

Worksheet TU - True-up Adjustment and Timeline

Timeline

| Step | Month | Year | Action |
|------|-------|--------|---|
| 1 | Oct | Year 0 | Westar populates the formula rate using projected costs for Year 1 |
| 2 | Oct | Year 0 | Post results of Step 1 |
| 3 | Jan | Year 1 | Results of Step 2 go into effect. |
| 4 | Oct | Year 1 | Westar populates the formula rate using projected costs for Year 2 |
| 5 | Oct | Year 1 | Post results of Step 4 |
| 6 | Jan | Year 2 | Results of Step 5 go into effect. |
| 7 | Jun | Year 2 | Westar populates the formula rate using actual costs for Year 1 |
| 8 | Jun | Year 2 | Calculate the difference between the formula rate calculated in Step 7 and Step 1 |
| 9 | Jun | Year 2 | Post results from Step 7 and Step 8 |
| 10 | Oct | Year 2 | Westar populates the formula rate using projected costs for Year 3, including true-up adjustment for Year 1 |
| 11 | Oct | Year 2 | Post results of Step 10 |

October 2015 posting
(projecting 2016 rates)
from the revised posting
on May 2, 2016

Reconciliation details

| | | | |
|---|-----|--------|---|
| 1 | Oct | Year 0 | Westar populates the formula rate using projected costs for Year 1 \$ 234,569,275 Rev Req based on Year 1 data |
| 2 | Oct | Year 0 | Post results of Step 1 |
| 3 | Jan | Year 1 | Results of Step 2 go into effect. |
| 4 | Oct | Year 1 | Westar populates the formula rate using projected costs for Year 2 \$ - |
| 5 | Oct | Year 1 | Post results of Step 4 |
| 6 | Jan | Year 2 | Results of Step 5 go into effect. |
| 7 | Jun | Year 2 | Westar populates the formula rate using actual costs for Year 1 |
| 8 | Jun | Year 2 | Calculate the difference between the formula rate calculated in Step 7 and Step 1 |

| | Zonal Rev. Req. (1) | BPF Rev. Req. (2) | EPP Rev. Req. (3) | Total Rev. Req. (4) | |
|-------|---|----------------------|----------------------|------------------------|-----------------|
| 8a | Actual Revenue Requirements from Step 7 | \$ 156,768,061 | \$ 53,928,304 | \$ - | \$ 210,696,365 |
| 8b | Projected Revenue Requirements from Step 1 (Note E) | 158,154,003 | 69,990,704 | - | 228,144,707 |
| 8b(f) | Prior Period Adjustment (Note G) | (1,364,428) | (1,884,000) | - | (3,248,428) |
| 8c | True-up Amount (before interest) | \$ (2,750,370) | \$ (17,946,400) | \$ - | \$ (20,696,771) |

| | | | |
|----|-----|--------|---|
| 9 | Jun | Year 2 | Post results from Step 7 and Step 8 |
| 10 | Oct | Year 2 | Westar populates the formula rate using projected costs for Year 3, including true-up adjustment for Year 1 |

Interest Calculation

| | Short term Interest Rate | Avg. Ann Short Term Int |
|----|--|-------------------------|
| 11 | Other Interest Exp.(Acct. 431) | 6,225,073 |
| 12 | Notes Payable (Acct. 231) Sum of the Daily amounts (Note C) | 188,225,352,000 |
| 13 | No. of Days | 730 |
| 14 | Annual Short-term Int Rate (line 11 / line 12 * line 13 / 2) | 1.2071% |

| | FERC Qtr Int. Rate (A) | |
|----|--|---------|
| 15 | Qtr 4 (Form 1 Year) | 3.2500% |
| 16 | Qtr 1 (Previous Year) | 3.2500% |
| 17 | Qtr 2 (Previous Year) | 3.2500% |
| 18 | Qtr 3 (Previous Year) | 3.2500% |
| 19 | Qtr 4 (Previous Year) | 3.2500% |
| 20 | Qtr 1 (Current Year) | 3.2500% |
| 21 | Qtr 2 (Current Year) | 3.2500% |
| 22 | Qtr 3 (Current Year) | 3.2500% |
| 23 | Average of the last 4 quarters (Lines 15-18 / 4) | 3.2500% |
| 24 | Interest Rate Used for True-up adjustment (Note D) | 3.2500% |

Before the first step of removing the values in lines 25-27, column 1-3

| | Zonal True-up (1) | BPF True-up (2) | EPP True-up (3) | Total True-up (4) | |
|----|---|-----------------------|------------------------|----------------------|------------------------|
| 25 | True-Up Amount (line 8c) (Note F) | \$ (2,750,370) | \$ (17,946,400) | \$ - | \$ (20,696,770) |
| 26 | Interest on True-up Amount ((Average Interest Rate / 12 months * 24 months) | (178,774) | (1,166,516) | - | (1,345,290) |
| 27 | One time, first year adjustment (proj. year 2009) (Note B) | - | - | - | - |
| 28 | True-up Adjustment (Note G) | \$ (2,929,144) | \$ (19,112,916) | \$ - | \$ (22,042,060) |

