

PUBLIC HEARINGS AND COMMENT PERIOD

ON WESTAR'S REQUEST FOR INCREASE OF \$152 MILLION

TIMES AND LOCATIONS OF THE PUBLIC HEARINGS

Note: Customers will be able to offer comments to the Commission from any location

Tuesday, July 21, 2015

4:30 p.m. Open House begins **6:00 p.m. Public Hearing begins**

Open house and hearing with Commissioners present:

Topeka:

Farley Elementary School
6701 SW 33rd St
Topeka, KS 66614

Open house and video conference of the Topeka hearing at these two sites:

Emporia:

Flint Hills Technical College, Conference Rooms A, B & C
3301 W. 18th St., Emporia, KS 66801-5957

Salina:

Kansas State University, College Center, Conference Room #103,
2310 Centennial Road, Salina, KS 67401

Thursday July 23, 2015

4:30 p.m. Open House begins **6:00 p.m. Public Hearing begins**

Open house and hearing with Commissioners present at this site:

Wichita:

Wichita State University – Lowe Auditorium
5015 E. 29th St. N.,
Wichita, KS 67220

Open house and video conference of the Wichita hearing at these two sites:

Hutchinson:

Kansas Cosmosphere & Space Center, Banquet Room,
1100 N. Plum St., Hutchinson, KS 67501

Pittsburg:

Pittsburg High School Auditorium,
1978 E. 4th St., Pittsburg, KS 66762

Westar's proposals

Westar Energy has filed an application with the Kansas Corporation Commission requesting a \$152 million annual rate increase. Residential customers with average monthly consumption of 900 kilowatt hours of electricity would have an average monthly increase of \$13, or about 12.1%. Westar is requesting a return on equity (shareholder profit) of 10% and an overall rate of return of 7.99%.

Westar also proposes to increase the residential monthly service charge to \$27 from its current \$12/month. Westar wants to increase the charge \$3 per year for five years, beginning next year with a \$15 service charge, \$18 the following year, and so on until it reaches \$27.

In addition to proposing to continue the current rate structure, Westar is also proposing two new optional rate structures for residential customers. The optional "stability rate" will have a \$50 monthly service charge, but will have lower volumetric rates. This may benefit residential customers with high usage.

Another proposed option for residential customers is the "demand" rate. Customers will pay the normal service charge plus a "demand" rate based on the highest hourly usage of the customer each month, plus a reduced volumetric rate. Conservation-minded customers who are able to keep their highest usage at lower levels may benefit from this option. Customers with busy, round-the-clock households, all-electric heating households and those who must run air conditioning during the hottest parts of the day may want to avoid this option.

Westar has some new proposals focused on renewable energy. Residential customers who want to hook up solar panels to the grid will be required to take service under the stability rate (with the \$50 monthly service charge) or the demand rate (with a variable demand charge based on peak monthly usage), which, according to Westar, will ensure that solar customers contribute their fair share of Westar's fixed costs.

Other renewable proposals include options to purchase solar energy and wind energy through Westar, and a limited opportunity for customers to buy shares in a small-scale solar array built by Westar for a fixed per kilowatt hour rate of 15.3 cents per kWh for about 107 kWh per month.

Finally, Westar proposes two more cost recovery mechanisms designed to provide "more timely and complete" recovery of costs related to repairs and upgrades to its distribution system and to its "cybersecurity" infrastructure. Westar proposes a line-item surcharge similar to its Environmental Cost Recovery Rider that appears on customer bills for its "grid resiliency" costs. Westar proposes to cap expenditures passed through the surcharge at \$217 million over five years. The cybersecurity tracker would track the annual costs of improving the security of Westar's operations, and preserve them as a regulatory asset to be recovered in a future rate case. While Westar has not offered up an estimate of the projected costs, they are expected to be substantial. Most electric utilities are facing increased costs for securing their computerized systems because of more stringent federal requirements to protect the integrity of the national electricity grid.

Format of the Public Hearings

The Commission has scheduled two public hearings concerning the rate increase that Westar has proposed. These hearings will provide more information about the proposal and provide an opportunity for customers to make comments to the Commission.

The open house portion will start at 4:30 p.m. and at shortly before 6:00 p.m., but attendees may come and go at any time. This is your opportunity to talk with representatives from Westar, KCC Staff and other intervenors and ask questions regarding the rate request. Due to CURB's small size, we may not have a representative at each of the remote locations, but will

definitely have a representative on site for the Topeka and Wichita open houses. If you miss speaking with CURB at an open house, please feel free to call us anytime for information on the rate increase proposals at 785-271-3200.

At 6 p.m., the formal public hearing will begin. The hearing provides members of the public the opportunity to comment directly to the members of the Commission on any aspect of Westar's proposed increase request.

The formal part of each hearing will also be broadcast live to two other locations, where attendees may also view the proceedings and offer comments to the Commission via a video conferencing hook-up.

Any person requiring special accommodations at the hearing under the Americans with Disabilities Act needs to provide notice to the Commission at least 10 days prior to the scheduled hearing by calling (785) 271-3140.

Other ways to comment

Please reference Docket No.15-WSEE-115-RTS. Deadline is August 11, 2015, 5:00 pm.

By mail: Kansas Corporation Commission Office of Public Affairs and Consumer Protection, 1500 SW Arrowhead Road, Topeka, Kansas 66604-4027.

By email: public.affairs@kcc.ks.gov

By telephone: In Topeka: 271-3100 – Toll-free: 1-800-662-0027

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A complete copy of Westar's application and supporting testimony is available on the Commission's website at: <http://estar.kcc.ks.gov/estar/portal/kcc/page/docket-docs/PSC/DocketDetails.aspx?DocketId=855c514e-5da1-47bf-8d0b-2bde19a0e383> .

The KCC has until October 28, 2015 to make a decision on the proposed increase.

Additional Information

Kansas Corporation Commission, Office of Public Affairs and Consumer Protection:
Toll-free: 1-800-662-0027 Local: 271-3100

CURB : 785-271-3200