. On March 21, 2012, the Commission issued a Suspension Order and Order Granting Temporary Waiver (Suspension Order). In its Suspension Order, the Commission ordered Westar to allocate the costs of both the current TDC amount and increase based on the current allocation methodology on an interim basis until the Staff has the opportunity to fully investigate Westar's proposed allocation methodology.[1] The Suspension Order further provides

[1] Suspension Order at ¶ C.

that the allocation is subject to refund upon completion of the Staff's investigation and subsequent Commission Order.[2]

3. On April 5, 2012, Occidental Chemical Corporation (Occidental), Cargill, Inc., Hawker Beechcraft Corporation, and the Boeing Company were granted intervention in this docket.

4. On April 20, 2012, the Citizens' Utility Ratepayer Board (CURB) was granted intervention in this docket.

5. On August 22, 2012, a settlement conference was held and attended by Commission Staff, Westar, Occidental, and CURB (collectively Joint Movants). Cargill, Hawker Beechcraft, and Boeing were given timely notice of the settlement conference and elected not to attend. On August 27, 2012, the Joint Movants filed the resulting Joint Motion to Approve Stipulation and Agreement and to Dismiss the Evidentiary Hearing in this Docket. The Stipulation and Agreement is attached as Exhibit 1. Cargill, Hawker Beechcraft, and Boeing neither joined in, nor opposed the proposed settlement.

II. TERMS OF THE STIPULATION AND AGREEMENT

6. The Joint Movants favor approval of Westar's proposed update to its TDC and its annual revenue requirement request.

7. Westar will amend Line 14c, Schedule H, Zonal Annual Transmission Revenue Requirement (ATRR) for Kansas Power Pool (KPP) to reflect Staff's correction, once KPP's ATRR is approved by the Federal Energy Regulatory Commission.

8. Westar's TDC revenue requirement should be allocated using the 12-CP allocation factors from Docket No. 12-WSEE-112-RTS (112 Docket).

[2] Suspension Order at ¶ C.

9. Beginning with Cycle 1 of the first month following this Order, Westar may begin billing the TDC using the 112 Docket's 12-CP allocation factors.

10. The language in Westar's TDC tariff describing use of the most recent 12-CP allocation factors should remain unchanged.

11. The rates that Westar has been charging since the TDC update became effective on April 6, 2012, will not be retroactively adjusted at this time. The allocation of the TDC revenue requirement using the 12-CP allocation factors from the 112 Docket will be on a prospective basis. Within ninety days of this Order, Westar will file the per class difference between interim rates billed versus what would have been billed had the 112 Docket's allocation fees gone into effect on April 6, 2012. A refund of the per class difference may be addressed when Westar next updates its TDC.

12. No changes shall be made to the language regarding use of billing determinants in the TDC tariff. In its first TDC update, Westar will continue to use the billing determinants from the test period in its most recent rate case. In intervening years, Westar will use the Adjustment Factor (AF) in the TDC tariff to adjust the TDC rates.

13. The Joint Movants recommend approval of the TDC tariff revisions proposed by Westar in this docket, which allows the costs for serving load on foreign wires as requested by Staff in Westar's previous TDC update, Docket No. 11-WSEE-599-TAR (599 Docket).

14. The Joint Movants agree any future tariff change request will be made in a separate tariff change proceeding instead of a TDC update case. If Westar files a tariff change and TDC update simultaneously, they may be part of the same docket. However, the TDC update must be filed under the then-existing tariff and Westar must separately request a tariff

change with supporting documentation. Following this process will allow the Commission to issue a suspension order addressing the proposed tariff change.

15. Absent a Commission order to the contrary, Westar is required to follow the TDC tariff as written.

16. Subject to confidentiality limitations, Westar will make a good faith effort to provide all supporting documentation to Staff and Occidental when filing any new TDC case. Westar will provide confidential materials to Occidental after Occidental has been granted intervention in the docket and signed the required non-disclosure agreement.

17. The Joint Movants agree that the remaining issues from the 599 Docket have been addressed in Westar's filing.

18. In support of the proposed Stipulation and Agreement, the Joint Movants have prefiled the direct and rebuttal testimony of Dick Rohlfs on behalf of Westar, the direct testimony of Jaime Stamatson on behalf of Staff, and the direct testimony of Jeffry Pollock on behalf of Occidental.

III. FINDINGS AND CONCLUSIONS

19. In the interest of administrative efficiency, the Commission grants the Joint Movants' request to dismiss the Evidentiary Hearing in this matter.