- Note:
- A Interest rate divided in half for first year (2007 historic, 2009 projected) to account for only 1 year of interest rather than two.
 - B First year adjustment is to allow for any adjustments in the Revenue Requirement for the change from an historic to a projected test period.
 - C Sum of the daily short-term borrowings is supplied from the Finance Department.
 - D Use the lower of line 14 and line 23 if the True-up Amount (line 25) is greater than or equal to zero. Use line 23 if the True-up amount (line 25) is less than zero.
 - E Enter the Projected Revenue Requirement for the Actual period without a true-up adjustment.
 - F If the annual update is for a partial year, not 12 months, then the amount on line 25 shall be number of months in the partial year/12.
 - G Prior Period Adjustment, if any, is calculated to the same timing basis as balance of true up (i.e. before interest applied on line 26). Workpapers for the Prior Period Adjustment calculation will be included in supporting documentation.

Rate Formula Template
Utilizing FERC Form 1 Data
Projected Net Revenue Requirements
For the 12 months ended - December 31, 2016

WESTAR ENERGY, INC.
(WESTAR)

| Line No. | (1) | (2) | (3) | (4) | (5) Allocated Amount |
|--|---|--|--|---|-------------------------|
| REVENUE REQUIREMENTS | | | | | |
| 1 | GROSS REVENUE REQUIREMENT | | (Projected Gross Revenue, page 3, line 32) | | \$ 278,876,808 |
| REVENUE CREDITS | | | | | |
| | | | Total | Allocator | |
| 2 | Account No. 454 | (Wksht. P-2, line : | \$ 3,456,818 | WTP 1.00000 | \$ 3,456,818 |
| 3 | Account No. 456 | (Wksht. P-2, line : | 18,808,655 | WTP 1.00000 | 18,808,655 |
| 4 | Revenues from Grandfathered Interzonal Transactions | (Wksht. P-2, line : | - | WTP 1.00000 | - |
| 5 | Revenues from service provided by the ISO at a discount | (Wksht. P-2, line : | - | WTP 1.00000 | - |
| 6 | TOTAL REVENUE CREDITS | (sum lines 2-5) | | | \$ 22,265,473 |
| 7 | Total True-Up Amount (prior year amount) | (Wksht. TU, line 28) | | | \$ (22,042,060) |
| 8 | WESTAR REVENUE REQUIREMENT | (line 1 minus line | | | \$ 234,569,275 |
| 9 | SPP BASE PLAN FUNDED REVENUE REQUIREMENT | Collected under SPP Schedule 11 (Worksheet BPF, p. 3, line T9, Col. q) | | | \$ 53,055,095 |
| 9a | SPP ECONOMIC PORTFOLIO FUNDED REVENUE REQUIREMENT | Collected under SPP Schedule 11 (Worksheet EPP, p. 2, line T9, Col q) | | | - |
| 10 | SPP ZONAL REVENUE REQUIREMENT (line 8 - line 9 - line 9a) | | | | \$ 181,514,180 |
| DIVISOR | | | | | |
| 11 | Network transmission for firm wholesale and retail service sinking on Westar's transmission system, plus long-term P-T-P Contract Demands that are not under the SPP OATT | | (Worksheet P-3, p. 1, Sec. I, 12-CP, Westar's Transmission Network Load) | | \$ 4,164,917 |
| 12 | Divisor | | | | 4,164,917 |
| RATES (used in Westar Energy's OATT only) | | | | | |
| 14 | Annual Cost (\$/kW/Yr) | (line 8 / line 13) | \$ 56.320 | | |
| 15 | P-to-P Rate (\$/kW/Mo) | (line 14 / 12 mont | \$ 4.693 | | |
| | | | Peak Rate | Off-Peak Rate | |
| 16 | Point-To-Point Rate (\$/kW/Wk) | (Peak: line 14 / 52 | \$ 1.083 | | \$ 1 |
| 17 | Point-To-Point Rate (\$/kW/Day) | (Peak: line 16 / 5 | \$ 0.217 | Capped at weekly rate | \$ 0 |
| 18 | Point-To-Point Rate (\$/MWh) | (Peak: (line 17 / | \$ 13.539 | Capped at weekly Off Peak; (line 17 / 24 hours) times and daily rates | \$ 6 |
| 19 | Net Transmission Plant | (Projected Gross Rev Req, line 6) | | | \$ 1,566,242,494 |
| 20 | Facility Carrying Charge | (line 8 divided by line 19) (Note 2) | | | 14.98% |
| 21 | Monthly Facility Carrying Charge | (line 20 divided by 12 months) (Note 2) | | | 1.25% |
| 22 | Additional Revenue Requirement Allocated to the Retail Jurisdiction (Worksheet A-3, p. 1, In. 16, Total) | | | | \$ 609,670 |

True-up Amt, BPF Rev Req and Zonal Revenue Requirement prior to removing amounts on TU Tab

NOTES

NOTE 1:

Hold for future use.

