**WESTAR ENERGY, INC.**

**TRANSMISSION FORMULA RATE**

**2013 TRUE-UP UPDATE**

**KEPCo 1st Data Request**

**JULY 16, 2013**

1. **Information Request**
	1. Please provide a copy of all data requests submitted by all parties on the Annual Update filings, along with answers to those data requests. Please provide this information on a continuing basis.

There have been no other data requests to date related to the 2013 Westar Transmission Formula Rate True-Up posted on June 15, 2013. All data requests and responses will be posted on the Westar Oasis site.

1. **Actual Gross Revenue Requirements**
	1. In review of the total A&G O&M shown on Actual Gross Rev, p. 2, l. 3, and the respective FERC Form 1s for Westar Energy, Inc. (WEN) and Kansas Gas & Electric Company (WES), p. 323, l. 192, for Miscellaneous General Expenses [Account 930.2] and the corresponding detail for “Energy Efficiency Program” expenses shown on p. 335, l. 6 which are increasing and have been approved to be recovered 100% through “retail rates” by the KCC for both WEN and WES, please provide the following:
		1. Westar’s basis for utilizing FERC Account 930.2 for the recordation of the Energy Efficiency Program costs for WEN and WES, in lieu of FERC Accounts 906, 908 and/or 909 where energy efficiency costs are more appropriately recorded. Did Westar receive any guidance from FERC to use 930.2?

The Energy Efficiency Rider is comprised of costs from several different programs including the Energy-Efficiency Educational Program, Building Operator Certification Program, WattSaver Air Conditioner Cycling Program, and the Energy Efficiency Demand-Response Program. The costs of these programs are accumulated and deferred in one regulatory asset account and are amortized to expense in account 930.2 over the period prescribed in Docket No. 11-WSEE-032-TAR. Given the characteristics of these costs in total and the criteria described in the Code of Federal Regulations for the referenced accounts, Westar began amortizing these costs to FERC account 930.2.

 Westar has not received any guidance from FERC regarding the appropriate account to use for the Energy Efficiency Rider.

* + 1. When did Westar begin recording the Energy Efficiency Program costs for WEN and WES in FERC Account 930.2?

Westar began recording Energy Efficiency Program costs for WEN and WES in FERC Account 930.2 in November 2010 commensurate with period prescribed in Docket No. 11-WSEE-032-TAR.

* + 1. A detailed explanation with supporting documentation for not excluding the Energy Efficiency Program costs for WEN from the TFR, specifically in reference to the Energy Efficiency discussion reflected on the 2012 FF1, p. 123.6, where the KCC has issued an order to recover those costs through an increase in retail revenues. Westar is currently recovering 4.466% or approximately $138,000 of the WEN Energy Efficiency Program costs through the TFR. Therefore, the TFR “Customers” in total are over-paying $138,000 in their rates related to WEN Energy Efficiency Program costs and retail customers are being subsidized by receiving a credit of the $138,000 as a component of the total revenue recovered from the template and credited to retail rates.

As indicated in 2.1.a, Westar’s amortization of its Energy Efficiency Program costs to FERC account 930.2 is consistent with the FERC Uniform System of Accounts. Upon review, Westar has determined that the costs associated with the Building Operator Certification Program and Energy Efficiency Educational Programs could also be amortized to FERC accounts 909 and 906. Beginning on January 1, 2013, Westar will amortize the expenses associated with these two energy efficiency programs to FERC account 909 and 906. Based on the requirements of FERC Uniform System of Accounts, the costs associated with the other energy efficiency programs should continue to be amortized to FERC account 930.2 and Westar will continue with that practice in the future. The Commission approved inclusion of FERC account 930.2 in the TFR formula and Westar is properly placing these costs in that account.

* + 1. A detailed explanation with supporting documentation for not excluding the Energy Efficiency Program costs for WES from the TFR, specifically in reference to the Energy Efficiency discussion reflected on the 2012 FF1, p. 123.7, where the KCC has issued an order to recover those costs through an increase in retail revenues. Westar is currently recovering 4.466% or approximately $138,000 of the WES Energy Efficiency Program costs through the TFR. Therefore, the TFR “Customers” in total are over-paying $138,000 in their rates related to WES Energy Efficiency Program costs and retail customers are being subsidized by receiving a credit of the $138,000 as a component of the total revenue recovered from the template and credited to retail rates.

See response in 2.1.c.

* 1. In review of Worksheet A-10 – Wages and Salaries, the amounts for Wolf Creek Form 1 354.18.b on line 1, column (c) appear to be identical to the 2011 amounts. Please provide supporting documentation that the Wolf Creek W&S amounts are truly the 2012 amounts.

The Wolf Creek Form 1 page 354 was incorrectly filed with the 2011 data. This will be corrected in the 2014 Westar ATRR that will be filed October 15, 2013. (See the attached updated Form 1)

1. **Worksheet A-9 – Actual Base Plan Funded Plant**
	1. In review of the Base Plan Funded Plant projects, Project “Line: Tap Str Crk-Craig 345kV line into New 87th Street Sub” PID. 1022 (UID.11344) P.110901, please provide a detailed explanation for the change in the 2011 amount of $0 shown from the 2011 amount of $4,103,214 which was reflected in the prior year’s TFR True-Up Update and the change in the related Accumulated Depreciation amounts, including supporting documentation.

The three projects listed below have the same Westar Project ID of 110901. The amount of $4,103,214 was related to a work request that is associated with project “Sub/XFR: Build new 87th St. Sub and install 345/115/12 kv” PID.1022 (UID. 11346) P.110901. The $4,103,214 was incorrectly applied to the project “Line: Tap Str Crk-Craig 345kV line into New 87th Street Sub” PID. 1022 (UID.11344) P.110901. This was corrected in the June filing.

* 1022.11344- P.110901- “Line: Tap Str Crk-Craig 345kV line into New 87th Street Sub”
* 1022.11345- P.110901- “Line: Tap 95th & Waverly - Monticello 115 kV line into New 87th St Sub”
* 1022.11346- P.110901- “Sub/XFR: Build new 87th St. Sub and install 345/115/12 kv”
1. **Worksheet BPF – Base Plan Funded (BPF) Summary**
	1. In review of the Worksheet BPF – Base Plan Funded (BPF), please address the following:

The Base Plan Funded (BPF) Summary tab is not completed until the October 15th filing. The only item that was updated for the June 15, 2013 filing was page 2 lines 52-113.

* + 1. Page 1, Line 24 reflects “#DIV/0!”;
		2. Pages 2, 3 and 4, Columns “p” and “q” for all items reflect “#DIV/0!”;
		3. Page 3, items P.021105 and P.029160 reflect “#DIV/0!” in multiple columns;
		4. Page 3, Lines T2 and T3 reflect “#DIV/0!” in multiple columns;
		5. Verify that Worksheet BPF Pages 2 and 3 are properly functioning; and
		6. Verify Worksheet P4 – Projected Transmission Plant Related to Base Plan Funded Projects is properly functioning.