20. A unanimous settlement agreement is one entered into by all parties or not opposed by any party.[3] Here, Commission Staff, Westar, Occidental, and CURB are signatories to the settlement and Cargill, Hawker Beechcraft, and Boeing do not oppose the settlement. Therefore, the proposed Stipulation and Agreement is a unanimous settlement agreement. Even in the case of non-unanimous settlement agreements, the Commission may approve the

[3] K.A.R. 82-1-230a(2).

agreement provided the Commission makes an independent finding, which is supported by substantial evidence on the record as a whole, and results in just and reasonable rates.[4]

21. Generally, Kansas law encourages settlement.[5] Settlements are beneficial when the parties agree upon a rate which is in the public interest, and without the expense of litigation.[6]

22. The Commission must find that the settlement is supported by substantial, competent evidence based on the record as a whole. In Docket No. 08-ATMG-280-RTS, the Commission established a five factor test to evaluate proposed settlement agreements. The five factors are: (1) Did opposing parties have an opportunity to be heard and offer their grounds for opposition; (2) Is the stipulation supported by substantial, competent evidence; (3) Does the stipulation and agreement conform with applicable law; (4) Does the stipulation and agreement result in just and reasonable rates; and (5) Is the stipulation and agreement in the public interest.[7]

23. As to the first factor, there were no parties who opposed the Stipulation and Agreement. Cargill, Hawker Beechcraft, and Boeing were given an opportunity to participate in the settlement conference and elected not to do so. Therefore, the proposed stipulation and agreement satisfies the first factor.

24. The Stipulation and Agreement is supported by substantial, competent evidence. The Joint Movants prefiled direct testimony from three witnesses, including one on behalf of

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[4] *Farmland Industries, Inc. v. Kansas Corp. Comm'n*, 24 Kan. App.2d 172, 186, 943 P.2d 470, 484, *rev. denied*, 263 Kan. 885 (1997).

[5] *Bright v. LSI Corp.*, 254 Kan. 853, 858, 869 P.2d 686, 690 (1994).

[6] *Farmland Industries*, 24 Kan. App.2d at 195, 943 P.2d at 489.

[7] Order Approving Contested Settlement Agreement, May 12, 2008, 08-ATMG-280-RTS at ¶ 11.

each Joint Movant. Mr. Rohlfs also filed rebuttal testimony on behalf of Westar. All of the prefiled testimony was entered into the record and reviewed by the Commission.

25. In his prefiled direct testimony, Mr. Pollock states, "Westar's most recent rate case was finalized on April 18, 2012, in Docket No. 12-WSEE-112-RTS (112 Docket). In that case, new 12CP allocation factors were developed by rate class. It is these new 12CP allocation factors that should be used in designing the TDC rates for 2012."[8] Similarly, Commission Staff recommended the Commission require Westar to use the new 12-CP demand allocator from the 112 Docket.[9] In response, Westar agreed to use the new 12-CP allocation ratio.[10] The Commission finds the prefiled testimony to be credible and to be supportive of adoption of the Stipulation and Agreement.

26. The Stipulation and Agreement conforms to applicable law. The Commission produces a lawful order by: (1) acting within its delegated, statutory authority; and (2) following the prescribed statutory and procedural rules in issuing the order.[11] As noted above, Kansas law favors settlements. Under its TDC tariff, Westar must use the 12-CP allocation ratio from its most recent rate case (112 Docket) to allocate the transmission revenue requirement among classes.[12] The proposed Stipulation and Agreement satisfies that requirement. The Commission finds no provisions of the proposed Stipulation and Agreement that violate applicable state or federal law and none of the parties have suggested any such violations.

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[8] Direct Testimony and Exhibits of Jeffry Pollock at 8.

[9] Direct Testimony of Jaime T. Stamatson at 8.

[10] Rebuttal Testimony of Dick F. Rohlfs at 11.

[11] *Kansas Gas & Elec. Co. v. State Corporation Comm'n*, 239 Kan. 483, 496, 720 P.2d 1063, 1076 (1986).

[12] Testimony of Dick F. Rohlfs at 3-4.

27. The Commission is charged with determining whether rates for electric public utilities are just and reasonable.[13] In making that determination, the Commission's goal should be to set a rate fixed within the "zone of reasonableness" after applying a balancing test which weighs the interests of all concerned parties.[14] Under the zone of reasonableness standard, the Commission must weigh the interests of the utility's shareholders vs. the ratepayers; present vs. future ratepayers; and the public interest.[15]

28. The Stipulation and Agreement adopts 12-CP allocation factors that were approved by the Commission in the 112 Docket. On April 18, 2012, the Commission issued an Order Approving Nonunanimous Stipulation and Agreement with Modification (112 Order) in the 112 Docket. In the 112 Order, the Commission found the 12-CP allocation set forth in the Stipulation and Agreement falls within the zone of reasonableness and that the allocation to each class was just and reasonable.[16] Nothing in the record suggests that the allocation which was found to be just and reasonable just five months ago, is no longer just and reasonable. Therefore, the Commission finds the proposed Stipulation and Agreement to be just and reasonable.

