

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

Received
on

MAY 14 2012

In the Matter of the Application of)
The Kansas Power Pool ("KPP"), A)
Municipal Energy Agency, for Approval)
of Its Annual Transmission Revenue)
Requirement (ATRR) For Its Transmission)
Facilities)

by
State Corporation Commission
of Kansas

Docket No. 12-KPPE-630-MIS

RESPONSIVE TESTIMONY OF LARRY W. HOLLOWAY

ON BEHALF OF THE KANSAS POWER POOL

1 **Q. Please state your name and business address.**

2 A. My name is Larry W. Holloway. My business address is 200 W. Douglas, Suite 601,
3 Wichita, KS 67202.

4 **Q. Are you the same Larry W. Holloway who filed Direct Testimony in this**
5 **proceeding on February 17, 2012?**

6 A. Yes.

7 **Q. What is the purpose of your responsive testimony?**

8 A. On May 1, 2012 KCC Staff filed a Report and Recommendation (Staff R&R) in this
9 docket. My responsive testimony, along with the responsive testimony of Paul D.
10 Reising, and a motion and argument by counsel are filed on behalf of KPP
11 addressing portions of the Staff R&R. Specifically I will address the following:

12 1. Staff's overall recommendation to dismiss KPP's filing;

- 1 2. Staff's assertion that it cannot determine the reasonableness of KPP's rates
- 2 based upon the information provided;
- 3 3. The amount of accounting information necessary for Staff to review to
- 4 determine a revenue requirement; and
- 5 4. Staff's recommendations regarding protocols.

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Staff's Recommendation to Dismiss

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Q. Does KPP agree with Staff's recommendation that the Commission dismiss KPP's filing?

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A. No. The overall tone of the Staff R&R implies that Staff investigated KPP's application and unexpectedly found that there was insufficient information to make a recommendation. However there is nothing new or unexpected in KPP's filing. Staff was completely aware of KPP's proposal before it was filed. KPP was completely responsive to the KCC's Staff discovery data requests and investigation. The implication that Staff somehow unexpectedly did not find sufficient information to make a recommendation is not supported by the facts and record of the case.

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Q. Please describe the circumstances surrounding this filing before the Commission.

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As described in the Staff R&R, this entire proceeding is based upon the Commission's intervention in the Southwest Power Pool (SPP) filing before the Federal Energy Regulatory Commission (FERC) to incorporate the costs of KPP's transmission facilities in the SPP Open Access Transmission Tariff (OATT) in FERC Docket No. ER12-140 (ER12-140). In its intervention, the Commission expressed

1 the concern that it believed the KCC must first approve the KPP Transmission
2 Formula Rate (TFR) before SPP could make the request at the FERC. KPP's position
3 is that there is no KPP transmission rate being assessed, only an SPP transmission
4 rate which includes KPP's costs in the zonal rate, and therefore that the proposed
5 ATRR is subject to the exclusive jurisdiction of the Federal Energy Regulatory
6 Commission (FERC).¹ Nonetheless, in an effort to avoid wasting time, money and
7 resources litigating jurisdictional issues, KPP agreed to enter into a letter agreement
8 with Staff which led to this filing. As explained in the Direct Testimony of Larry W.
9 Holloway filed on February 17, 2012 in this docket (Holloway Direct):²

10 **Q. Why has KPP made this filing?**

11 A. While we are certainly not interested in being subject to more
12 regulation and bureaucracy than is legally required, we also are not
13 interested in being in the center of a tempest of jurisdictional litigation.
14 KPP's hope is that by entering into the Letter Agreement (which is
15 Attachment 2 to KPP's Application) and voluntarily making the filing
16 in this case, we can address any concerns the Commission may have
17 with KPP's proposed ATRR formula in a way that will allow us to
18 resolve the FERC proceeding, which is currently in the settlement
19 process.
20

21 **Q. Did KPP believe that the information it filed was sufficient for the Commission
22 to consider its application?**

23 A. Absolutely. While some of the inputs were updated and corrected, the information
24 filed was essentially the same information filed in ER12-140. In fact, KPP went to a
25 great deal of effort negotiating a letter agreement with Staff (Letter Agreement)³
26 based upon the belief that this information was sufficient. KPP does not understand

¹ See the discussion in KPP's February 17, 2012 Application in this docket (Application).

² See I.28 through I.35, p. 13, Holloway Direct.

³ Attachment 2 of the Application

1 why Staff would have signed this letter agreement if Staff did not believe that such
2 information would be sufficient to make a determination. Yet despite these good
3 faith negotiations, the Staff R&R states “Staff suspected that basing a revenue
4 requirement calculation on the information KPP relied on, would make it impossible
5 for Staff to attest to the reasonableness of those rates.”⁴

6 **Q. Did the Letter Agreement specify the type of information KPP planned to base**
7 **its filing upon?**

8 **A.** Yes. Specifically the first paragraph of the Letter Agreement states the following:

9 KPP and the KCC Staff agree that:

10
11 1. KPP will file an application with the Kansas Corporation Commission
12 which would consist of and include the following components:

13
14 KPP will file proxies currently contained in the KPP formula rate as
15 filed before the FERC consisting of:

- 16
17 A. A rate of return based upon the host transmission zone.
18 B. A depreciation rate based upon the host transmission zone.
19 C. An initial operation and maintenance cost recovery based upon
20 the host transmission zone.
21 D. KPP shall be able to file estimated original costs.
22 E. KPP may recover payments made in lieu of taxes.
23

24 The Staff agrees the foregoing components are appropriate for filing and
25 further agrees that Staff will not oppose or object to said filing. Staff reserves
26 its right to conduct discovery and request additional information regarding the
27 filing.
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29 This is exactly what KPP included in its filing. If Staff suspected that this
30 information was fundamentally an improper basis for KPP’s ATRR, then it should
31 not have committed in the Letter Agreement not to oppose or object to the filing. As

⁴ See paragraph 2 of the Staff R&R analysis.

1 expressly contemplated by the Letter Agreement, Staff has now had the opportunity
2 during its investigation to obtain additional information regarding the FTR and the
3 costs included in it, and certainly KPP and the City of Winfield have been fully
4 responsive to such requests.

5 **Q. What does KPP recommend regarding Staff's recommendation to dismiss?**

6 A. Staff has had adequate opportunity and cooperation to complete its evaluation. KPP
7 submitted its filing in a manner completely consistent with what the parties agreed to
8 in the Letter Agreement. There is a record, KPP has provided it. KPP believes this
9 record is adequate for the Commission to accept KPP's TFR.

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11 **Reasonableness of KPP's proposed TFR**

12 **Q. Do you believe the Commission has adequate information to accept KPP's TFR?**

13 A. Yes, based on my personal examination of this case and the responsive testimony of
14 DPP witness Paul D. Reising who provides substantial additional support for the
15 reasonableness of KPP's initial ATRR.

16

17 **Accounting Information Necessary to Determine KPP's TFR**

18 **Q. Do you agree with Staff's conclusions regarding the accounting information
19 necessary for Winfield's transmission facilities?**

20 A. No, for two reasons. First, Winfield's accounting and audit practices comply with
21 state law and requirements for municipal utilities and Winfield's financial reports are
22 fully compliant with the Governmental Accounting Standards Board (GASB).
23 Therefore KPP believes that a reasonable determination regarding the recovery of

1 these costs can be determined with available data. Second, while KPP and the City of
2 Winfield are willing to implement Staff's recommendations regarding accounting for
3 transmission assets, this practice could dramatically increase the annual costs to be
4 included in the KPP TFR ATRR.