NOTE 2:

The Facility Carrying Charge and Monthly Facility Carrying Charge on Page 1, lines 21 and 22 are to be used to compute the revenue requirements for facilities directly assigned

Worksheet TU - True-up Adjustment and Timeline

Timeline

| Step | Month | Year | Action |
|------|-------|--------|---|
| 1 | Oct | Year 0 | Westar populates the formula rate using projected costs for Year 1 |
| 2 | Oct | Year 0 | Post results of Step 1 |
| 3 | Jan | Year 1 | Results of Step 2 go into effect. |
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| 5 | Oct | Year 1 | Post results of Step 4 |
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| 7 | Jun | Year 2 | Westar populates the formula rate using actual costs for Year 1 |
| 8 | Jun | Year 2 | Calculate the difference between the formula rate calculated in Step 7 and Step 1 |
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| 10 | Oct | Year 2 | Westar populates the formula rate using projected costs for Year 3, including true-up adjustment for Year 1 |
| 11 | Oct | Year 2 | Post results of Step 10 |

October 2015 posting
(projecting 2016 rates)
from the revised posting
on May 2, 2016

Reconciliation details

| | | | |
|---|-----|--------|---|
| 1 | Oct | Year 0 | Westar populates the formula rate using projected costs for Year 1 \$ 256,611,335 Rev Req based on Year 1 data |
| 2 | Oct | Year 0 | Post results of Step 1 |
| 3 | Jan | Year 1 | Results of Step 2 go into effect. |
| 4 | Oct | Year 1 | Westar populates the formula rate using projected costs for Year 2 \$ - |
| 5 | Oct | Year 1 | Post results of Step 4 |
| 6 | Jan | Year 2 | Results of Step 5 go into effect. |
| 7 | Jun | Year 2 | Westar populates the formula rate using actual costs for Year 1 |
| 8 | Jun | Year 2 | Calculate the difference between the formula rate calculated in Step 7 and Step 1 |

| | Zonal Rev. Req. (1) | BPF Rev. Req. (2) | EPP Rev. Req. (3) | Total Rev. Req. (4) |
|-------|------------------------|----------------------|----------------------|------------------------|
| 8a | \$ 156,768,061 | \$ 53,928,304 | \$ - | \$ 210,696,365 |
| 8b | 158,154,003 | 69,990,704 | - | 228,144,707 |
| 8b(f) | (1,364,428) | (1,884,000) | - | (3,248,428) |
| 8c | \$ (2,750,370) | \$ (17,946,400) | \$ - | \$ (20,696,771) |

| | | | |
|----|-----|--------|---|
| 9 | Jun | Year 2 | Post results from Step 7 and Step 8 |
| 10 | Oct | Year 2 | Westar populates the formula rate using projected costs for Year 3, including true-up adjustment for Year 1 |

Interest Calculation

| | Short term Interest Rate | Avg. Ann Short Term Int |
|----|--|-------------------------|
| 11 | Other Interest Exp.(Acct. 431) | 6,225,073 |
| 12 | Notes Payable (Acct. 231) Sum of the Daily amounts (Note C) | 188,225,352,000 |
| 13 | No. of Days | 730 |
| 14 | Annual Short-term Int Rate (line 11 / line 12 * line 13 / 2) | 1.2071% |

| | FERC Qtr Int. Rate (A) |
|----|--|
| 15 | Qtr 4 (Form 1 Year) |
| 16 | Qtr 1 (Previous Year) |
| 17 | Qtr 2 (Previous Year) |
| 18 | Qtr 3 (Previous Year) |
| 19 | Qtr 4 (Previous Year) |
| 20 | Qtr 1 (Current Year) |
| 21 | Qtr 2 (Current Year) |
| 22 | Qtr 3 (Current Year) |
| 23 | Average of the last 4 quarters (Lines 15-18 / 4) |
| 24 | Interest Rate Used for True-up adjustment (Note D) |

| |
|---------|
| 3.2500% |
| 3.2500% |
| 3.2500% |
| 3.2500% |
| 3.2500% |
| 3.2500% |
| 3.2500% |
| 3.2500% |
| 3.2500% |
| 3.2500% |