29. The Stipulation and Agreement is in the public interest. First, the interests of multiple parties are represented. CURB represents the interests of the ratepayers, Westar and Occidental represent the interests of their management and shareholders, and the Staff represents the interests of the public generally and attempts to balance the interests of all parties. The

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[13] K.S.A. 66-101b.

[14] *Kansas Gas,* 239 Kan. at 491, 720 P.2d at 1072.

[15] *Id.*

[16] Order Approving Nonunanimous Stipulation and Agreement with Modification, April 18, 2012, 12-WSEE-112-RTS at ¶ 52.

prefiled testimony demonstrates that the proposed Stipulation and Agreement is in the public interest.

30. For the reasons stated above, the Commission finds the proposed Stipulation and Agreement is in the public interest and should be approved.

IT IS, THEREFORE, BY THE COMMISSION ORDERED:

A. The Commission grants the Joint Motion to Approve Stipulation and Agreement and to Dismiss the Evidentiary Hearing in this docket.

B. The terms of the attached Stipulation and Agreement are incorporated into this Order.

C. The parties have 15 days from the date of electronic service of this Order to petition the Commission for reconsideration. K.S.A. 66-118b; K.S.A. 2011 Supp. 77-529(a)(1).

D. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chmn.; Wright, Com; Albrecht, Com. (abstaining)

Dated: SEP 27 2012

ORDER MAILED SEP 27 2012
Electronic

Patrice Petersen-Klein
Executive Director

BGF

EXHIBIT 1

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

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

STIPULATION AND AGREEMENT

This Stipulation and Agreement ("Stipulation") is entered into by and between the Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission," respectively), Westar Energy, Inc. and Kansas Gas and Electric Company (collectively as "Westar"), Occidental Chemical Corporation (OXY), and the Citizens' Utility Ratepayer Board (CURB) (collectively referred to as the "Parties").

1. On February 24, 2012, Westar filed with the Commission notice of its intent to update its transmission delivery charge (TDC) tariffs pursuant to K.S.A. 66-1237(c). At that same time, Westar also proposed to allocate the costs to be recovered through the TDC in a manner different than that contemplated by the existing TDC-tariff and proposed a corresponding change to the tariff.

2. OXY, CURB, Cargill, Hawker, and Boeing each filed petitions to intervene in this proceeding, which were granted by this Commission.

3. On March 15, 2012, Staff filed a Motion for Suspension Order and an Order Granting Temporary Waiver requesting that the Commission direct Westar to allocate the costs of both the current TDC amount and the increase based on the current methodology. Staff further recommended that the Commission grant a temporary waiver of the current tariff requirement to use updated 12-CP data, subject to refund. Staff also requested that the Commission suspend the effective date of Westar's requested tariff revisions for 240 days.

4. One March 21, 2012, OXY filed a Protest and Motion to Dismiss requesting that the Commission dismiss Westar's application.

5. On March 22, 2012, the Commission issued a Suspension Order and Order granting Temporary Waiver. This Order (1) granted Westar a temporary waiver of the requirement to use the updated 12-CP data as provided in Westar's TDC tariff, which would have required the TDC revenue requirement to be allocated using the 12-CP allocation factors from Westar's most recent rate case (Docket No. 12-WSEE-112-RTS) ; (2) directed Westar to allocate the costs of both the current TDC amount and the increase based on the 12-CP allocation factors from Westar's previous rate case (Docket No. 08-WSEE-1041-RTS), on an interim basis subject to refund; and (3) suspended Westar's proposed tariff changes for 240 days.

6. On August 22, 2012, the Parties met to discuss settlement of this docket. Following negotiations, the Parties entered into the Stipulation for the purpose of resolving all issues in the above-captioned docket. As stated above, although Cargill, Hawker, and Boeing are not signatories to the Stipulation, counsel for those parties has advised the Parties that they do not oppose the Stipulation.

I. TERMS OF THE STIPULATION

7. This Stipulation is entered into for the purpose of resolving all of the outstanding issues in the above-captioned docket related to the update of Westar's transmission delivery charge (TDC) and the allocation of the costs recovered through the TDC among customer classes.

8. The Parties agree that the Commission should approve Westar's proposed update to its TDC and its annual transmission revenue requirement request.

9. The Parties agree that Westar will correct the error on Line 14c, Schedule H, Zonal Annual Transmission Revenue Requirement (ATRR) for Kansas Power Pool (KPP) identified by Staff as part of Westar's next TDC update if KPP's ATRR that was approved by the Commission in Docket No. 12-KPPE-630-MIS is approved by the Federal Energy Regulatory Commission, as explained in the Rebuttal Testimony of Dick Rohlfs, at pp. 3-4.