5 **Q. What specifically does Staff recommend regarding Winfield's accounting**
6 **practices?**

7 A. The Staff R&R makes the following recommendations:

- 8 1) Prepare an accounting manual to aid Winfield accounting staff (and subsequent
9 municipalities contributing transmission assets to KPP) in tracking investments in
10 and expenses related to the Winfield Transmission Assets using the FERC
11 Uniform Chart of Accounts (USoA);
- 12 2) Submit the accounting manual to the KCC for approval;
- 13 3) Complete one year of tracking transmission related assets, revenues, and
14 expenses using the accounting manual and following the USoA;
- 15 4) Hire an outside, independent auditor to conduct annual audits of its
16 transmission related financial records and certify that KPP has followed its
17 accounting manual and USoA;
- 18 5) Each year file an annual report with the KCC using FERC Form 1 format; and
19 6) Work with Staff to produce protocols.

20

21 KPP believes that this approach would create additional expenses and overheads that
22 would increase not only the regulatory costs associated with Winfield's transmission
23 system, but also ongoing expenses that could, and should, be included in the ATRR for
24 these transmission assets. While KPP and the City of Winfield are certainly willing to do
25 this on a going forward basis, KPP believes there are more reasonable alternatives that
26 can be implemented that would be less expensive for transmission customers. This, of
27 course, is KPP's proposal

28 **Q. Please describe KPP's proposal.**

1 A. KPP has engaged the services of a consultant to develop an allocation method that would
 2 allocate the costs of Winfield’s transmission facilities based upon the miles of
 3 transmission facilities compared to the overall costs of both Winfield’s transmission and
 4 distribution facilities. While regulatory costs of this proceeding (and ER12-140) are not
 5 yet included in the analysis, the analysis is provided as Exhibit ___LWH-R1. KPP
 6 believes it would be far more efficient, less costly and less burdensome for all parties to
 7 adopt this or a similar mechanism for tracking future operations, maintenance and
 8 investment costs for Winfield’s transmission facilities. The following table provides a
 9 comparison of recovery of Winfield’s costs based on Westar’s proxy (as filed) as
 10 compared to an allocation analysis based on Winfield’s recorded costs:
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 12
 13

Table 1 Comparison of Westar Proxies in Filing and Annual Update with Winfield Cost Allocation		
	Westar Proxy Data (Exhibit PDR-3 P.1)	Winfield Cost Allocation (Exhibit LWH-R1)
Operations and Maintenance Annual Expenses	\$68,917	\$81,102
A&G Expenses	\$30,363	\$35,393
Note: does not include Regulatory expenses or finalized KPP costs related to transmission ownership in SPP		

14
 15 KPP is concerned that implementing Staff’s recommendations regarding additional
 16 accounting manuals and procedures would add annual costs of 10 to 20 percent to
 17 Winfield’s transmission costs. While KPP and the City of Winfield are certainly willing

1 to do this, KPP would instead propose that Staff consider the allocations shown in
2 Exhibit LWH-R1. This could be implemented with little additional costs. KPP believes
3 that it can work with Staff to develop an efficient and reasonable allocation of costs
4 similar to that provided in Exhibit LWH-R1.

5 **KPP TFR Protocols**

6 **Q. Have you reviewed Staff's recommendations regarding the KPP TFR annual update**
7 **protocols?**

8 A. Yes. KPP believes it can work with Staff to produce protocols acceptable to all, yet staff
9 at this point has not provided any input regarding their concerns with the protocols
10 included with KPP's filing.

11 **Q. Does this conclude your testimony?**

12 A. Yes.

STATE OF KANSAS)
)ss.
COUNTY OF SEDGWICK)

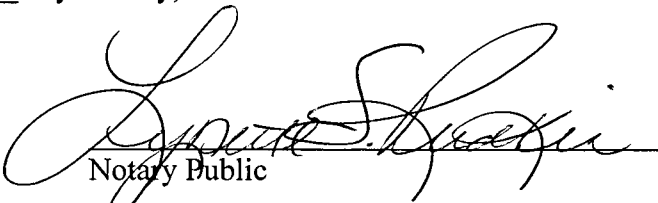
VERIFICATION

Larry W. Holloway, being duly sworn upon his oath deposes and states that he is the Operations Manager of the Kansas Power Pool, that he has read and is familiar with the foregoing Responsive Testimony, and attests that the statements contained therein are true and correct to the best of his knowledge, information, and belief.



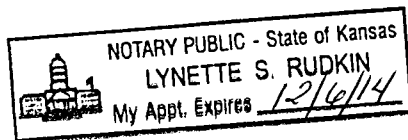
Larry W. Holloway,
Operations Manager
The Kansas Power Pool

Subscribed and sworn to me this 14th day of May, 2012.



Notary Public

My Appointment Expires:



Winfield Annual Transmission Revenue Requirements Analysis

31-May-12

Source

1	Gross Plant in Service	\$ 4,241,972	Investment Analysis Worksheet (updated with current annual activity)	
2	Accumulated Depreciation	<u>1,995,409</u>	Investment Analysis Worksheet (updated with current annual activity)	
3	Net Plant in Service	<u>\$ 2,246,563</u>	Investment Analysis Worksheet (updated with current annual activity)	
4	ATRR Component	Amount		<u>Value</u>
5	Operation and Maintenance Expenses	\$ 81,102	FERC Classification analysis	
6	A&G	35,393	FERC Classification analysis	
7	Depreciation	97,604	Investment Analysis Worksheet (Depr. Exp. as % of Gross Plant in Service)	
8	Property Taxes (in-lieu)	38,602	Westar Transmission-Related Property Taxes as % of Gross Plant in Service	0.91%
9	Return	<u>196,125</u>	Westar Weighted Cost of Capital Applied to Net Plant in Service	8.73%
10	Annual Transmission Revenue Requirement	<u>\$ 448,825</u>		

CITY OF WINFIELD
Expenditure Statement
For the Period January 1, 2011 through December 31, 2011

Account Name	CYTD	FERC Acct	FERC Description	CLASSIFICATION OF COSTS				Est. Transm O & M
				Wages	Benefits	A&G	Other	
DEPT 201: ELECTRIC PRODUCTION (EAST/WEST)								
WAGES REGULAR EMPLOYEES	\$ 447,478	500/515		447,478				
			Oper Supervision & eng or Maint of steam plant					
OVERTIME WAGES	39,654	500/515		39,654				
			Oper Supervision & eng or Maint of steam plant					
WAGES-OTHER EMPLOYEES	7,451	500/515		7,451				
			Oper Supervision & eng or Maint of steam plant					
FICA	38,402	926			38,402			
			Employee pensions and benefits					
KPERS CONTRIBUTIONS	36,053	926			36,053			
			Employee pensions and benefits					
HEALTH INSURANCE	68,160	926			68,160			
			Employee pensions and benefits					
UNEMPLOYMENT INSURANCE	488	926			488			
			Employee pensions and benefits					
DEFERRED COMPENSATION MATCHING	2,284	926			2,284			
			Employee pensions and benefits					
WORKERS COMPENSATION	3,100	926			3,100			
			Employee pensions and benefits					
WAGES REIMBURSEMENT	-18,278	500/515		-18,278				
			Oper Supervision & eng or Maint of steam plant					
CONTRACTUAL SVCS- TECH/COMPUTER	23,128	508					23,128	
			Power prod operation supplies and expenses					
CONTRACTUAL SVCS-BLDGS/GROUNDS	11,268	508					11,268	
			Power prod operation supplies and expenses					
CONTRACTUAL SVCS-OTHER	79,035	508					79,035	
			Power prod operation supplies and expenses					
MEDICAL SERVICES	887	508					887	
			Power prod operation supplies and expenses					
OTHER PROFESSIONAL SERVICES	3,330	508					3,330	
			Power prod operation supplies and expenses					
ADVERTISING COSTS	0	508					0	
			Power prod operation supplies and expenses					
LAUNDRY AND CLEANING SERVICES	1,370	508					1,370	
			Power prod operation supplies and expenses					
FREIGHT COSTS	624	508					624	
			Power prod operation supplies and expenses					
TRAVEL EXPENSES	806	508					806	
			Power prod operation supplies and expenses					
TRAINING/CONFERENCE FEES	6,537	508					6,537	
			Power prod operation supplies and expenses					
OTHER FEES	520	508					520	
			Power prod operation supplies and expenses					

