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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 28, 2012

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**WESTAR ENERGY, INC.**

(Exact name of registrant as specified in its charter)

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**KANSAS**  
(State or other jurisdiction of  
incorporation or organization)

**1-3523**  
(Commission  
File Number)

**48-0290150**  
(IRS Employer  
Identification No.)

**818 South Kansas Avenue, Topeka, Kansas**  
(Address of principal executive offices)

**66612**  
(Zip Code)

**Registrant's telephone number, including area code (785) 575-6300**

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Section 7. Regulation FD**

**Item 7.01. Regulation FD Disclosure.**

On February 29, we will participate in the UBS Electric Power Conference in Dallas, Texas. The presentation slides to be used at the conference are attached to this report as Exhibit 99.1, which exhibit is incorporated herein by this reference. This information is available to the public on our website, <http://www.WestarEnergy.com>. The information furnished pursuant to this Item 7.01, including Exhibit 99.1, will not be incorporated by reference into any registration statement filed by us under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated by reference.

**Section 9. Financial Statements and Exhibits**

**Item 9.01. Financial Statements and Exhibits.**

Exhibit 99.1 Westar Energy, Inc. presentation slides

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Westar Energy, Inc.**

By: /s/ Larry D. Irick

Name: Larry D. Irick

Title: Vice President, General Counsel and  
Corporate Secretary

Date: February 28, 2012

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
Exhibit 99.1	Westar Energy, Inc. presentation slides



## UBS Electric Power Conference

February 29, 2012  
Dallas, TX

## Forward Looking Disclosures

Forward-looking statements: Certain matters discussed in this presentation are “forward-looking statements.” The Private Securities Litigation Reform Act of 1995 has established that these statements qualify for safe harbors from liability. Forward-looking statements may include words like “believe,” “anticipate,” “target,” “expect,” “pro forma,” “estimate,” “intend,” “guidance” or words of similar meaning. Forward-looking statements describe future plans, objectives, expectations or goals. Although we believe expectations are based on reasonable assumptions, all forward-looking statements involve risk and uncertainty. The factors that could cause actual results to differ materially from these forward-looking statements include those discussed herein as well as (1) those discussed in the company’s Annual Report on Form 10-K for the year ended Dec. 31, 2011 (a) under the heading, “Forward-Looking Statements,” (b) in ITEM 1. Business, (c) in ITEM 1A. Risk Factors, (d) in ITEM 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and (e) in ITEM 8. Financial Statements and Supplementary Data: Notes 13 and 15; and (2) other factors discussed in the company’s filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date such statement was made, and the company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement was made.

## Recent Events

- Rate request settlement filed (\$50 million rate increase)
- Priced \$250 million First Mortgage Bond
- 2011 results \$1.95 per share; ongoing earnings \$1.81 per share
- Dividend increased to \$0.33 per share, 3% increase
- 2012 EPS guidance range \$1.85 - \$2.00 per share
- 2012 – 2014 CapEx plan
- Environmental rules

## 2011 General Rate Request

- Provisions of Settlement filed in February include:
  - Annual retail revenue increase \$50 million, effective May
  - \$11 million annual increase in tree trimming expense
  - \$33 million annual increase in pension expenses
  - \$40 million annual lower depreciation expense
  - Use 10% ROE for regulatory accounting purposes
- Hearings complete
- Next step -- filing briefs
- Order due in proceeding by April 23

## First Mortgage Bond Offer

- Priced \$250 million FMB
- Coupon 4.125%
- 30 year maturity, due March 2042
- Use of Proceeds
  - provide long-term funding of investment in infrastructure
- Planned closing March 1, 2012



## 2011 Ongoing EPS Results Unchanged From 2010

- EPS from continuing operations of \$1.81 vs. \$1.81 for 2010
- Retail MWh sales increased 1%
  - Warmer than normal weather, modestly above 2010
  - Continued signs of industrial growth – 2% over 2010
- Implemented all planned price adjustments (annualized amts):
  - Transmission adjustments - \$17 million
  - Environmental adjustment - \$10 million
  - Energy efficiency adjustment - \$5 million
- No COLI proceeds in 2011
- (\$0.10) per share impact from additional shares to fund infrastructure investment

## 2012 Earnings Guidance of \$1.85 - \$2.00

- KCC approval of Stipulation & Agreement (S&A) in rate review
  - Annual retail revenue increase \$50 million, effective May
- Planned price adjustments via tracking mechanisms
- Expect weather-adjusted retail sales to grow □1%
- Combined O&M and SG&A (excl. SPP costs) increase □7%
  - Excludes \$34 million increase SPP transmission expenses
  - Includes S&A expense increases of \$7 million for tree trimming and \$33 million for pension expenses
  - 2011 adjusted for legal settlement of arbitration
- Depreciation □\$10 million lower including effects of S&A
- AFUDC increase □\$7 million
- COLI proceeds of □\$14 million; (*will book □\$9 million in Q1*)
- Effective tax rate of 29-31%
- Debt used for 2012 external funding needs