10. The Parties agree that the TDC revenue requirement should be allocated using the 12-CP allocation factors from Docket No. 12-WSEE-112-RTS (112 Docket), as reflected in Exhibit DFR-2 to the Rebuttal Testimony of Dick Rohlfs.

11. Westar will begin billing the TDC using the 12-CP allocation factors from the 112 Docket beginning with Cycle 1 of the first month following the Commission's approval of this S&A.

12. The Parties agree that the language in Westar's TDC tariff regarding use of the most recent 12-CP allocation factors should not be changed.

13. The Parties agree that the rates that Westar have been charging since the TDC update went into effect on April 6, 2012, will not be adjusted retroactively at this time and that the allocation of the TDC revenue requirement utilizing the 12-CP allocation factors from the 112 Docket will be on a prospective basis. Westar agrees to file the per class difference between interim rates that were billed compared to what would have been billed if the allocation factors from the 112 Docket were in effect as of April 6, 2012. Westar agrees to provide this information within 90 days of the Commission Order on this S&A. The Parties agree that a refund reflecting the foregoing difference may be addressed at the time of Westar's next TDC update.

14. The Parties agree that no change should be made to the language in the TDC tariff regarding use of billing determinants. Westar will continue to use the billing determinants from the test period from its most recent rate case in its first TDC update after the rate case and to use the Adjustment Factor (AF) in the TDC tariff for adjusting the TDC rates in intervening years.

15. The Parties agree that the Commission should approve the TDC tariff revisions proposed by Westar in the above-captioned docket to allow the costs for serving load on foreign wires as requested by Staff in Westar's previous TDC update, Docket No. 11-WSEE-599-TAR (599 Docket).

16. The Parties agree that any future tariff changes will be requested in a separate tariff change proceeding and not in a TDC update case. If Westar files a tariff change at the same time as a TDC update, Westar can file them as part of the same docket but must file the TDC update as required under the then-existing tariff, and separately request a tariff change, with documentation supporting the requested change, so that the Commission can issue a suspension order for those changes as it did in the above-captioned docket.

17. The Parties agree that Westar is required to follow the TDC tariff as written unless the Commission orders it to do otherwise.

18. The Parties agree that Westar will make a good faith effort to provide all supporting documents and workpapers to Staff and OXY at the time it files any new TDC case, subject to any confidentiality limitations. For confidential materials, Westar will provide those materials to OXY after OXY has intervened in the docket and signed the required non-disclosure agreement.

19. The Parties agree that the remaining issues from the 599 Docket have been addressed in Westar's filing as recommended by Staff.

20. The Parties have pre-filed the testimony and exhibits of the following witnesses, which supports the terms of the Stipulation:

- Direct and Rebuttal Testimony of Dick Rohlfs for Westar;
- Direct Testimony of Jaime Stamatson for Staff; and
- Direct Testimony of Jeffry Pollock for OXY.

II. RESERVATIONS

21. Except as specified in this Stipulation, none of the Parties to the agreement shall be deemed to have approved or acquiesced in any question of the Commission authority, decommissioning methodology, rate making principle, valuation methodology, cost of service methodology or determination, rate design methodology, or cost allocation that may underlie this Stipulation.

22. The matters resolved herein are resolved on the basis of a compromise and settlement. Except to the extent that this Stipulation expressly governs a Parties' rights and obligations for future periods, this Stipulation shall not be binding or serve as precedent upon a Party outside this proceeding. It is acknowledged that a Party's support of the matters contained in this Stipulation may differ from the position taken or testimony presented by it in other dockets. To the extent there is a difference, a Party does not waive its position in any of those other dockets. Because this is a stipulated resolution, no Party is under any obligation to take the same positions as set out in this Stipulation in other dockets, whether those dockets present the same or a different set of circumstances, except as otherwise may be explicitly provided in this Stipulation.

23. This Stipulation fully resolves issues specifically addressed in this proceeding between the Parties. The terms of this Stipulation constitute a fair and reasonable resolution of the issues addressed herein.

24. The terms and provisions of this Stipulation have resulted from negotiations between the signatories and are interdependent. In the event the Commission does not approve and adopt the terms of the Stipulation in total, any party has the option to terminate this Stipulation and, if so terminated, none of the signatories hereto shall be bound by, prejudiced, or in any way affected by any of the agreements or provisions hereof, unless otherwise provided herein.

25. This Stipulation is binding on each of the Parties to the agreement only for the purpose of settling the issues as set forth herein and for no other purposes. If the Commission accepts this Stipulation in its entirety and incorporates the same into its final order in this docket, the Parties intend to be bound by its terms and the Commission's order incorporating its terms as to all issues addressed herein, and will not appeal the Commission's order on those issues.

