WESTAR RATE CASE

OVERVIEW

Q. How are my energy bills currently determined?

A. You have a flat fee for customer services and a variable rate based on your energy usage. The customer charge recovers the incremental cost associated with your service (meter reading and billing). This typically ranges from $5 - $10/month, however **Westar's customer charge is currently $12 per month**. Added to that is a charge (known as the volumetric rate) for all the energy used, which is expressed in cents per kWh ($/kWh). The more energy (kWh) you use, the higher your bill will be.

Q. What's wrong with this approach that needs to be changed?

A. Nothing. A low customer charge to recover billing and collection costs, with most of the other costs of delivering electricity reflected in the energy charge ($/kWh), gives you the ability to control the amount of your bill by taking steps to reduce your usage. A higher customer charge, or fixed charge restricts your ability to lower your energy bills through efficiency or renewable energy.

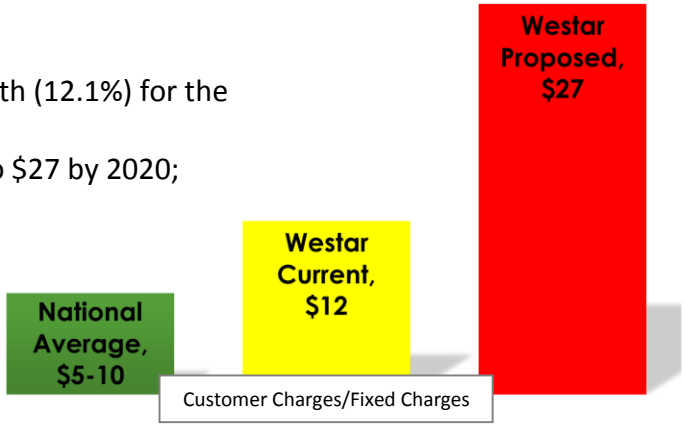
PROPOSED CHANGES

Q. What would change under the Westar proposal?

A. Under the Residential Standard plan, Westar would recover more of its costs, generally distribution costs, upfront through a much larger customer charge that is equal for all residential customers regardless of how much each person uses. You would still have an energy charge ($/kWh).

Below is a summary of the changes:

1. Increased residential rates by about $9 per month (12.1%) for the average residential customer.
2. Increased monthly customer charge from $12 to $27 by 2020; increasing $3/year for five years.
3. Residential customers will choose from three different rate designs.
4. Customers with new solar panels will be forced to pay much higher rates.



Q. Why is this happening?

The primary driver is to recover the remaining costs of the $1.2 billion environmental upgrade at the La Cygne generation plant. Westar is also requesting cost recovery for expenditures at the Wolfcreek nuclear power plant as the plant life has been extended from 40 to 60 years. Westar is replacing its old residential meters with new digital meters.

Q. If we want clean and stable energy, shouldn't customers expect rate increases?

A. The cost to maintain and upgrade infrastructure is a shared cost. In Kansas, we have been fortunate to have low electricity rates. Rate increases are expected, but customer participation in the ratemaking process is critical to ensure fairness. CEP believes that there are other models that are better than increasing fixed charges.

This is a great opportunity to work towards practical solutions for a clean energy future.

HOW WILL THE PROPOSED CHANGES AFFECT ME?

Q. I have a very energy-efficient house, use little energy, and have low bills. Why should I care?

A. Fixed costs have a negative impact for those who have invested in energy efficiency. When a customer pays a high fixed cost regardless of the amount of energy they use, there is little incentive to conserve energy or invest in more efficient appliances, insulation, etc.

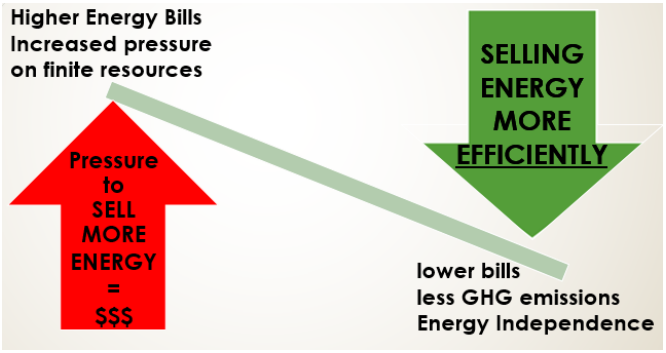
Q. How will these rate cases impact the growing solar industry? What if I want to install solar on my house?

A. Solar customers or those interested in distributed generation will be negatively impacted by fixed costs in a Having a high fixed cost also pushes the payback for solar panels on residential users out by 2-3 times longer, which will essentially eliminate the growing rooftop solar industry in Kansas.

SOLUTIONS

Q. Are there models that are more fair?

A. There are many solutions to help utilities cover the necessary costs. Many are saying to "just say no" to any increase in fixed charges. Others say that the current plan is simply too complicated. Still others prefer a higher usage charge. We see this as a great opportunity to work with the utilities to plan for the future of energy in Kansas. Our case asserts that there is a better rate design which will allow utilities to recover all of their costs of service regardless of the amount of energy they sell. It's commonly called revenue decoupling.



Q. What is revenue decoupling?

Decoupling shifts the focus from selling more energy to selling energy more efficiently. A rate of return is aligned with meeting revenue targets, and rates are trued up or down to meet the target at the end of the adjustment period. This makes the utility indifferent to selling less product and improves the ability of energy efficiency and distributed generation to operate within the utility environment.

The KCC (under CURBs watchful eye) would set the revenue requirement. Utilities would evaluate revenues annually to ensure that they are recovering their costs. If they over-recover, customers will receive an annual credit. If they under recover, all of us will pay a little more.

WHAT YOU CAN DO

- ✓ Attend a public hearing, times and locations below.
- ✓ Prepare and deliver testimony at the public hearing.
- ✓ Submit a comment to the Kansas Corporation Commission opposing Westar's proposal by AUGUST 11.

Email: public.affairs@kcc.ks.gov	Phone: 1-800-662-0027 or (785) 271-3140
Mail: Kansas Corporation Commission, Office of Public Affairs and Consumer Protection, 1500 SW Arrowhead Rd., Topeka, KS 66604-4027.	
Reference Docket No 15-WSEE-115-RTS	

- ✓ Write a Letter to the Editor of your local paper opposing the proposal.
- ✓ Sign the petition to protect solar choice: http://tinyurl.com/KSSolarChoice

PUBLIC HEARINGS	
July 21 – 4:30 Open House 5:00 Solar Rally *6:00 Hearing Begins* **TOPEKA:** Farley Elementary School 6701 SW 33rd	**July 23** – 4:30 pm Open House 5:00 Solar Rally *6:00 Hearing Begins* **WICHITA:** Wichita State University Lowe Auditorium, 5015 E. 29th St. N.
Video conference hearing at these sites:	
Emporia: Flint Hills Technical College, Rooms A, B, C, 3301 W. 18th St.,	**Hutchinson**: Kansas Cosmosphere, Banquet Room, 1100 N. Plum St.,
Salina: Kansas State University, College Center, Room #103, 2310 Centennial Road	**Pittsburg:** Pittsburg High School, Auditorium, 1978 E. 4th St.

CEP climate + energy project

The Climate & Energy Project seeks to dramatically reduce greenhouse gas emissions in America's Heartland through the ambitious deployment of energy efficiency and renewable energy, in policy and practice. www.climateandenergy.org info@climateandenergy.org *or call Dorothy Barnett 785-424-0444*