

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF KANSAS

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by
State Corporation Commission
of Kansas

IN THE MATTER OF THE JOINT]
APPLICATION OF WESTAR ENERGY, INC.]
AND KANSAS GAS AND ELECTRIC]
COMPANY FOR APPROVAL TO MAKE]
CERTAIN CHANGES IN THEIR CHARGES]
FOR ELECTRIC SERVICE]

KCC Docket No. 12-WSEE-112-RTS

TESTIMONY IN OPPOSITION TO SETTLEMENT

ANDREA C. CRANE

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

February 8, 2012

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

2 A. My name is Andrea C. Crane and my business address is 90 Grove Street, Suite 211,
3 Ridgefield, Connecticut 06877. (Mailing Address: PO Box 810, Georgetown, Connecticut
4 06829)

5
6 **Q. Did you previously file testimony in this proceeding?**

7 A. Yes, on January 5, 2012, I filed Direct Testimony on behalf of the Citizens' Utility Ratepayer
8 Board. My Direct Testimony was filed in response to the August 25, 2011 Application of
9 Westar Energy, Inc. and Kansas Gas and Electric Company (collectively "Westar" or
10 "Company") seeking a rate increase of \$90.8 million. In my Direct Testimony, I
11 recommended that the Kansas Corporation Commission ("KCC" or "Commission") approve
12 a rate increase for the Company of \$44,858,841. CURB's recommendation reflected the
13 inclusion in rate base of \$275.5 million of plant-in-service and of \$145.4 million in
14 construction work in progress ("CWIP") that was previously approved for recovery through
15 the Environmental Cost Recovery Rider ("ECRR"), while the Company's claim for a rate
16 increase of \$90.8 million assumed that these costs would continue to be recovered through
17 the ECRR. For purposes of comparison, if I had not included these environmental costs in
18 base rates, then my recommended rate increase would have been a rate decrease of \$5.36
19 million.

20 In addition to my revenue recommendation, I also recommended that the KCC

1 approve a return on equity of 8.85% and include short-term debt in the Company's capital
2 structure. Finally, I recommended that the KCC reject the tracking mechanism that Westar
3 proposed as an option for funding vegetative management costs.
4

5 **Q. Since your Direct Testimony was filed, have the parties engaged in settlement**
6 **discussions?**

7 A. Yes, the parties to this case have engaged in subsequent settlement discussions. As a result,
8 certain parties have entered into a Stipulation and Agreement ("S&A") to resolve the issues
9 in this case. CURB is not a party to the S&A and is opposed to the S&A, for the reasons
10 specified in this testimony.
11

12 **Q. Can you please summarize the terms of the S&A?**

13 A. The S&A provides for an increase in Westar's rates of \$50 million. The S&A does not
14 require Westar to roll into base rates environmental expenditures currently being recovered
15 through the ECRR. The S&A includes the depreciation rates proposed by Staff in its Direct
16 Testimony. The S&A reflects vegetative management costs of \$34.68 million, including
17 costs associated with Westar's ReliabiliTree® program and includes a provision whereby
18 Westar and Staff will work together to develop metrics that can be used to measure the
19 success of the ReliabiliTree® program. The S&A does not include a tracker for vegetative
20 management costs. Pursuant to the rates contained in the S&A, 82% of the proposed
21 increase would be allocated to residential and small commercial customers.

1

2 **Q. What are your primary concerns regarding the S&A?**

3 A. I have several concerns. First, the \$50 million revenue increase proposed in the S&A is
4 excessive. This proposed increase is based on high returns to shareholders and generous
5 incentive compensation packages for executives, both to be paid for by Kansas ratepayers
6 who can ill afford such increases at this time. Second, the excessive returns to shareholders
7 embedded in the S&A will also impact ECRR charges, requiring ratepayers to provide
8 shareholders with a 10% return on costs that are guaranteed for recovery. The 10% will also
9 impact the revenue requirement associated with environmental projects at the LaCygne
10 Energy Center. These costs will be subject to an abbreviated rate case filing that will utilize
11 the return on equity established in this case. Third, by changing the provisions of the ECRR
12 that required environmental costs to be rolled into base rates with each base rate case, the
13 S&A in this case will exacerbate this inequity by guaranteeing a 10% return on equity for
14 environmental costs that would otherwise be moved in to base rates. By permitting the
15 Company to continue to recover these costs through the ECRR, the parties have shifted the
16 risk of recovery from shareholders to ratepayers. Thus, the provisions of the S&A are
17 generous to shareholders and executives, but woefully inadequate for ratepayers. The KCC
18 needs to closely examine the three basic components of the S&A: the revenue increase, the
19 return on equity, and the provision relating to environmental costs, as more fully discussed
20 below.