26. If the Commission accepts this Stipulation in its entirety and incorporates the same into its final order in this docket, Parties agree to waive their rights to cross-examination of witnesses, right to present oral argument and written briefs pursuant to Commission rules, and right to judicial review pursuant to Kansas law. This waiver applies only to those matters explicitly addressed by this Stipulation.

27. This Stipulation may be executed in counterparts and all so executed shall constitute one and the same instrument binding on all parties, each of which shall be fully effective as an original.

28. The Stipulation shall be binding on all Parties upon signing.

IN WITNESS HERETO, the Parties have executed and approved this Stipulation effective by subscribing their signatures below.

Respectfully submitted,

Andrew Schulte, #
Litigation Counsel
Ray Bergmeier, #
Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3196
(785) 271-3167 Fax

Cathryn J. Dinges
Cathryn J. Dinges, (#20848)
Corporate Counsel
Westar Energy, Inc. and Kansas Gas and Electric Company
818 South Kansas Avenue
Topeka, KS 66612
(785) 575-1986
(785) 575-8136 (Fax)

David Springe, #15619
Niki Christopher, #19311
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3200
(785) 271-3116 (Fax)

Teresa J. James, #12194
Martin, Pringle, Oliver, Wallace & Bauer, L.L.P.
6900 College Boulevard, Suite 700
Overland Park, KS 66211
(913) 491-5500
(913) 491-3341 (Fax)

Phillip Oldham, TX Bar # 00794392
Tammy Cooper, TX Bar # 00796401
Andrews Kurth LLP
111 Congress Avenue, Suite 1700
Austin, TX 78701
(512) 320-9200
(512) 320-9292

IN WITNESS HERETO, the Parties have executed and approved this Stipulation effective by subscribing their signatures below.

Respectfully submitted,

Andrew Schulte, # 24412
Litigation Counsel
Ray Bergmeier, # 24974
Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3196
(785) 271-3167 Fax

Cathryn J. Dinges, (#20848)
Corporate Counsel
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Tammy Cooper, TX Bar # 00796401
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Topeka, KS 66604-4027
(785) 271-3196
(785) 271-3167 Fax

Cathryn J. Dinges, (#20848)
Corporate Counsel
Westar Energy, Inc. and Kansas Gas and Electric Company
818 South Kansas Avenue
Topeka, KS 66612
(785) 575-1986
(785) 575-8136 (Fax)

David Springe, #15619
Niki Christopher, #19311
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Road
Topeka, KS 66604-4027
(785) 271-3200
(785) 271-3116 (Fax)

Teresa J. James
Teresa J. James, #12194
Martin, Pringle, Oliver, Wallace & Bauer, L.L.P.
6900 College Boulevard, Suite 700
Overland Park, KS 66211
(913) 491-5500
(913) 491-3341 (Fax)

Phillip Oldham, TX Bar # 00794392
Tammy Cooper, TX Bar # 00796401
Andrews Kurth LLP
111 Congress Avenue, Suite 1700
Austin, TX 78701
(512) 320-9200
(512) 320-9292

CERTIFICATE OF SERVICE

SEP 27 2012

12-WSEE-651-TAR

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Order Granting Joint Motion to Approve Stipulation and Agreement and to Dismiss the Evidentiary Hearing was served by electronic mail this 27th day of September, 2012, to the following parties who have waived receipt of follow-up hard copies:

TAMMY COOPER
ANDREWS KURTH L.L.P.
111 CONGRESS AVENUE
SUITE 1700
AUSTIN, TX 78701
Fax: 512-320-9292
tammycooper@andrewskurth.com

PHILLIP OLDHAM
ANDREWS KURTH L.L.P.
111 CONGRESS AVENUE
SUITE 1700
AUSTIN, TX 78701
Fax: 512-320-9292
phillipoldham@andrewskurth.com

NIKI CHRISTOPHER, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
n.christopher@curb.kansas.gov
Hand Delivered

C. STEVEN RARRICK, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
s.rarrick@curb.kansas.gov
Hand Delivered

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
d.smith@curb.kansas.gov
Hand Delivered

SHONDA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
sd.smith@curb.kansas.gov
Hand Delivered

DAVID SPRINGE, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
d.springe@curb.kansas.gov
Hand Delivered

RAY BERGMEIER, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
Fax: 785-271-3167
r.bergmeier@kcc.ks.gov
Hand Delivered

BRIAN G. FEDOTIN, ADVISORY COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
Fax: 785-271-3314
b.fedotin@kcc.ks.gov
Hand Delivered

