

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.	BPF Rev. Req.	EPP Rev. Req.	Total Rev. Req.	
	(1)	(2)	(3)	(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(i)	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	BPF True-up	EPP True-up	Total True-up
	(1)	(2)	(3)	(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

Page 1 of 1

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 2)	\$ 3,456,818	WTP 1.00000	\$	3,456,818
3	Account No. 456	(Wksht. P-2, line 3)	18,808,655	WTP 1.00000		18,808,655
4	Revenues from Grandfathered Interzonal Transactions	(Wksht. P-2, line 4)	-	WTP 1.00000		-
5	Revenues from service provided by the ISO at a discount	(Wksht. P-2, line 5)	-	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 prior to removing amounts on TU Tab	\$	(22,042,060)
8	WESTAR REVENUE REQUIREMENT	(line 1 minus line 6)			\$	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
13	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 / 24 hours) times and daily rates	\$ 13.539 Capped at weekly		\$	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
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

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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
8a			Actual Revenue Requirements from Step 7
8b			Projected Revenue Requirements from Step 1 (Note E)
8b(i)			Prior Period Adjustment (Note G)
8c			True-up Amount (before interest)
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

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

Interest Calculation

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

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

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

25	True-up Amount (line 8c) (Note F)	Zonal True-up	BPF True-up	EPP True-up	Total True-up
26	Interest on True-up Amount [(Average Interest Rate / 12 months) * 24 months]	(1)	(2)	(3)	(4)
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.
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4	Revenues from Grandfathered Interzonal Transactions	(Wksht. P-2, line 4)	-	WTP 1.00000	-
5	Revenues from service provided by the ISO at a discount	(Wksht. P-2, line 5)	-	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 7)			\$ 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
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		Off-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
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 assigned					