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Account Name	CYTD	FERC Acct	FERC Description	CLASSIFICATION OF COSTS				Est. Transm O & M
				Wages	Benefits	A&G	Other	
TELE. SERVICE & LAND LINES	2,415	508					2,415	
			Power prod operation supplies and expenses				2,415	
CELLULAR TELEPHONES	360	508					360	
			Power prod operation supplies and expenses				360	
WATER	49,847	508					49,847	
			Power prod operation supplies and expenses				49,847	
REFUSE	2,916	508					2,916	
			Power prod operation supplies and expenses				2,916	
EQUIPMENT RENT	93	508					93	
			Power prod operation supplies and expenses				93	
INSURANCE	134,052	924					134,052	
			Property insurance				134,052	
WORKER'S COMP INSURANCE	0	926						
			Employee pensions and benefits		0			
INTERNAL SUPPORT - SVCE CTR BLDG	4,513	508					4,513	
			Power prod operation supplies and expenses				4,513	
REFERENCE MATERIAL/BOOKS/MAGAZINES	2,375	508					2,375	
			Power prod operation supplies and expenses				2,375	
OFFICE SUPPLIES	0	508					0	
			Power prod operation supplies and expenses				0	
LAB/PHOTO SUPPLIES	0	508					0	
			Power prod operation supplies and expenses				0	
BUILDING & GROUNDS SUPPLIES	11,416	508					11,416	
			Power prod operation supplies and expenses				11,416	
EQUIPMENT MAINTENANCE SUPPLIES	57,320	508					57,320	
			Power prod operation supplies and expenses				57,320	
VEHICLE MAINTENANCE SUPPLIES	5,539	508					5,539	
			Power prod operation supplies and expenses				5,539	
PROTECTION AND SAFETY EQUIPMENT	2,518	508					2,518	
			Power prod operation supplies and expenses				2,518	
HAND TOOLS	5,940	508					5,940	
			Power prod operation supplies and expenses				5,940	
UNIFORMS AND ACCESSORIES	3,255	508					3,255	
			Power prod operation supplies and expenses				3,255	
ELECTRICAL SUPPLIES	2,324	508					2,324	
			Power prod operation supplies and expenses				2,324	
OTHER OPERATING SUPPLIES	474	508					474	
			Power prod operation supplies and expenses				474	
CHEMICALS	75,832	508					75,832	
			Power prod operation supplies and expenses				75,832	
DIESEL FUEL - ON SITE TANKS	0	508					0	
			Power prod operation supplies and expenses				0	

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For the Period January 1, 2011 through December 31, 2011

Account Name	CYTD	FERC Acct	FERC Description	CLASSIFICATION OF COSTS				Est. Transm O & M
				Wages	Benefits	A&G	Other	
LUBRICANTS & MOTOR OILS	0	508						
FUEL - POWER PLANT	811,742	501	Power prod operation supplies and expenses				0	
PURCHASED ENERGY	15,615,486	555	Steam power generation - Fuel				811,742	
FUEL - SERVICE CENTER TANKS	4,122	508	Purchased power				15,615,486	
TAGS AND TAXES	213	508	Power prod operation supplies and expenses				4,122	
MEAL ON DUTY	260	508	Power prod operation supplies and expenses				213	
SUNDRY CHARGES	510	508	Power prod operation supplies and expenses				260	
TECHNICAL/DIGITAL EQUIPMENT	3,378	508	Power prod operation supplies and expenses				510	
RADIO EQUIPMENT	7,188	508	Power prod operation supplies and expenses				3,378	
BUILDING AND STRUCTURAL IMPROVEMENTS	0	508	Power prod operation supplies and expenses				7,188	
INFRASTRUCTURE IMPROVEMENTS	3,192	508	Power prod operation supplies and expenses				0	
Total Expenditures	17,559,577		Power prod operation supplies and expenses	476,305	148,487	0	16,934,785	
DEPT 206: ELECTRIC TRANSMISSION & DISTRIBUTION								
WAGES REGULAR EMPLOYEES	\$ 814,821	560/580	Operation supervision and engineering (see note)	814,821				71,361
OVERTIME WAGES	31,730	580	Distr. Operation supervision and engineering	31,730				see note
WAGES-OTHER EMPLOYEES	28,379	580	Distr. Operation supervision and engineering	28,379				
FICA	63,653	926	Employee pensions and benefits		63,653			
KPERS CONTRIBUTIONS	63,567	926	Employee pensions and benefits		63,567			
HEALTH INSURANCE	132,060	926	Employee pensions and benefits		132,060			
UNEMPLOYMENT INSURANCE	865	926	Employee pensions and benefits		865			
DEFERRED COMPENSATION MATCHING	7,436	926	Employee pensions and benefits		7,436			

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Account Name	CYTD	FERC Acct	FERC Description	CLASSIFICATION OF COSTS				Est. Transm O & M
				Wages	Benefits	A&G	Other	
WORKERS COMPENSATION	5,489	926						
			Employee pensions and benefits		5,489			
CONTRACTUAL SVCS- TECH/COMPUTER	5,854	588					5,854	
			Miscellaneous distribution expenses				5,854	
CONTRACTUAL SVCS-BLDGS/GROUNDS	3,447	588					3,447	
			Miscellaneous distribution expenses				3,447	
CONTRACTUAL SVCS-OTHER	21,481	588					21,481	
			Miscellaneous distribution expenses				21,481	
ARCH/ENG/PLANNING/ABSTRACT/APPRaisal	0	588					0	
			Miscellaneous distribution expenses				0	
MEDICAL SERVICES	1,071	588					1,071	
			Miscellaneous distribution expenses				1,071	
LINE CLEARANCE	87,890	588					87,890	
			Miscellaneous distribution expenses				87,890	
SUBSTATION CONTRACTUAL SVC	72,921	588					72,921	
			Miscellaneous distribution expenses				72,921	
OTHER PROFESSIONAL SERVICES	6,292	588					6,292	
			Miscellaneous distribution expenses				6,292	
ADVERTISING COSTS	292	588					292	
			Miscellaneous distribution expenses				292	
FREIGHT COSTS	367	581.1					367	
			Line and station supplies and expenses				367	
TRAVEL EXPENSES	14,115	588					14,115	
			Miscellaneous distribution expenses				14,115	
TRAINING/CONFERENCE FEES	12,478	588					12,478	
			Miscellaneous distribution expenses				12,478	
OTHER FEES	315	581.1					315	
			Line and station supplies and expenses				315	
TELE. SERVICE & LAND LINES	1,477	588					1,477	
			Miscellaneous distribution expenses				1,477	
CELLULAR TELEPHONES	1,757	588					1,757	
			Miscellaneous distribution expenses				1,757	
ELECTRICITY	48	588					48	
			Miscellaneous distribution expenses				48	
INSURANCE	35,769	924					35,769	
			Property insurance				35,769	
WORKER'S COMP INSURANCE	0	926					0	
			Employee pensions and benefits		0			
WORKER'S COMP SURCHARGE	78,000	926					78,000	
			Employee pensions and benefits		78,000			
INTERNAL SUPPORT - SVCE CTR BLDG	25,715	588					25,715	
			Miscellaneous distribution expenses				25,715	
INTERNAL SUPPORT - OPER CTR BLDG	80,330	588					80,330	
			Miscellaneous distribution expenses				80,330	