21

1 **Q. Why do you believe that the revenue increase proposed in the S&A is excessive?**

2 A. While the S&A does not specify exactly how the \$50 million revenue increase was
3 developed, there is enough information contained therein to demonstrate that the revenue
4 award is excessive. Starting with the Company's claim of \$90.8 million, the issues specified
5 in the S&A would suggest that a revenue increase of no more than \$43.0 million would be
6 appropriate:

Company Claim (Millions)	\$90.8
ROE @ 10%	(\$16.3)
Depreciation	(\$13.2)
Pension Deferral	(\$4.7)
RSU	(\$4.2)
Vegetative Management	(\$9.1)
SCR Catalyst	(\$0.3)
Total Increase	\$43.0

7
8 Moreover, this analysis does not include the impact of the other adjustments accepted
9 by Mr. Rohlfs in his Rebuttal Testimony, such as payroll expense, bad debt expense, and
10 various transmission allocation adjustments. Therefore, on its face, the revenue increase
11 proposed in the S&A appears unreasonable and excessive.

12
13 **Q. What does the S&A explicitly state regarding the adjustments to executive incentive**

1 **compensation?**

2 A. The S&A does not specify how the issue of executive incentive compensation was treated in
3 determining the \$50 million revenue increase. However, Mr. Ruelle, in his Testimony in
4 Support of the Stipulation, indicates that “The S&A amount also reflects a level of variable
5 executive compensation consistent with Staff’s testimony in this case.” I am assuming that
6 Mr. Ruelle is referring to Staff’s adjustment relating to Restricted Share Units (“RSU”).
7 Staff eliminated 50% of the RSU costs. In contrast, CURB recommended elimination of
8 100% of these costs. Staff’s adjustment was based on the fact that half of the RSU’s vest
9 after three years regardless of Westar performance and half vest based on the Company’s
10 financial performance. As stated by Mr. Grady in his Direct Testimony at page 17, “Staff
11 sees little if any benefit to ratepayers associated with the performance-based restricted stock
12 payments that occur based on Westar’s stock appreciation over a relatively short period of
13 time (three-years).” Mr. Grady went on to state that “Basing a substantial incentive payout
14 on a strict financial measure over a short period of time can lead to myopic focus on the
15 financial aspects of the utility, without regard for the customer service, safety, or reliability
16 aspects of the business.”

17 While I agree with Mr. Grady’s observations, his adjustment does not go far enough.
18 By permitting recovery of 50% of the RSU costs, Mr. Grady confused the vesting provision
19 of the RSUs with the award criteria. In fact, there is no evidence that the award criteria, i.e.,
20 the actual determination of the initial underlying stock grants, is based on any attribute that
21 would benefit ratepayers. Company witness Jerl Banning also confused the award provisions

1 with the vesting provisions when stating at page 13 of his Rebuttal Testimony that “even if
2 one were to accept Ms. Crane’s rationale for disallowing the long-term incentive plan costs,
3 it would not apply to time-based RSU grants.” Thus, both Staff and the Company take the
4 position that none of the costs of the time-based grants should be funded by shareholders.
5 Even if there was evidence that the award criteria for the time-based grants benefited
6 ratepayers, and there is no such evidence, then one could conclude that, at most, the costs of
7 the time-based grants should be split between ratepayers and shareholders. Allocating 50%
8 of the time-based grants to shareholders, along with 100% of the grants based on stock
9 performance, would result in an allocation of 75% to shareholders and only 25% to
10 ratepayers. However, in this case, there is no evidence than any of the award criteria benefits
11 ratepayers. Accordingly none of the RSU costs should be included in the Company’s
12 revenue requirement.