## Capital Expenditure Forecast 2012 - 2014

	<u>Actual 2011</u>	<u>Forecast 2012</u>	<u>Forecast 2013</u>	<u>Forecast 2014</u>	<u>Forecast 2012 - 2014</u>	<u>Method of Cost Recovery</u>
Generation replacements and other	\$ 132.8	\$ 159.8	\$ 172.3	\$ 164.6	\$ 496.7	GRC
Westar environmental	153.4	219.3	121.8	107.4	448.5	ECRR
La Cygne environmental	66.5	215.8	205.9	122.3	544.0	GRC
Nuclear Fuel	18.5	21.9	44.2	20.6	86.7	RECA
Transmission	188.8	136.5	200.7	197.4	534.6	FERC / TDC
Distribution						
New customers, replacements & other	95.9	92.8	106.7	88.1	287.6	GRC
Smart grid (a)	17.9	3.7			3.7	GRC
Other	23.6	21.5	23.6	12.1	57.2	GRC
<b>Total</b>	<u>\$ 697.4</u>	<u>\$ 871.3</u>	<u>\$ 875.2</u>	<u>\$ 712.5</u>	<u>\$2,459.0</u>	
(a) net of DOE matching grant						
Prairie Wind Transmission joint venture	\$ 2.0	\$ 1.8	\$ 27.4	\$ 3.4	\$ 32.6	
Not included in the table are Westar's planned investment in Prairie Wind Transmission joint venture						

## Environmental Rules

- Mercury and Air Toxics Standards (MATS)
  - Final rule issued February 2012
  - Not viewed as problematic
    - Reasonable time for compliance
    - Compliance viewed as additive to current environmental plans
    - Projected investment up to \$40 million
- Cross-States Air Pollution Rule (CSAPR)
  - Rule currently stayed
  - Arguments before DC Circuit Court in April
  - Optimistic no major issues with compliance or reliability
    - Time for implementation in our favor
    - Helpful technical adjustments by EPA

## 2012 Plans

## Annualized Rate & Revenue Changes Actual and Estimated

	<u>2011</u>	<u>2012</u> (Estimated)	<u>2013</u> (Estimated)
Base rates		<input type="checkbox"/> \$50 million 	
		May	
Transmission rates (a)	\$17 million Jan 1	<input type="checkbox"/> \$25 million  Jan 1	<input type="checkbox"/> \$17 million Jan 1
ECRR	\$10 million June 1	<input type="checkbox"/> \$15 million June 1	<input type="checkbox"/> \$27 million June 1
Energy Efficiency	\$5 million November	<input type="checkbox"/> \$1 million November	<input type="checkbox"/> \$1 million November

(a) Incremental transmission revenue is from FERC transmission formula rate and the retail Transmission Delivery Charge, net of the projected 2012 increase in SPP transmission costs.

 Complete     In process

## Major Construction Projects Underway

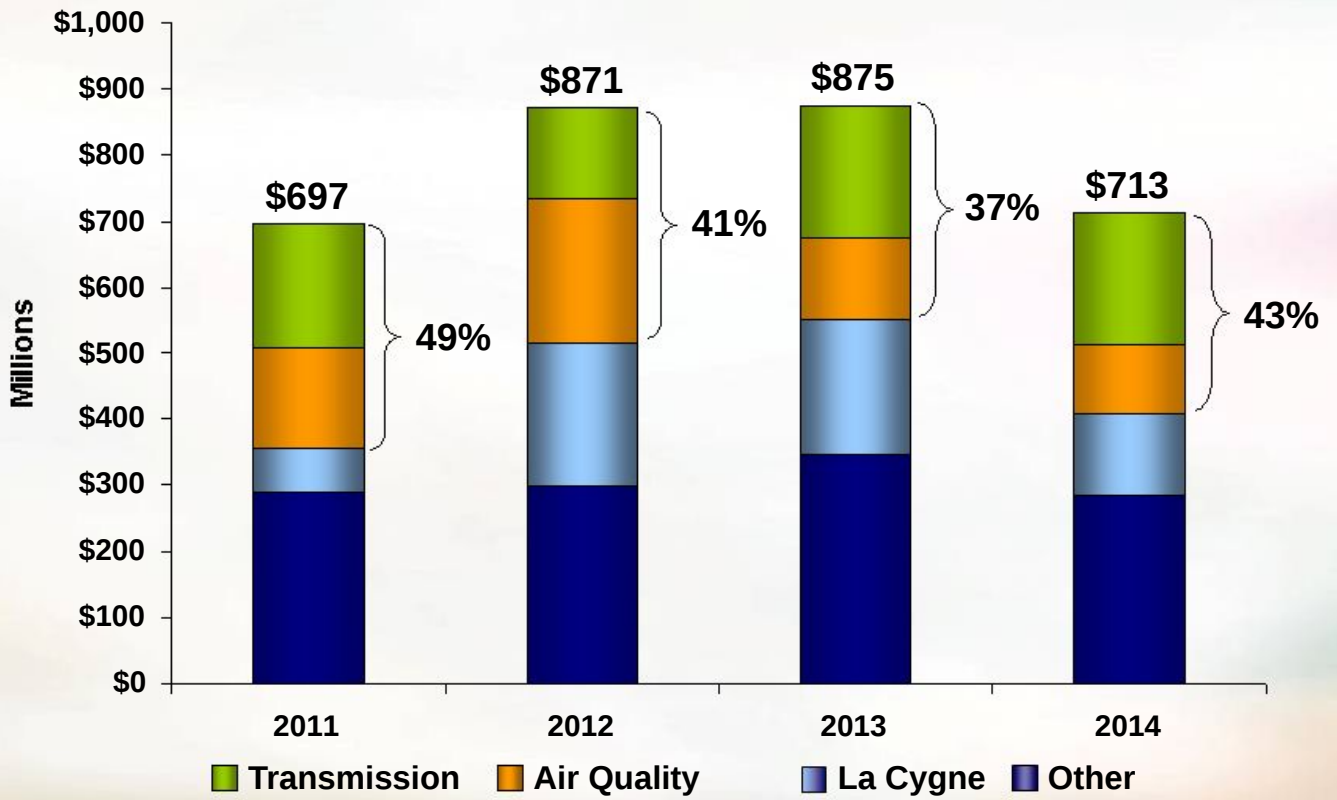
- Air Quality Improvements
  - Lawrence Energy Center
    - Fabric filters, rebuild scrubbers, precipitator, low NOx system
  - Jeffrey Energy Center
    - SCR on 1 unit
  - La Cygne Energy Center
    - Scrubbers, fabric filters, common chimney, SCR and low NOx system
- Transmission
  - Wichita to Oklahoma 345 kV
  - Prairie Wind Transmission line (□ 110 mile double circuit 345 kV)
- SmartStar Lawrence
  - \$40 million project reduced by 50% DOE match
    - Advanced outage management
    - Automated metering infrastructure