ANDREW SCHULTE, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
Fax: 785-271-3167
a.schulte@kcc.ks.gov
Hand Delivered

ORDER MAILED SEP 27 2012
ELECTRONIC

CERTIFICATE OF SERVICE

SEP 27 2012

12-WSEE-651-TAR

TERESA J. JAMES, ATTORNEY
MARTIN, PRINGLE, OLIVER, WALLACE & BAUER, LLP
6900 COLLEGE BLVD STE 700
OVERLAND PARK, KS 66211-1842
Fax: 913-491-3341
tjjames@martinpringle.com

STANFORD J. SMITH, JR., ATTORNEY
MARTIN, PRINGLE, OLIVER, WALLACE & BAUER, LLP
100 N BROADWAY STE 500
WICHITA, KS 67202
Fax: 316-265-2955
sjsmith@martinpringle.com

CARSON M. HINDERKS, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362
Fax: 913-661-9863
carson@smizak-law.com

JAMES P. ZAKOURA, ATTORNEY
SMITHYMAN & ZAKOURA, CHTD.
7400 W 110TH ST STE 750
OVERLAND PARK, KS 66210-2362
Fax: 913-661-9863
jim@smizak-law.com

CATHRYN J. DINGES, CORPORATE COUNSEL
WESTAR ENERGY, INC.
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
Fax: 785-575-8136
cathy.dinges@westarenergy.com

MICHAEL B. HEIM, SR. REGULATORY ANALYST
WESTAR ENERGY, INC.
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
michael.heim@westarenergy.com

DICK F. ROHLFS, DIRECTOR, RETAIL RATES
WESTAR ENERGY, INC.
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
Fax: 785-575-6472
dick.rohlfs@westarenergy.com

Sheryl L. Sparks

Sheryl L. Sparks
Administrative Specialist

ORDER MAILED SEP 27 2012
ELECTRONIC

12-WSEE-651-TAR

WESTAR RATE AREA

TRANSMISSION DELIVERY CHARGE

RED-LINED VERSION TARIFF FILINGS

Index

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)

SCHEDULE TDC

Replacing Schedule TDC Sheet 1

which was filed April 18, 2012

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

TRANSMISSION DELIVERY CHARGE

APPLICABLE

To all bills rendered by Company for utility service, provided the tariff under which such bills are rendered permits recovery of cost related to Company's transmission system.

BASIS OF CHARGE

Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on its annual transmission revenue requirement (ATRR) for costs to be recovered under the following schedules of the Open Access Transmission Tariff for Service Offered by the Southwest Power Pool (SPP) for service to Company's retail KCC-Jurisdictional customers:

- Schedule 1A – Tariff Administration Service;
- Schedule 9 – Network Integration Transmission Service;
- Schedule 10 – Wholesale Distribution Service;
- Schedule 11 – Base Plan Charge; ~~and~~
- Schedule 12 – FERC Assessment Charge; and~~.~~
- Other cost associated with Schedule 1 fees for transmission service provided on foreign wires.

The cost to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By______________________
Jeffrey L. Martin, Executive Director

TRANSMISSION DELIVERY CHARGE

METHOD OF BILLING

The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:

1. A dollar per kilowatt (kW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kW sales for that rate schedule; and/or

2. A cents per kilowatt hour (kWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kWh sales for that rate schedule.

The TDC Unit Charges included on the following sheets are designed to recover the retail transmission revenue requirement. The Company shall file to adjust TDC Unit Charges to reflect and track changes in FERC-approved rates for charges included in the ATRR according to the terms of this rate schedule.

The allocation of the ATRR to the respective rate schedules is based on the 12 coincident-peak (12 CP) allocation method. Specifically, the basis for allocating the ATRR to each rate schedule is the ratio of the rate schedule's average monthly system peak demand during the Company's monthly peak-hour demand to the average total monthly system peak-hour demand. The rate schedule class allocator is based on the twelve (12) months of the test year ended December 31, 2007. The Company shall adjust TDC Unit Charges for each rate schedule by applying the Adjustment Factor described by the terms of this tariff. However, the Company shall reset the TDC Unit Charges by reallocating costs using this 12 CP method based on current test-year load research each time it files a retail rate proceeding, and at a minimum, once every five years, to limit cost shifting among retail classes.