13 The \$50 million revenue increase also presumably does not include any adjustment to
14 the Company’s Supplemental Executive Retirement Plan (“SERP”) costs. As noted in my
15 Direct Testimony, SERP plans are non-qualified retirement plans for officers and other key
16 executives that provide benefits that these individuals would have received under the
17 company’s other retirement plans, except for compensation and benefit limitations imposed
18 by the Internal Revenue Service (“IRS”). The IRS limits the amount of compensation that
19 can be considered when determining pension benefits pursuant to qualified pension plans, the
20 costs of which are tax deductible. If an executive makes more than these limits, then pension
21 benefits based on the excess are not generally tax deductible. The KCC should bear in mind

1 these benefits are over and above those that are available through the normal retirement
2 programs provided by the Company. CURB did not make any adjustment to normal pension
3 costs or to costs for other post-employment benefits (“OPEBs”). Thus, all costs for
4 executive pensions, including the costs relating to benefits earned by executives up to the
5 salary limits imposed by the IRS, are included in CURB’s revenue requirement
6 recommendation.

7 The majority of the Company’s claim for SERP costs relates to costs for a plan that
8 was terminated in 2001 but which continues to provide benefits to 37 former employees and
9 2 current employees. CURB has no problem with the Company offering SERP benefits, but
10 these benefits should be paid for by shareholders, particularly in these tough economic times
11 and given the fact that ratepayers are also paying for normal retirement benefits for Westar
12 executives.

13 Finally, the revenue increase of \$50 million does not explicitly include any
14 adjustment to Westar’s other incentive compensation program that provides short-term
15 incentive compensation awards to non-union personnel. Westar claims that this program is
16 comparable to those offered by other companies in the industry. Moreover, Westar claims
17 that it is not unusual for such program awards to be based upon shareholder return
18 benchmarks that compare shareholder returns to returns earned by shareholders of other
19 utilities. However, the KCC has already recognized the danger of using peer group statistics
20 to support incentive compensation plans, finding that “...the Commission notes that relying
21 upon the median of peer group statistics for a benchmark to determine appropriate incentive

1 compensation amounts can result in a continuing upward spiral as each company seeks to
2 increase their position among peers.”¹ Requiring ratepayers to pay for these short-term
3 incentive awards is especially troubling given the fact that Westar’s non-union employees
4 have enjoyed 8 increases totaling 27.81% since 2006, as noted in my Direct Testimony.
5 CURB did not make any adjustment in its revenue requirement recommendation relating to
6 Westar salary increases, in spite of the fact that these increases are significantly higher than
7 many others in either the private sector or in the public sector have enjoyed over this period.
8 However, CURB does not believe that it is reasonable to require ratepayers to pay short-term
9 incentive compensation costs of \$9.7 million in addition to these payroll increases, especially
10 when one considers the fact that 50% of the short-term incentive awards depend entirely on
11 benchmarking Westar’s total shareholder return (“TSR”) to the TSR of other companies in a
12 peer group.

13
14 **Q. What does the S&A state with regard to the return on equity?**

15 **A.** The S&A has the following language at paragraph 18:

16 While the parties acknowledge that no stated return on equity is included in the
17 settlement, until its next general rate proceeding, Westar is authorized to calculate its
18 rate of return for regulatory accounting purposes, including the accrual of AFUDC,
19 using the updated capital structure and cost of debt provided in Adam Gatewood’s
20 prefiled testimony and accepted by the parties and an assumed return on equity of
21 10.0% and a resulting overall rate of return of 8.4049%. The Parties agree to the use
22 of the indicated return on equity for settlement purposes only and do not view such
23 return on equity as precedential.
24

1 Docket No. 10-KCPE-415-RTS, November 22, 2010, page 46.

1
2 **Q. Will the 10% return on equity have a significant impact on rates in Kansas?**

3 A. Yes, it will. While the S&A states that there is “no stated return on equity... included in the
4 settlement”, the 10% return on equity has far-reaching consequences. While one can draw
5 their own conclusion about whether the 10% return on equity is the foundation for the \$50
6 million revenue increase, the 10% return on equity will be used to accrue an allowance for
7 funds used during construction (“AFUDC”), for purposes of the ECRR, and for the
8 abbreviated rate case relating to the LaCygne environmental investment. Thus, even if one
9 accepts that there is no stated return on equity implicit in the \$50 million revenue increase,
10 the impact of the 10% return on equity will be monumental.