CITY OF WINFIELD
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For the Period January 1, 2011 through December 31, 2011

Account Name	CYTD	FERC Acct	FERC Description	CLASSIFICATION OF COSTS				Est. Transm O & M
				Wages	Benefits	A&G	Other	
REFERENCE MATERIAL/BOOKS/MAGAZINES	389	588						
			Miscellaneous distribution expenses				389	
OFFICE SUPPLIES	141	588						
			Miscellaneous distribution expenses				141	
BUILDING & GROUNDS SUPPLIES	4,526	588						
			Miscellaneous distribution expenses				4,526	
EQUIPMENT MAINTENANCE SUPPLIES	2,060	588						
			Miscellaneous distribution expenses				2,060	
VEHICLE MAINTENANCE SUPPLIES	58,467	567.1/588						
			Operation supplies and exp/Misc. distr (see note)				58,467	5,120
PROTECTION AND SAFETY EQUIPMENT	17,281	581.1						
			Line and station supplies and expenses				17,281	see note
HAND TOOLS	11,167	581.1						
			Line and station supplies and expenses				11,167	
UNIFORMS AND ACCESSORIES	15,868	581.1						
			Line and station supplies and expenses				15,868	
MAINT SUPPLIES FOR ELEC/WATER	52,760	574/594.1						
			Maint. of Transm. and distr. plant				52,760	4,621
TRAFFIC CONTROL DEVICE SUPPLIES	0	581.1						
			Line and station supplies and expenses				0	see note
STREET LAMPS/LIGHT BULBS	16,579	585						
			Street lighting and signal systems expenses				16,579	
METER MAINT SUPPLIES	3,428	586						
			Meter expenses				3,428	
ENERGY EFFICIENCY MEASURES	18,849	906						
			Customer service and informational expenses				18,849	
OTHER OPERATING SUPPLIES	5,231	581.1						
			Line and station supplies and expenses				5,231	
CHEMICALS	870	581.1						
			Line and station supplies and expenses				870	
LUBRICANTS & MOTOR OILS	0	581.1						
			Line and station supplies and expenses				0	
FUEL - SERVICE CENTER TANKS	40,993	581.1						
			Line and station supplies and expenses				40,993	
INVENTORY ADJUSTMENTS	2,387	581.1						
			Line and station supplies and expenses				2,387	
TAGS AND TAXES	4,811	581.1						
			Line and station supplies and expenses				4,811	
MEAL ON DUTY	506	581.1						
			Line and station supplies and expenses				506	
SUNDRY CHARGES	1,645	581.1						
			Line and station supplies and expenses				1,645	

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For the Period January 1, 2011 through December 31, 2011

Account Name	CYTD	FERC Acct	FERC Description	CLASSIFICATION OF COSTS				Est. Transm O & M
				Wages	Benefits	A&G	Other	
TECHNICAL/DIGITAL EQUIPMENT	1,027	581.1	Line and station supplies and expenses				1,027	
MACHINERY AND EQUIPMENT	0	581.1	Line and station supplies and expenses				0	
RADIO EQUIPMENT	3,707	581.1	Line and station supplies and expenses				3,707	
INFRASTRUCTURE IMPROVEMENTS	362,941	Capital	Items would be capitalized under FERC				362,941	
METERS/ASSOCIATED PARTS	20,865	Capital	Items would be capitalized under FERC				20,865	
CAPITAL ENERGY EFFICIENCY MEAS	24	Capital	Items would be capitalized under FERC				24	
SUBSTATION IMPROVEMENTS	37,462	Capital	Items would be capitalized under FERC				37,462	
Total Expenditures	2,281,603			874,930	351,070	0	1,055,603	
DEPT 210: ELECTRIC ADMINISTRATION								
WAGES REGULAR EMPLOYEES	\$ 90,473	920	Administrative and general salaries			90,473		
OVERTIME WAGES	209	920	Administrative and general salaries				209	
FICA	6,993	926	Employee pensions and benefits		6,993			
KPERS CONTRIBUTIONS	6,965	926	Employee pensions and benefits		6,965			
HEALTH INSURANCE	5,964	926	Employee pensions and benefits		5,964			
UNEMPLOYMENT INSURANCE	92	926	Employee pensions and benefits		92			
DEFERRED COMPENSATION MATCHING	379	926	Employee pensions and benefits		379			
WORKERS COMPENSATION	619	926	Employee pensions and benefits		619			
ARCH/ENG/PLANNING/ABSTRACT/APPRaisal	0	923	Outside services employed				0	
ATTORNEY SERVICES	0	923	Outside services employed				0	
OTHER PROFESSIONAL SERVICES	251	923	Outside services employed				251	
CUP MARKETING PROGRAM	0	917	Sales expenses				0	

CITY OF WINFIELD
Expenditure Statement
For the Period January 1, 2011 through December 31, 2011

Account Name	CYTD	FERC Acct	FERC Description	CLASSIFICATION OF COSTS				Est. Transm O & M
				Wages	Benefits	A&G	Other	
ADVERTISING COSTS	936	917					936	
			Sales expenses					
PRINTING/PHOTO SERVICES	799	921				799		
			Office supplies and expenses					
PRIVATE CAR MILEAGE	3,524	921				3,524		
			Office supplies and expenses					
TRAVEL EXPENSES	3,856	921				3,856		
			Office supplies and expenses					
TRAINING/CONFERENCE FEES	6,829	921				6,829		
			Office supplies and expenses					
DUES/MEMBERSHIP FEES	4,182	921				4,182		
			Office supplies and expenses					
OTHER FEES	0	921				0		
			Office supplies and expenses					
TELE. SERVICE & LAND LINES	528	921				528		
			Office supplies and expenses					
CELLULAR TELEPHONES	360	921				360		
			Office supplies and expenses					
INSURANCE	11,751	924					11,751	
			Property insurance					
WORKER'S COMP INSURANCE	0	926						
			Employee pensions and benefits		0			
INTERNAL SUPPORT - MIS	104,939	923					104,939	
			Outside services employed					
INTERNAL SUPPORT - MGMT SVCES	394,850	923					394,850	
			Outside services employed					
INTERNAL SUPPORT - CUST SVCE	188,146	903					188,146	
			Customer records and collection expenses					
INTERNAL SUPPORT - PURCH/DOC	75,652	923					75,652	
			Outside services employed					
INTERNAL SUPPORT - CITY HALL BLDG	16,858	923					16,858	
			Outside services employed					
INTERNAL SUPPORT - ENGINEERING	200,958	588					200,958	
			Miscellaneous distribution expenses					
INTERNAL SUPPORT - OPER CTR BLDG	3,398	923					3,398	
			Outside services employed					
REFERENCE MATERIAL/BOOKS/MAGAZINES	610	921				610		
			Office supplies and expenses					
OFFICE SUPPLIES	20	921				20		
			Office supplies and expenses					
POSTAGE	0	921				0		
			Office supplies and expenses					

