

RATEMAKING OVERVIEW

How rate reviews balance stakeholder needs

As regulated utilities, KCP&L and Westar Energy follow a thorough process to request rate changes. That process is determined by the state of Kansas, with oversight by the Kansas Corporation Commission (KCC), which strives to balance the needs of our customers and investors.

One determination set by the commission is the authorized Return on Equity (ROE). This gives us an opportunity to earn a fair return on our investments as profit for shareholders. **Kansas has one of the lowest authorized ROEs for electric companies in the country.** The ROE for KCP&L and Westar is currently 9.3%.

THE RATEMAKING PROCESS

If our costs indicate that we need to ask for a rate change:



1. We **submit** an official request to the KCC that includes substantial documentation about our costs.



2. KCC staff **audits** the request and supporting documents.



3. Other parties (interveners) may perform additional audits and reviews, **voice concerns or request more information** to better understand the filing.



4. The KCC **invites** the public to ask questions or express comments about the proposed change.



5. We, KCC staff and interveners formally **present our cases** to the KCC through testimony.



6. We **provide** current numbers and final facts for consideration.



7. We **work with all parties to resolve** as many issues as possible. The KCC hears any unresolved issues. Commissioners review agreements, testimonies and documents.



8. The KCC **issues a ruling with approved rates**, which are then **integrated into customer billing**.