11 All AFUDC accrued until the Company’s next base rate will be based on a return on
12 equity of 10%. Given the Company’s capital programs, this impact will be significant.
13 Moreover, the ECRR, which currently reflects a rate base of \$392.5 million, will be
14 determined based on a 10% return to shareholders. Moreover, this return on equity will
15 apply not only to incremental ECRR, but also to past expenditures that should be rolled into
16 base rates pursuant to the Order in KCC 05-WSEE-981-RTS. In addition, the 10% return on
17 equity will be used for the Company’s future abbreviated rate case addressing plant additions
18 at LaCygne. Thus, the stated 10% return on equity will have an impact on ratepayers that
19 reaches far beyond just the \$50 million revenue increase proposed in the S&A.

20
21 **Q. Please comment on the discussion in Mr. Ruelle’s Testimony in Support of the S&A**

1 **that the 10% return is required in order to continue to attract capital.**

2 A. Mr. Ruelle is ignoring the economic realities of today's capital markets. Westar has not had
3 any difficulty in attracting capital and it is unlikely to have difficulty if its return on equity is
4 reduced to below 10%. The Federal Reserve Board recently announced that it intends to
5 keep interest rates near zero over the next three years, due to anticipated high unemployment
6 over that period. The federal funds rate is currently 0.11% and the rate for 30-year Treasury
7 bonds is only 3.13%. Average CD yields range from 0.50% to 1.00%. Clearly, in this
8 interest rate environment, a return on equity of 10.0% is excessive, especially when one
9 considers the fact that shareholders will be guaranteed to earn this return on a portion of their
10 investment.

11 In addition, Westar's stock has done very well over the past few years, increasing by
12 41% since January 2006. Moreover, since that time, shareholders have had annual dividend
13 increases of 32%, from an annualized dividend of \$1.00 in January 2006 to \$1.32 currently.
14 Westar's stock is currently selling at a premium of almost 30% to its book value, suggesting
15 that the current return is higher than investors' required return. All of this indicates that
16 Westar is still attractive to investors. Given continued volatility in the economic
17 environment, utilities continue to be a relatively desirable investment.

18 In my Direct Testimony, I recommended a return on equity for Westar of 8.85%,
19 based on the discounted cash flow model and the capital asset pricing model, with a
20 weighting of 75% DCF /25% CAPM. In his Rebuttal Testimony, Mr. Ruelle criticized my
21 inclusion of the CAPM result. But even if the CAPM result is disregarded, the 10.0% return

1 on equity contained in the S&A still appears excessive. In his Rebuttal Testimony at page
2 16, Mr. Ruelle provided a comparison of the parties' return on equity recommendations
3 based on the DCF methodology, i.e., Mr. Ruelle eliminated my CAPM result and Mr.
4 Gatewood's Internal Rate of Return ("IRR") result. The resulting return on equity
5 recommendations for Staff, CURB, and USD 259 were within 7 basis points of one another,
6 ranging from 9.65% to 9.73%. The fact that three independently-developed results were
7 within 7 basis points strongly suggests that a return on equity below 10% is warranted in this
8 case.

9
10 **Q. Please comment on Mr. Ruelle's statement that over the past year there have been very**
11 **few commission awards below 10% on equity.**

12 **A.** It is my understanding that the data used by Mr. Ruelle includes cases that were settled. It is
13 not unusual for parties to a settlement to state an explicit return on equity that is higher than
14 what a rationale regulatory commission might allow. Utilities will often settle for a lower
15 revenue increase if they can identify a relatively high cost of equity award in the settlement
16 agreement. Utilities prefer a higher stated return on equity, which they can use to
17 demonstrate to the investment community that they are operating in a favorable regulatory
18 environment, while ratepayer representatives are generally more focused on the overall
19 revenue increase and are less concerned with the stated return on equity. However, in this
20 case, CURB is concerned with both, since the stated return on equity will not only impact the
21 rate increase resulting from this case, it will also impact the AFUDC accrual, the ECRR, and

1 the rates resulting from the abbreviated rate case.