CITY OF WINFIELD
Expenditure Statement
For the Period January 1, 2011 through December 31, 2011

Account Name	CYTD	FERC Acct	FERC Description	CLASSIFICATION OF COSTS				Est. Transm O & M
				Wages	Benefits	A&G	Other	
MEAL ON DUTY	0	921						
			Office supplies and expenses			0		
SUNDRY CHARGES	548	921				548		
			Office supplies and expenses					
TECHNICAL/DIGITAL EQUIPMENT	0	921				0		
			Office supplies and expenses					
COP'S PRINCIPAL	93,315	427					93,315	
			Interest on long-term debt					
COP'S INTEREST	1,866	427					1,866	
			Interest on long-term debt					
TRANSFER TO GENERAL FUND	1,608,915	927					1,608,915	
			Franchise requirement					
TRANSFER TO GOLF COURSE	0	927					0	
			Franchise requirement					
TRANSFER TO WATER FUND	229,900	927					229,900	
			Franchise requirement					
TRANSFER TO DEPREC RESERVE	516,000	401					516,000	
			Depreciation					
TRANSFER TO INDUSTRIAL DEVELOP	20,653	927					20,653	
			Franchise requirement					
Total Expenditures	3,601,338			0	21,012	111,729	3,468,597	
Total for FUND 402: ELECTRIC	23,442,518			1,351,235	520,569	111,729	21,458,985	81,102
				Benefit Load Ratio-	<u>38.53%</u>			
				A&G Load Ratio-	<u>8.27%</u>			

Transmission Operation and Maintenance- 81,102

Note - Transmission O&M costs were estimated based upon the ratio of transmission line miles (30.24) to the total transmission and distribution line miles (345.29). The City of Winfield has established written documentation to track actual expenditures associated with transmission activities.

A&G Benefits- 27,492
A&G 920/921- 5,901
Kansas Power Pool A&G- 2,000
Grand total A&G- 35,393

**Winfield Transmission Investment:
Facility Reproduction Cost New Indexed to Original Cost
31-May-12**

Line Section	length miles	Poles	Inst Date	Reproduction Cost New \$2010	HWI - Transmis- sion Plant [2010 HWI = 617]	Estimated Original Installed Cost	Westar Proxy Deprecia- tion Rate	Service Years (assume plant added at mid-year)	Estimated Accumulated Depreciation at 12/31/2010	Net Plant in Service at 12/31/2010	Annual Depreciation
WESTAR INTERCONNECTION - TIE SUB	2.88		1991	\$ 498,843	306	\$ 247,400	2.36%	18.5	\$ 108,110	\$ 139,291	\$ 5,844
WESTAR INTERCONNECTION - TIE SUB	3.88		1991	672,052	306	\$ 333,303	2.36%	18.5	145,648	187,655	7,873
WESTAR INTERCONNECTION - STROTHERS SUB	5.69		1991	985,561	306	\$ 488,787	2.36%	18.5	213,591	275,196	11,545
WESTAR INTERCONNECTION - STROTHERS SUB FEMA Funding for 2007 Rebuild [1]	1.00		2007	40,977	568	\$ 37,723	2.36%	2.5	2,228	35,495	891
STROTHERS SUB - TIE SUB	2.28		1991	394,917	306	\$ 195,859	2.36%	18.5	85,587	110,272	4,826
TIE SUB - WEST SUB	3.32		1980	575,055	198	\$ 184,540	2.36%	29.5	128,589	55,951	4,359
TIE SUB - EAST SUB	5.67		1967	982,097	69	\$ 109,829	2.36%	42.5	109,829	-	-
WEST SUB - VIKING SUB	3.39		1991	587,180	306	\$ 291,211	2.36%	18.5	127,254	163,957	6,879
EAST SUB - VIKING SUB	2.13		1991	368,936	306	\$ 182,973	2.36%	18.5	79,956	103,017	4,322
Total lines	30.24			\$ 5,105,619		\$ 2,071,625			\$ 1,000,791	\$ 1,070,834	\$ 46,339
STROTHER SUBSTATION			1990	\$ 665,181	300	\$ 336,517	2.36%	19.5	\$ 155,001	\$ 181,516	\$ 7,949
TIE SUBSTATION											
Strother Tie 69 kV GCB			2007	60,000	568	\$ 55,235	2.36%	2.5	\$ 3,262	\$ 51,973	\$ 1,305
Oak Sub Tie 69 kV GCB			2005	60,000	485	\$ 47,164	2.36%	4.5	\$ 5,013	\$ 42,151	\$ 1,114
Transformer Breaker 69 kV GCB			2007	60,000	568	\$ 55,235	2.36%	2.5	\$ 3,262	\$ 51,973	\$ 1,305
Weaver Sub Tie 69 kV GCB			2006	60,000	528	\$ 51,345	2.36%	3.5	\$ 4,245	\$ 47,100	\$ 1,213
West Sub Tie 69 kV GCB			2007	60,000	568	\$ 55,235	2.36%	2.5	\$ 3,262	\$ 51,973	\$ 1,305
East Sub Tie 69 kV GCB			1990	60,000	300	\$ 29,173	2.36%	19.5	\$ 13,437	\$ 15,736	\$ 689
Bus Tie 69 kV GCB			1990	60,000	300	\$ 29,173	2.36%	19.5	\$ 13,437	\$ 15,736	\$ 689
Balance of Tie Sub 69 kV			1990	927,482	300	\$ 450,964	2.36%	19.5	\$ 207,715	\$ 243,248	\$ 10,652
WEST SUBSTATION			1990	665,181	300	\$ 323,427	2.36%	19.5	148,971	174,455	7,640
VIKING SUBSTATION			1990	672,581	300	\$ 327,025	2.36%	19.5	150,829	176,396	7,725
EAST SUBSTATION			1990	842,933	300	\$ 409,854	2.36%	19.5	186,780	221,074	9,681
Total Substations				\$ 4,193,359		\$ 2,170,347			\$ 897,014	\$ 1,273,333	\$ 51,265
Beginning - Total Transmission Plant in Service				\$ 9,298,977		\$ 4,241,972			\$ 1,897,805	\$ 2,344,167	\$ 97,604
Additions to Transmission Plant in Service						\$ 1					
Retirement of Transmission Plant in Service						(1)					
Ending - Total Transmission Plant in Service						\$ 4,241,972			\$ 1,995,409		\$ 97,604

[1] 2007 cost to rebuild one-mile of the Westar to Strothers line less FEMA and State grants of \$116,675 and \$15,557, respectively