Remove the values in lines 25-27, column 1-3

| | Zonal True-up (1) | BPF True-up (2) | EPP True-up (3) | Total True-up (4) |
|----|--|--------------------|--------------------|----------------------|
| 25 | True-Up Amount (line 8c) (Note F) | - | - | - |
| 26 | Interest on True-up Amount ((Average Interest Rate / 12 months) * 24 months) | - | - | - |
| 27 | One time, first year adjustment (proj. year 2009) (Note B) | - | - | - |
| 28 | True-up Adjustment (Note G) | \$ - | \$ - | \$ - |

- Note:
- A Interest rate divided in half for first year (2007 historic, 2009 projected) to account for only 1 year of interest rather than two.
 - B First year adjustment is to allow for any adjustments in the Revenue Requirement for the change from an historical to a projected test period.
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Utilizing FERC Form 1 Data
Projected Net Revenue Requirements
For the 12 months ended - December 31, 2016

| Line No. | (1) | (2) | (3) | (4) | (5) Allocated Amount |
|--|---|--|--|-----------------------|-------------------------|
| WESTAR ENERGY, INC. (WESTAR) | | | | | |
| REVENUE REQUIREMENTS | | | | | |
| 1 | GROSS REVENUE REQUIREMENT | | (Projected Gross Revenue, page 3, line 32) | | \$ 278,876,808 |
| REVENUE CREDITS | | | | | |
| 2 | Account No. 454 | (Wksht. P-2, line : | Total \$ 3,456,818 | WTP 1.00000 | \$ 3,456,818 |
| 3 | Account No. 456 | (Wksht. P-2, line : | 18,808,655 | WTP 1.00000 | 18,808,655 |
| 4 | Revenues from Grandfathered Interzonal Transactions | (Wksht. P-2, line : | - | WTP 1.00000 | - |
| 5 | Revenues from service provided by the ISO at a discount | (Wksht. P-2, line : | - | WTP 1.00000 | - |
| 6 | TOTAL REVENUE CREDITS | (sum lines 2-5) | | | \$ 22,265,473 |
| 7 | Total True-Up Amount (prior year amount) | (Wksht. TU, line 28) | True-up Amt, BPF Rev Req and Zonal Revenue Requirement after removing amounts on TU Tab | | \$ - |
| 8 | WESTAR REVENUE REQUIREMENT | (line 1 minus line | | | \$ 256,611,335 |
| 9 | SPP BASE PLAN FUNDED REVENUE REQUIREMENT | Collected under SPP Schedule 11 (Worksheet BPF, p. 3, line T9, Col. q) | | | \$ 72,168,015 |
| 9a | SPP ECONOMIC PORTFOLIO FUNDED REVENUE REQUIREMENT | Collected under SPP Schedule 11 (Worksheet EPP, p. 2, line T9, Col q) | | | - |
| 10 | SPP ZONAL REVENUE REQUIREMENT (line 8 - line 9 - line 9a) | | | | \$ 184,443,320 |
| DIVISOR | | | | | |
| 11 | Network transmission for firm wholesale and retail service sinking on Westar's transmission system, plus long-term P-T-P Contract Demands that are not under the SPP OATT | | (Worksheet P-3, p. 1, Sec. I, 12-CP, Westar's Transmission Network Load) | | \$ 4,164,917 |
| 12 | | | | | 4,164,917 |
| 13 | Divisor | | | | 4,164,917 |
| RATES (used in Westar Energy's OATT only) | | | | | |
| 14 | Annual Cost (\$/kW/Yr) | (line 8 / line 13) | \$ 61.613 | | |
| 15 | P-to-P Rate (\$/kW/Mo) | (line 14 / 12 mont | \$ 5.134 | | |
| Peak Rate | | | | | |
| 16 | Point-To-Point Rate (\$/kW/Wk) | (Peak: line 14 / 52 | \$ 1.185 | | \$ 1 |
| 17 | Point-To-Point Rate (\$/kW/Day) | (Peak: line 16 / 5 | \$ 0.237 | Capped at weekly rate | \$ 0 |
| 18 | Point-To-Point Rate (\$/MWh) | (Peak: (line 17 / 24 hours) times and daily rates | \$ 14.811 | Capped at weekly | \$ 7 |
| Off-Peak Rate | | | | | |
| 19 | Net Transmission Plant | (Projected Gross Rev Req, line 6) | | | \$ 1,566,242,494 |
| 20 | Facility Carrying Charge | (line 8 divided by line 19) (Note 2) | | | 16.38% |
| 21 | Monthly Facility Carrying Charge | (line 20 divided by 12 months) (Note 2) | | | 1.37% |
| 22 | Additional Revenue Requirement Allocated to the Retail Jurisdiction (Worksheet A-3, p. 1, In. 16, Total) | | | | \$ 609,670 |

NOTES

NOTE 1:

Hold for future use.

NOTE 2:

The Facility Carrying Charge and Monthly Facility Carrying Charge on Page 1, lines 21 and 22 are to be used to compute the revenue requirements for facilities directly assigne