2
3 **Q. Is the return included in the S&A also inflated by use of an artificial capital structure?**

4 **A.** Yes, it is. In addition to utilizing an excessive return on equity, the S&A also reflects a
5 capital structure that excludes short-term debt. As noted by Mr. Somma in his Rebuttal
6 Testimony, the KCC has not traditionally included short-term debt in a utility's capital
7 structure. Historically, short-term debt was not included because it was used to finance
8 projects during their construction period. Since these projects were not included in rates
9 until they were completed and providing service to customers, then regulatory commissions
10 excluded the capital supporting this construction. However, as a result of legislation in
11 Kansas, a significant amount of construction work in progress ("CWIP") is now included in
12 rates, both in base rates and in surcharge mechanisms such as the ECRR. As acknowledged
13 by Mr. Somma at pages 4-6 of his Rebuttal Testimony, short-term debt is used to finance this
14 construction, as well as to finance other working capital items that are also included in rate
15 base. If ratepayers are expected to provide a return on these working capital items as well as
16 on CWIP, then ratepayers should get the benefit of the lower cost short-term debt actually
17 used to finance this investment.

18
19 **Q. Turning to the third issue, why should the KCC be especially concerned about the**
20 **provision whereby certain environmental costs will continue to be recovered through**
21 **the ECRR rather than being rolled into base rates?**

1 A. The KCC should be concerned about this provision because it represents a fundamental
2 change to the way in which certain costs are recovered and it shifts the risk of recovery from
3 shareholders to ratepayers.

4 As discussed in my Direct Testimony, the KCC permitted Westar to establish an
5 ECRR in Docket No. 05-WSEE-981-RTS. One of the fundamental provisions of that Order
6 was that costs would be rolled into base rates when the Company filed a base rate case and
7 the ECRR would be reset to zero. Since that case, CURB has consistently supported this
8 provision of the tariff, only agreeing to Westar rate case settlements where the ECRR costs
9 were rolled into base rates. The proposed S&A would result in a fundamental change to that
10 provision, permitting the Company to continue to recover costs through the ECRR without
11 the requirement that such costs be rolled into base rates.

12 In addition, recovering costs through an ECRR instead of through base rates could
13 result in higher rates to ratepayers. The Company has stated that the ECRR will lower costs
14 to ratepayers, since it results in less AFUDC being accrued. However, the Company's
15 argument ignores the fact that the ECRR provides for immediate recovery from ratepayers,
16 rather than a stepped recovery that would occur if the Company collected these costs through
17 base rates. Whether ratepayers are ultimately better off from a financial perspective in
18 paying costs through base rates or through an ECRR depends on many factors, including the
19 frequency of base rate case filings.

20 However, regardless of the net financial impact at any given time to ratepayers,
21 recovering costs through the ECRR results in a significant transfer of risk. When costs are

1 included in base rates, the Company is at risk for recovery. The Company is given the
2 opportunity, but not a guarantee, to earn its authorized rate of return. If the Company over-
3 earns, then investors benefit. If the Company under-earns, then the Company has the
4 opportunity to file for new rates. Either way, ratepayers have rate surety in that they know
5 that rates will not be changed until the next base rate case. With the ECRR, the Company is
6 guaranteed to recover these costs, dollar-for-dollar, from ratepayers, along with all of the
7 associated carrying costs and depreciation expense. This transfer of risk provides a
8 significant benefit to shareholders to the detriment of ratepayers.

9
10 **Q. Are you familiar with the standards used by the KCC to evaluate a settlement that is**
11 **proposed to the Commission?**

12 **A.** Yes, I am. The KCC has adopted five guidelines for use in evaluating settlement agreements.
13 These include: (1) Has each party had an opportunity to be heard on its reasons for opposing
14 the settlement? (2) Is the agreement supported by substantial evidence in the record as a
15 whole? (3) Does the agreement conform to applicable law? (4) Will the agreement result in
16 just and reasonable rates? (5) Are the results of the agreement in the public interest, including
17 the interests of customers represented by any party not consenting to the agreement? Since I
18 am not an attorney, I will not address item 3, i.e., does the agreement conform to applicable
19 law? However, I will discuss the remaining four guidelines.