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31, 2010

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

Line No.	(1) RATE BASE:	(2) Form No. 1 Page, Line, Col.	(3) Westar Energy, Inc (WEN)	(4) Kansas Gas and Electric Company (WES)	(5) Company Total	(6) Allocator	(7) Transmission (Col 5 times Col 6)
	PLANT IN SERVICE						
1	Production	205.46.g	\$ 2,583,298,229	\$ 2,280,914,136	\$ 4,864,212,365		\$ -
2	Transmission	207.58.g	721,851,013	462,760,547	1,184,611,560	TP	0.00000
3	Distribution	207.75.g	957,362,746	799,289,396	1,756,652,142		-
4	General	207.99.g	184,992,465	94,582,639	279,575,104	WS	0.00000
4a	Intangible	205.5g	16,763,503	27,153,788	43,917,291	WS	0.00000
5	Common	356.1	-	-	-	WS	0.00000
6	TOTAL GROSS PLANT	(sum lines 1-5)	\$ 4,464,267,956	\$ 3,664,700,506	\$ 8,128,968,462		\$ -
	ACCUMULATED DEPRECIATION	(Note Q)					
7	Production	219.20-24.c	\$ 903,176,117	\$ 1,134,503,555	\$ 2,037,679,672		\$ -
8	Transmission	219.25c	183,742,720	165,057,112	348,799,832	TP	0.00000
9	Distribution	219.26c	355,095,510	283,530,073	638,625,583		-
10	General	219.28.c	96,569,170	54,257,811	150,826,981	WS	0.00000
10a	Intangible	Workpaper	9,658,922	13,453,482	23,112,404	WS	0.00000
11	Common	356.1	-	-	-	WS	0.00000
12	TOTAL ACCUM. DEPRECIATION	(sum lines 7-11)	\$ 1,548,242,439	\$ 1,650,802,033	\$ 3,199,044,472		\$ -
	NET PLANT IN SERVICE						
13	Production	(line 1 less line 7)	\$ 1,680,122,112	\$ 1,146,410,581	\$ 2,826,532,693		\$ -
14	Transmission	(line 2 less line 8)	538,108,293	297,703,435	835,811,728		-
15	Distribution	(line 3 less line 9)	602,267,236	515,759,323	1,118,026,559		-
16	General	(line 4 less line 10)	88,423,295	40,324,828	128,748,123		-
16a	Intangible	(line 4a less line 10a)	7,104,581	13,700,306	20,804,887		-
17	Common	(line 5 less line 11)	-	-	-		-
18	TOTAL NET PLANT	(sum lines 13-17)	\$ 2,916,025,517	\$ 2,013,898,473	\$ 4,929,923,990		\$ -
	ADJUSTMENTS TO RATE BASE						
19	Accumulated Deferred Income Taxes	(Wkshs. A-5 & A-7, p. 1, Subtotal, Total ADIT	\$ (73,625,904)	\$ (69,702,596)	\$ (143,328,500)	DA	1.00000
19a	Unamortized Extraordinary Property Loss	Account 182.1 (Note S)	923,281	-	923,281	TE	0.00000
19b	Transmission Storm Damage Reserve	Account 228.1 (Note S)	260,932	284,759	545,691	TE	0.00000
20	TOTAL ADJUSTMENTS	(line 19 + line 19a - line 19b)	\$ (72,963,555)	\$ (69,987,355)	\$ (142,950,910)		\$ (143,328,500)
21	LAND HELD FOR FUTURE USE	214.x.d (Note B)	\$ -	\$ -	\$ -	TP	0.00000
	WORKING CAPITAL						
22	CWC	calculated (Note C)					\$ 2,405,732
23	Materials & Supplies	227.8.c (Note B)	\$ 12,873,984	\$ 4,351,291	17,225,275	TP	0.00000
23a	Stores Expense	227.16.c (Note B)	(35,303)	477,311	442,008	WS	0.00000
24	Prepayments (Account 165)	111.57.c (Note C)	8,363,228	3,904,016	12,267,244	GP	0.00000
25	TOTAL WORKING CAPITAL	(sum lines 23 - 24)	\$ 21,201,909	\$ 8,732,618	\$ 29,934,527		\$ 2,405,732
26	Rate Base	(sum lines 18, 20, 21, & 25)					\$ (140,922,768)

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31, 2010

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Line No.	Form No. 1 Page, Line, Col.	Westar Energy, Inc (WEN)	Kansas Gas and Electric Company (WES)	Company Total	Allocator	Transmission (Col 5 times Col 6)	
O&M							
1	Transmission (Note D)	(Worksheet A-4 & Worksheet A-6)	\$ 14,490,816	\$ 12,816,474	\$ 27,307,290	1.00000	\$ 27,307,290
2	Less Account 561	321.84.b thru 321.92.b	1,187,387	1,383,839	2,571,226	1.00000	2,571,226
2a	Less Account 565 (Note E)	321.96.b	2,754,794	2,735,413	5,490,207	1.00000	5,490,207
3	A&G	323.197.b	93,046,273	99,278,294	192,324,567	W/S	-
3a	Less: Actual PBOP	(Note R)	6,770,185	4,000,074	10,770,259	W/S	-
4	Plus: PBOP adder	(Note R)	9,697,558	6,642,051	16,339,609	W/S	-
5	Less FERC Annual Fees	Included as part of line 6b	-	-	-	W/S	-
6	Less EPRI	335 (Note F)	-	-	-	W/S	-
6a	Less Total Advertising Costs	323.191(b) (Note F)	1,068,016	404,731	1,472,747	W/S	-
6b	Less Total Regulatory Commission Expenses	323.189(b) (Note F)	1,882,410	1,721,232	3,603,642	W/S	-
7	Plus Transmission Related Reg. Comm. Exp.	351.h (Note F)	5,312	3,139	8,451	TE	-
8	Plus Safety Advertising	(Note F)	-	-	-	W/S	-
9	Common	356.1	-	-	-	CE	-
10	Transmission Lease Payments		-	-	-	1.00000	-
11	TOTAL O&M	(sum lines 1, 3, 4, 7-10 less lines 2, 2a, 3a, 5)	\$ 103,577,167	\$ 108,494,669	\$ 212,071,836		\$ 19,245,857
DEPRECIATION EXPENSE							
12	Transmission	336.7.f or Worksheet A-8	\$ 15,874,139	\$ 12,107,180	\$ 27,981,319	TP	\$ -
13	General	336.10.f	8,960,356	6,611,853	15,572,209	W/S	-
13a	Intangible	336.1f	3,324,998	2,124,226	5,449,224	W/S	-
14	Common	336.11.b	-	-	-	CE	-
14a	Amortization of Property Loss	Acct. 407-Unrecovered Plant and Regulatory Study Costs (Note S)	-	-	-	TE	-
15	TOTAL DEPRECIATION	(Sum lines 12-14a)	\$ 28,159,493	\$ 20,843,259	\$ 49,002,752		\$ -
TAXES OTHER THAN INCOME TAXES (Note G)							
LABOR RELATED							
16	Payroll	263.i	\$ 6,399,815	\$ 6,540,211	\$ 12,940,026	W/S	\$ -
17	Highway and vehicle	263.i	-	-	-	W/S	-
PLANT RELATED							
18	Property (Note P)	263.i	46,746,649	26,602,202	73,348,851	GP	-
19	Gross Receipts	263.i	-	-	-	NA	-
20	Other	263.i	40,265	20,055	60,320	GP	-
21	Payments in lieu of taxes		-	-	-	GP	-
22	TOTAL OTHER TAXES	(sum lines 16 - 22)	\$ 53,186,729	\$ 33,162,468	\$ 86,349,197		\$ -
INCOME TAXES (Note H)							
23	$T = 1 - \frac{((1 - \text{SIT}) * (1 - \text{FIT}))}{(1 - \text{SIT} * \text{FIT} * p)}$				39.58%		
24	$\text{CIT} = (T/1-T) * (1 - (\text{WCLTD}/R))$ where WCLTD=(page 5, line 21) and R=(page 5, line 24) and FIT, SIT & p are as given in Note H. 1 / (1 - T) = (from line 23)				41.44%		
25	Amortized Investment Tax Credit (266.8f) (enter negative)		\$ 1,487,716	\$ 1,035,753	\$ 2,523,469		1.655150
27	Income Tax Calculation = line 24 * line 30					NA	\$ (4,738,374)
28	ITC adjustment	(line 25 * line 26)			\$ 4,176,719	NP	-
29	Total Income Taxes	(line 27 plus line 28)				0.00000	\$ (4,738,374)
30	RETURN [Rate Base (page 2, line 16) * Rate of Return (page 4, line 24) plus Incentive Return (page 4, line 28)]					NA	\$ (11,434,328) - \$11,434,328.24
31	Interest on Network Credits			\$ -		DA	\$ -
32	GROSS REV. REQUIREMENT	(sum lines 11,15, 22, 29, 30 & 31)			\$ 347,423,785		\$ 3,073,154