Index

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)

SCHEDULE TDC

Replacing Schedule TDC Sheet 3

which was filed April 18, 2012

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

TRANSMISSION DELIVERY CHARGE

ADJUSTMENT TO TDC UNIT CHARGES

The TDC Unit Charges included on the following sheets shall be adjusted as follows:

$$AF = \left[\frac{(ATRR_2 \times LRS_2)}{(ATRR_1 \times LRS_1)}\right] \times \left(\frac{y_1}{y_2}\right)$$

Where:

AF = Adjustment Factor,

$ATRR_1$ = ATRR for the Company combined in Year 1,
$ATRR_2$ = ATRR for the Company combined in Year 2,

LRS_1 = Load Ratio Share (LRS) of the aggregated retail transmission customers for the Company combined in Year 1,
LRS_2 = LRS of the aggregated retail transmission customers for the Company combined in Year 2,

y_1 = Total retail sales volume in kWh for the Company combined in Year 1, and
y_2 = Total retail sales volume in kWh for the Company combined in Year 2.

$$TDC_2(x) = TDC_1(x) \times AF$$

Where:

$TDC_1(x)$ = TDC Unit Charge for Retail Class x in Year 1,
$TDC_2(x)$ = TDC Unit Charge for Retail Class x in Year 2, and
AF = Adjustment Factor as defined above.

Company shall file to update its TDC Unit Charges at least annually to become effective with billing cycle 1 of July. Company may elect to file for a change in the TDC Unit Charges more frequently than once per year. All proposed TDC Unit Charges shall be filed with the KCC no later than 30 business days before the effective date of the proposed charges.

Issued ______
Month Day Year

Effective ______
Month Day Year

By ______
Jeffrey L. Martin, Executive Director

Index ____________________

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)

SCHEDULE TDC

Replacing Schedule TDC Sheet 4

which was filed April 18, 2012

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

Sheet 4 of 5 Sheets

TRANSMISSION DELIVERY CHARGE

TDC UNIT CHARGES

The TDC Unit Charges in the following table shall be applied to a customer's demand, energy or bill of each rate schedule as indicated. The amount determined by applying the TDC Unit Charge shall become part of the total bill for electric service furnished and will be itemized separately on customer's bill.

Rate Schedule	$ per kW	$ per kWh
Contract (a)		$0.005766~~464~~
Dedicated Off-Peak Service		$0.010759~~08391~~
Generation Substitution Service		$0.010759~~08391~~
High Load Factor Service	$3.233980~~078308~~	
Interruptible Contract Service		$0.006888~~613~~
Large Tire Manufacturing (per KVa)	$3.064847~~2.548415~~	
Medium General Service	$2.596783~~3.264175~~	
Off-Peak Service		$0.010759~~08391~~
Pilot LED Street Lighting		$0.003740~~4507~~
Private Area Lighting Service		$0.003740~~4507~~
Religious Institution Time of Day Service		$0.006711~~3435~~

Issued ____________________
Month Day Year

Effective ____________________
Month Day Year

By ____________________
Jeffrey L. Martin, Executive Director

Index

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)

SCHEDULE TDC

Replacing Schedule TDC Sheet 5

which was filed April 18, 2012

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

Sheet 5 of 5 Sheets

TRANSMISSION DELIVERY CHARGE

Residential Service		$0.010270~~084~~
Restricted Educational Institution Service		$0.005177~~6297~~
Rate Schedule (Cont)	$ per kW	$ per kWh
Restricted Service to Schools		$0.005177~~6297~~
Restricted Total Electric – School and Church Service		$0.005177~~3435~~
Short-Term Service		$0.010759~~08391~~
Small General Service		$0.010759~~08391~~
Small General Service – Church Option		$0.010759~~08391~~
Standard Educational Service		$0.005177~~6297~~
Street Lighting		$0.003740~~4507~~
Time of Use – Pilot		$0.010270~~084~~
Traffic Signal Service		$0.003740~~4507~~

DEFINITIONS AND CONDITIONS

Company for the purposes of this rate schedule or rider is defined as Westar Energy, Inc. and Kansas Gas and Electric Company.

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By______________________
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12-WSEE-651-TAR

WESTAR RATE AREA

TRANSMISSION DELIVERY CHARGE

TARIFF FILINGS

TRANSMISSION DELIVERY CHARGE

APPLICABLE

To all bills rendered by Company for utility service, provided the tariff under which such bills are rendered permits recovery of cost related to Company's transmission system.

BASIS OF CHARGE

Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on its annual transmission revenue requirement (ATRR) for costs to be recovered under the following schedules of the Open Access Transmission Tariff for Service Offered by the Southwest Power Pool (SPP) for service to Company's retail KCC-Jurisdictional customers:

- Schedule 1A – Tariff Administration Service;
- Schedule 9 – Network Integration Transmission Service;
- Schedule 10 – Wholesale Distribution Service;
- Schedule 11 – Base Plan Charge;
- Schedule 12 – FERC Assessment Charge; and
- Other cost associated with Schedule 1 fees for transmission service provided on foreign wires.

The cost to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.