20
21 **Q. Has each party had an opportunity to be heard on its reasons for opposing the**

1 **settlement?**

2 A. While I only received a copy of the S&A on February 6, 2012, one week prior to the start of
3 hearings in this case, I do have the opportunity to file this testimony in opposition and to
4 appear at the hearings before the KCC to address CURB's opposition. Therefore, I believe
5 that each party does have an opportunity to be heard on its reasons for opposing the
6 settlement. It should be noted that the other interveners in this case have signed on to the
7 settlement agreement. However, since their customers will only be allocated 18% of any rate
8 increase, the other interveners are presumably less concerned about the overall revenue
9 increase than is CURB. Whether their customers receive a bigger share of a smaller increase,
10 or a smaller share of a bigger increase, the net impact to the other interveners is the same.

11
12 **Q. Is the agreement supported by substantial evidence in the record as a whole?**

13 A. No, it is not. The revenue increase of \$50 million appears excessive given the resolution of
14 certain issues as identified in the S&A. In addition, the revenue increase contained in the
15 S&A is not based on the independently-developed returns on equity proposed by Staff,
16 CURB, and USD 259. As stated earlier, even if one only considers the DCF methodology,
17 the evidence in this case suggests that a return on equity of no greater than 9.73% would be
18 appropriate. Moreover, the S&A ignores the fact that short-term debt is being used to
19 finance cash working capital and CWIP, both of which are included in the Company's
20 regulated rate base. The revenue increase contained in the S&A also ignores the substantial
21 record evidence that the company's claims relating to both long-term and short-term

1 incentive compensation do not provide adequate benefits to ratepayers to warrant recovery in
2 regulated rates. In addition, permitting the Company to continue to collect certain costs
3 through the ECRR instead of rolling these costs into base rates represents a fundamental shift
4 in risk from ratepayers to shareholder without any commensurate benefit for Kansas
5 customers.

6
7 **Q. Will the agreement result in just and reasonable rates?**

8 A. No, it will not. Since the underlying increase of \$50 million is excessive, the resulting rates
9 will not be just or reasonable. Since residential and small commercial customers will bear
10 82% of this increase, these customer classes will be the most severely impacted if the S&A is
11 approved.

12 In addition, the excessive return on equity of 10% will not only impact the base rate
13 increase resulting from this case, it will also impact the return utilized for the accrual of
14 AFUDC, for the return on investment charged through the ECRR, and for the return on
15 investment used in the future abbreviated LaCygne case. The S&A does not provide
16 ratepayers with any benefit relating to the use of short-term debt, and instead requires
17 ratepayers to pay returns that ignore this lower cost financing. Finally, the S&A requires
18 ratepayers to now bear the risk of recovery for environmental costs that previously would
19 have been transferred to base rates.

20
21 **Q. Are the results of the agreement in the public interest, including the interests of**

1 **customers represented by any party not consenting to the agreement?**

2 A. No, the results of this agreement are not in the public interest, especially for residential and
3 small commercial customers that will be paying for the vast majority of the increase. It is not
4 in the public interest 1) to ask customers to reward shareholders with a 10% return on equity,
5 2) to allow shareholders to retain all of the benefits of lower-cost short-term debt financing,
6 3) to require ratepayers to reward executives with additional compensation based on
7 shareholder returns, 4) to lock ratepayers into a 10% return on equity for purposes of
8 accruing AFUDC, as well as for purposes of establishing ECRR rates and rates in the
9 upcoming abbreviated rate case, and 5) to shift the risk of recovery of hundreds of millions of
10 dollars of investment by guaranteeing shareholders a dollar-for-dollar return from ratepayers.

11
12 **Q. What do you recommend?**

13 A. I recommend that the KCC find that the S&A is not based on sufficient evidence, will not
14 result in just and reasonable rates, and is not in the public interest. Accordingly, I
15 recommend that the KCC reject the S&A.