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31, 2010

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

SUPPORTING CALCULATIONS

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Form No. 1 Page, Line, Col.	Westar Energy, Inc (WEN)	Kansas Gas and Electric Company (WES)	Company Total	Allocator	Transmission (Col 5 times Col 6)
TRANSMISSION PLANT INCLUDED IN FORMULA							
1	Total transmission plant	(page 3, Line 13, col. 5)	\$ 721,851,013	\$ 462,760,547	\$ 1,184,611,560		\$ 1,184,611,560
2	Less transmission plant excluded from ISO rates	(Note I)	-	-	-		-
3	Less transmission plant included in OATT Anc. Svc	(Notes J&K)	-	-	-		-
4	Transmission plant included in rates	(line 1 less lines 2 & 3)	\$ 721,851,013	\$ 462,760,547	\$ 1,184,611,560		\$ 1,184,611,560
5	Percentage of transmission plant included in rates	(line 4 divided by line 1)				TP=	1.00000
TRANSMISSION EXPENSES							
6	Transmission expenses	(Page 2, line 1, col. 7)					\$ 27,307,290
7	Less transmission other expenses included in Anc. Svc	(Note L) (Page 2, line 2, col 7)					2,571,226
8	Included transmission expenses (line 6 less line 7)						\$ 24,736,064
9	Percentage of transmission expenses after adjustment (line 8 divided by line 6)						0.90584
10	Percentage of transmission plant included in ISO Rates (line 5)					TP=	1.00000
11	Percentage of transmission expenses included in rates (line 9 times line 10)					TE=	0.90584
GROSS AND NET PLANT ALLOCATORS							
GROSS PLANT IN SERVICE (ACTUAL HISTORICAL COST):							
12	Production	(page 1, line 1)	\$ 2,583,298,229	\$ 2,280,914,136	\$ 4,864,212,365	NA	
13	Transmission	(page 1, line 2)	721,851,013	462,760,547	1,184,611,560	TP	0.00000 \$ -
14	Distribution	(page 1, line 3)	957,362,746	799,289,396	1,756,652,142	NA	
15	General & Intangible	(page 1, line 4)	201,755,968	121,736,427	323,492,395	W/S	0.00000 \$ -
16	Common	(page 1, line 5)	-	-	-	CE	0.00000 \$ -
17	TOTAL GROSS PLANT	(sum lines 12-16)	\$ 4,464,267,956	\$ 3,664,700,506	\$ 8,128,968,462	GP =	0.000% \$ -
ACCUMULATED DEPRECIATION (ACTUAL HISTORICAL COST) (Note Q):							
18	Production	(page 1, line 7)	\$ 903,176,117	\$ 1,134,503,555	\$ 2,037,679,672	NA	
19	Transmission	(page 1, line 8)	183,742,720	165,057,112	348,799,832	TP	0.00000 \$ -
20	Distribution	(page 1, line 9)	355,095,510	283,530,073	638,625,583	NA	
21	General & Intangible	(page 1, line 10)	106,228,092	67,711,293	173,939,385	W/S	0.00000 \$ -
22	Common	(page 1, line 11)	-	-	-	CE	0.00000 \$ -
23	TOTAL ACCUM. DEPRECIATION	(sum lines 12-16)	\$ 1,548,242,439	\$ 1,650,802,033	\$ 3,199,044,472		\$ -
NET PLANT IN SERVICE (ACTUAL HISTORICAL COST):							
24	Production	(line 12 less line 18)	\$ 1,680,122,112	\$ 1,146,410,581	\$ 2,826,532,693		
25	Transmission	(line 13 less line 19)	538,108,293	297,703,435	835,811,728		\$ -
26	Distribution	(line 14 less line 20)	602,267,236	515,759,323	1,118,026,559		
27	General & Intangible	(line 15 less line 21)	95,527,876	54,025,134	149,553,010		\$ -
28	Common	(line 16 less line 22)	-	-	-		\$ -
29	TOTAL NET PLANT	(sum lines 24-28)	\$ 2,916,025,517	\$ 2,013,898,473	\$ 4,929,923,990	NP =	0.000% \$ -

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31, 2010

Actual Gross Rev
Page 4 of 5

WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

SUPPORTING CALCULATIONS

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Form No. 1 Page, Line, Col.	Westar Energy, Inc (WEN)	Kansas Gas and Electric Company (WES)	Company Total	Allocator	Transmission (Col 5 times Col 6)
WAGES & SALARY ALLOCATOR (W&S)							
			\$	\$	\$	TP	Allocation
1	Production	(Worksheet A-10)	\$ 34,473,474	\$ 59,092,895	\$ 93,566,369	0.00000	0
2	Transmission	(Worksheet A-10)	3,247,713	3,121,001	6,368,714	1.00000	6,368,714
3	Distribution	(Worksheet A-10)	16,522,586	12,997,310	29,519,896	0.00000	0
4	Other	(Worksheet A-10)	9,026,592	6,476,790	15,503,382	0.00000	0
5	Total (sum lines 1-4)		\$ 63,270,365	\$ 81,687,996	\$ 144,958,361		6,368,714 = 0.04393 = WS
COMMON PLANT ALLOCATOR (CE) (Note M)							
			\$	\$	\$	% Electric (line 17 / line 20)	W&S Allocator (line 16) = CE
6	Electric	200.3.c	\$ 4,217,247,217	\$ 3,449,837,761	\$ 7,667,084,978	1.00000	0.04393 = 0.04393
7	Gas	200.3.d	-	-	-		
8	Water	200.3.e	-	-	-		
9	Total (sum lines 6 - 8)		\$ 4,217,247,217	\$ 3,449,837,761	\$ 7,667,084,978		
RETURN (R)							
			\$	\$	\$		\$
10	Interest on Long-Term Debt	117.62.c	\$ 88,778,332	\$ 59,650,690	\$ 148,429,022		
11	Amort. of Debt Disc. and Expense	117.63.c	2,298,785	979,037	3,277,822		
12	Amortization of Loss on Reacquired Debt	117.64.c	5,008,589	507,778	5,516,367		
13	Less: Amort. of Premium on Debt-Credit	117.65.c	-	-	-		
14	Less: Amort. of Gain on Reacquired Debt-Credit	117.66.c	-	-	-		
15	Long Term Interest (sum of lines 10 - 12 less 13 and 14)		\$ 96,085,706	\$ 61,137,505	\$ 157,223,211		\$ 157,223,211
16	Preferred Dividends (118.29c) (positive number)		\$ 969,674	\$ -	\$ 969,674		\$ 969,674
Development of Common Stock							
17	Proprietary Capital (112.16.c)(WEN Form 1)		\$ 2,407,767,364		\$ 2,407,767,364		\$ 2,407,767,364
18	Less Preferred Stock (line 28)						(21,436,300)
19	Less Account 216.1 (112.12.c) (Note N)						
20	Common Stock (sum of lines 17 - 19)						\$ 2,386,331,064
			WEN	WES	\$	%	Cost (Note O)
21	Long Term Debt (112, sum of 18.c., 19c and 21.c)		\$ 1,483,091,280	\$ 1,012,282,500	\$ 2,495,373,780	50.89%	0.0630
22	Preferred Stock (112.3.c)(WEN Only)		21,436,300	-	21,436,300	0.44%	0.0452
23	Common Stock (line 26)(WEN Only)		2,386,331,064	-	2,386,331,064	48.67%	0.1130
24	Total (sum lines 21-23)				\$ 4,903,141,144	100.00%	0.0873 =R
Incentive Return							
25	Total Incentive Plant	(Worksheet A-11)			\$ 88,584,002		
26	Less: Total Accumulated Depreciation	(Worksheet A-11)			86,838		
27	Net Incentive Plant	(line 25 less line 26)			\$ 88,497,164		
28	Incentive Return	(Worksheet A-11)					\$ 862,598