Index ______________________

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SCHEDULE TDC

Replacing Schedule TDC Sheet 2

which was filed April 18, 2012

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TRANSMISSION DELIVERY CHARGE

METHOD OF BILLING

The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:

1. A dollar per kilowatt (kW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kW sales for that rate schedule; and/or

2. A cents per kilowatt hour (kWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable kWh sales for that rate schedule.

The TDC Unit Charges included on the following sheets are designed to recover the retail transmission revenue requirement. The Company shall file to adjust TDC Unit Charges to reflect and track changes in FERC-approved rates for charges included in the ATRR according to the terms of this rate schedule.

The allocation of the ATRR to the respective rate schedules is based on the 12 coincident-peak (12 CP) allocation method. Specifically, the basis for allocating the ATRR to each rate schedule is the ratio of the rate schedule's average monthly system peak demand during the Company's monthly peak-hour demand to the average total monthly system peak-hour demand. The rate schedule class allocator is based on the twelve (12) months of the test year ended December 31, 2007. The Company shall adjust TDC Unit Charges for each rate schedule by applying the Adjustment Factor described by the terms of this tariff. However, the Company shall reset the TDC Unit Charges by reallocating costs using this 12 CP method based on current test-year load research each time it files a retail rate proceeding, and at a minimum, once every five years, to limit cost shifting among retail classes.

Issued ______________________
Month Day Year

Effective ______________________
Month Day Year

By ______________________
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Index

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SCHEDULE TDC

Replacing Schedule TDC Sheet 3

which was filed April 18, 2012

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

TRANSMISSION DELIVERY CHARGE

ADJUSTMENT TO TDC UNIT CHARGES

The TDC Unit Charges included on the following sheets shall be adjusted as follows:

$$AF = \left[\frac{(ATRR_2 \times LRS_2)}{(ATRR_1 \times LRS_1)} \right] \times \left(\frac{y_1}{y_2} \right)$$

Where:

AF = Adjustment Factor,

$ATRR_1$ = ATRR for the Company combined in Year 1,
$ATRR_2$ = ATRR for the Company combined in Year 2,

LRS_1 = Load Ratio Share (LRS) of the aggregated retail transmission customers for the Company combined in Year 1,
LRS_2 = LRS of the aggregated retail transmission customers for the Company combined in Year 2,

y_1 = Total retail sales volume in kWh for the Company combined in Year 1, and
y_2 = Total retail sales volume in kWh for the Company combined in Year 2.

$$TDC_2(x) = TDC_1(x) \times AF$$

Where:

$TDC_1(x)$ = TDC Unit Charge for Retail Class x in Year 1,
$TDC_2(x)$ = TDC Unit Charge for Retail Class x in Year 2, and
AF = Adjustment Factor as defined above.

Company shall file to update its TDC Unit Charges at least annually to become effective with billing cycle 1 of July. Company may elect to file for a change in the TDC Unit Charges more frequently than once per year. All proposed TDC Unit Charges shall be filed with the KCC no later than 30 business days before the effective date of the proposed charges.

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SCHEDULE TDC

Replacing Schedule TDC Sheet 4

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TRANSMISSION DELIVERY CHARGE

TDC UNIT CHARGES

The TDC Unit Charges in the following table shall be applied to a customer's demand, energy or bill of each rate schedule as indicated. The amount determined by applying the TDC Unit Charge shall become part of the total bill for electric service furnished and will be itemized separately on customer's bill.

Rate Schedule	$ per kW	$ per kWh
Contract (a)		$0.005766
Dedicated Off-Peak Service		$0.010759
Generation Substitution Service		$0.010759
High Load Factor Service	$3.233980	
Interruptible Contract Service		$0.006888
Large Tire Manufacturing (per KVa)	$3.064847	
Medium General Service	$2.596783	
Off-Peak Service		$0.010759
Pilot LED Street Lighting		$0.003740
Private Area Lighting Service		$0.003740
Religious Institution Time of Day Service		$0.006711
Residential Service		$0.010270
Restricted Educational Institution Service		$0.005177

Issued ____________
Month Day Year

Effective ____________
Month Day Year

By ____________
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Index ____________________

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SCHEDULE TDC

Replacing Schedule TDC Sheet 5

which was filed April 18, 2012

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TRANSMISSION DELIVERY CHARGE

Rate Schedule (Cont)	$ per kW	$ per kWh
Restricted Service to Schools		$0.005177
Restricted Total Electric – School and Church Service		$0.005177
Short-Term Service		$0.010759
Small General Service		$0.010759
Small General Service – Church Option		$0.010759
Standard Educational Service		$0.005177
Street Lighting		$0.003740
Time of Use – Pilot		$0.010270
Traffic Signal Service		$0.003740

DEFINITIONS AND CONDITIONS

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