16
17 **Q. Does this conclude your testimony?**

18 A. Yes, it does.

VERIFICATION

STATE OF CONNECTICUT)

COUNTY OF FAIRFIELD) ss:

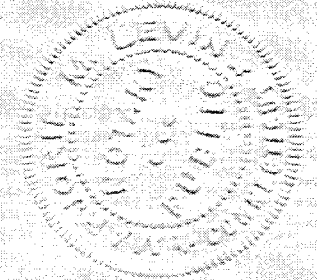
Andrea C. Crane, being duly sworn upon her oath, deposes and states that she is a consultant for the Citizens' Utility Ratepayer Board, that she has read and is familiar with the foregoing testimony, and that the statements made herein are true to the best of her knowledge, information and belief

Andrea C. Crane
Andrea C. Crane

Subscribed and sworn before me this 8TH day of FEBRUARY, 2012.

Notary Public Maizrie M. Berlin

My Commission Expires: DECEMBER 31, 2013



CERTIFICATE OF SERVICE

12-WSEE-112-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was placed in the United States mail, postage prepaid, electronic service, or hand-delivered this 8th day of February, 2012, to the following:

KEVIN K. LACHANCE
OFFICE OF STAFF JUDGE ADVOCATE
HQ, 1ST INFANTRY DIVISION & FORT RILEY
BUILDING 200, PATTON HALL
FORT RILEY, KS 66442-5017

MICHAEL E. AMASH, ATTORNEY
BLAKE & UHLIG PA
SUITE 475 NEW BROTHERHOOD BLDG
753 STATE AVE.
KANSAS CITY, KS 66101

KURT J. BOEHM, ATTORNEY
BOEHM, KURTZ & LOWRY
36 EAST SEVENTH STREET, SUITE 1510
CINCINNATI, OH 45202

JODY M. KYLER, ATTORNEY
BOEHM, KURTZ & LOWRY
36 EAST SEVENTH STREET, SUITE 1510
CINCINNATI, OH 45202

KEVIN HIGGINS
ENERGY STRATEGIES, LLC
PARKSIDE TOWERS
STE 200 215 S STATE ST
SALT LAKE CITY, UT 84111

PAUL LIRA, BUSINESS MANAGER
IBEW LOCAL UNION NO. 304
3906 NW 16TH STREET
TOPEKA, KS 66615

JOHN R. WINE
JOHN R. WINE, JR.
410 NE 43RD
TOPEKA, KS 66617

CERTIFICATE OF SERVICE

12-WSEE-112-RTS

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

ROBERT A. FOX, SENIOR LITIGATION 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

DOROTHY J. MYRICK
MYRICK CONSULTING SERVICES
5016 SE 29TH ST
TECUMSEH, KS 66542-9755

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

MICHAEL D. FELIX
SPIRIT AEROSYSTEMS, INC.
PO BOX 780008, K06-10
WICHITA, KS 67278-0008

TIMOTHY E. MCKEE, ATTORNEY
TRIPLETT, WOOLF & GARRETSON, LLC
2959 N ROCK ROAD, SUITE 300
WICHITA, KS 67226

CERTIFICATE OF SERVICE

12-WSEE-112-RTS

SAMUEL D. RITCHIE, ATTORNEY
TRIPLETT, WOOLF & GARRETSON, LLC
2959 N ROCK ROAD, SUITE 300
WICHITA, KS 67226


ROBERT A. GANTON, ATTORNEY - REGULATORY LAW
UNITED STATES DEPARTMENT OF DEFENSE
US ARMY LEGAL SERVICES AGENCY
9275 GUNSTON ROAD, ATTN JALS-RL/IP
FORT BELVOIR, VA 22060-5546

MARTIN J. BREGMAN, EXEC DIR, LAW
WESTAR ENERGY, INC.
818 S KANSAS AVENUE
PO BOX 889
TOPEKA, KS 66601-0889

CATHRYN J. DINGES, CORPORATE COUNSEL
WESTAR ENERGY, INC.
818 S KANSAS AVENUE
PO BOX 889
TOPEKA, KS 66601-0889

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 SOUTH HICKORY
PO BOX 17
OTTAWA, KS 66067

DAVID L. WOODSMALL
WOODSMALL LAW OFFICE
807 WINSTON CT
JEFFERSON CITY, MO 65101-2869


Della Smith
Administrative Specialist