Rate Formula Template
Utilizing FERC Form 1 Data
Actual Gross Revenue Requirements
For the 12 months ended - December 31, 2010
WESTAR ENERGY, INC. (Westar Energy and Kansas Gas and Electric)
(WESTAR)

NOTES

General Note: References to pages in this formula rate are indicated as: (page#, line#, col.#).
References to data from FERC Form 1 are indicated as: page#.line#.co

Letter

- A Reserved for future use.
- B Identified in Form 1 as being only transmission related.
- C Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 2, line 11, col. 7.
Prepayments are the electric related prepayments booked to Account No. 165 and reported on FERC Form 1, p. 111, ln. 57.c.
- D Transmission O&M expense does not include any SPP charges for Schedule 1-A of the SPP OATT.
- E Transmission By Others, Account 565 includes only costs associated with transmission facilities which are assigned to the Westar pricing zone by SPP
- F Industry Association Dues are capped at \$1,000,000. Line 6 - EPRI Annual Membership Dues listed in Form 1 at p. 335,
Line 6a Remove all Advertising expenses in Account 930.1.
Line 6b Remove all Regulatory Commission Expenses itemized at 351.h.
Line 6c - Add in wholesale Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
Line 6d Add in Safety related advertising that are in Account 930.1.
- G Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year.
Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
- H The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 28). When FIT or SIT statutory tax rate changes take effect on other than a calendar year basis, the statutory rates to be used in the formula rate template shall be weighted averages for the calendar year determined by weighting the statutory tax rates by the number days each such tax rate was in effect during the calendar year for which the costs are being determined
Inputs Required:
FIT = 35.00%
SIT = 7.05% (State Income Tax Rate or Composite SIT)
p = 0.00% (percent of federal income tax deductible for state purposes)
- I Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until
- J Unless otherwise specified, OATT refers to the Westar and SPP OATTs.
- K Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- L Removes dollar amount of transmission expenses included in the OATT ancillary services rates. Costs related to Ancillary 1, Scheduling and Control, Acct 561 is shown on Actual Gross Rev, page 2, line 2
- M Enter dollar amounts
- N For Account 216.1, enter zero if the actual balance is negative
- O Debt cost rate = long-term interest (line 15) / long term debt (line 21). Preferred cost rate = preferred dividends (line 16) / preferred stock (line 22).
The approved ROE is 11.3%, no change in ROE may be made absent a filing with FERC. Any incentive ROEs approved by the Commission are shown by project in Worksheet A-11.
- P If the transmission related component of property tax is specifically identified in Form 1, then a TP allocator shall be used. Property tax shall be allocated to transmission by the GP allocator if transmission related property tax is not specifically identified in the Form
- Q The initial depreciation rates below will be used to calculate depreciation expense and accumulated depreciation balances absent an appropriate filing with FERC.

FERC Account Number	Depreciation Rate		
	Non-incentive Plant	Wichita-to-Reno-to-Summit	Future Incentive Project
352 Structures and Improvements	2.68	6.67	-
353 Station Equipment	1.54	6.67	-
354 Towers and Fixtures	3.51	6.67	-
355 Poles and Fixtures	3.19	6.67	-
356 Overhead Conductors and Devices	2.05	6.67	-
357 Underground Conduit	1.50	6.67	-
358 Underground Conductors and Devices	2.10	6.67	-
359 Roads and Trails	1.56	6.67	-

R The incentive depreciation rates will be applied to assets recorded in the Wichita-to-Reno-to-Summit location code in WES's transmission depreciation
The initial Post-Employment Benefits Other than Pensions (PBOP) expense set forth below will be used in lieu of the actual PBOP expense incurred in the year absent an appropriate filing with FERC.

	WEN	WES	TOTAL
Post-Employment Benefits Other than Pensions	\$ 9,697,558	\$ 6,642,051	\$ 16,339,609

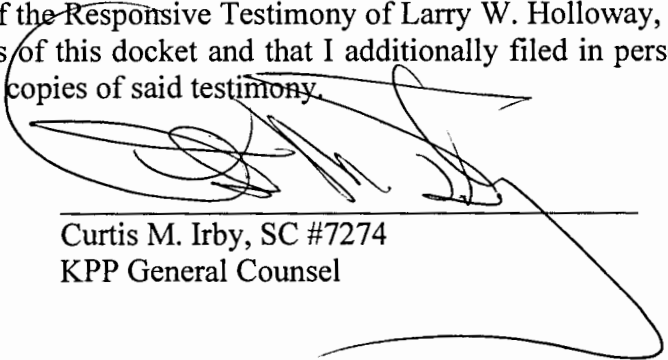
S Page 1 line 19a is the unamortized balance related to the recovery of transmission expense for the December 2007 ice storm booked in Account 182.3. Accrued transmission expenses for the December 2007 ice storm shall be amortized in the transmission O&M accounts over 36 months beginning June 1, 2008. The total amount to be amortized in the transmission O&M accounts shall be \$6,647,679, developed as follows:

	WEN	WES	Total
Total transmission expenses accrued for the December 2007 ice storm	\$ 6,758,037	\$ -	\$ 6,758,037
Less total transmission storm damage reserve as of December 2007	110,358	147,615	257,973
Total transmission expense to be amortized	\$ 6,647,679	\$ (147,615)	\$ 6,500,064

* All future accruals of transmission storm damage reserves will be subtracted from rate base until they are applied to offset the December 2007 ice storm damage expenses.

CERTIFICATE OF SERVICE

I, Curtis M. Irby, KPP General Counsel, hereby certify that on this 14th day of May, 2012, I caused a true and correct copy of the Responsive Testimony of Larry W. Holloway, to be served electronically upon to the parties of this docket and that I additionally filed in person at the KCC docket room the original and 7 copies of said testimony.

A handwritten signature in black ink, appearing to read "Curtis M. Irby", is written over a horizontal line. The signature is somewhat stylized and overlaps the line.

Curtis M. Irby, SC #7274
KPP General Counsel