## Capital Expenditure Forecast 2012 - 2014

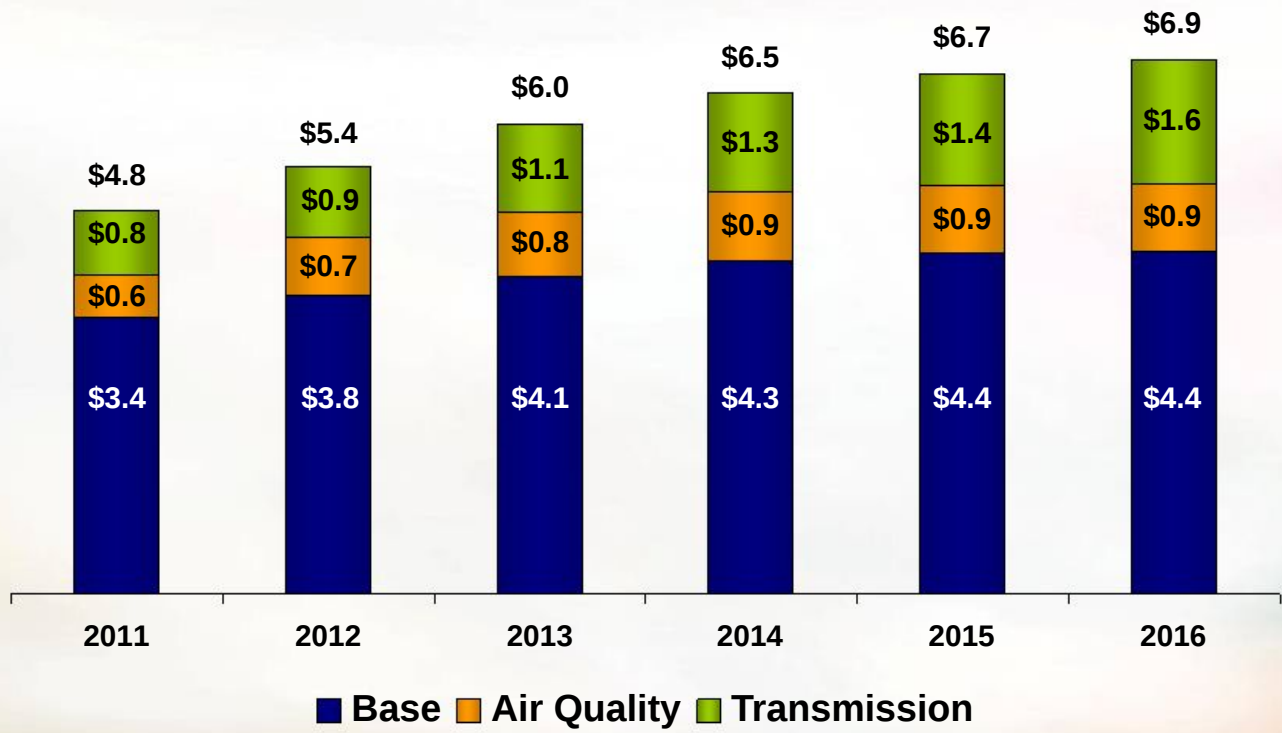
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# Capital Expenditure Forecast 2012 - 2014



# Projected Rate Base 2010 – 2015 (in billions)



# Environmental

## Environmental Regulation Summary

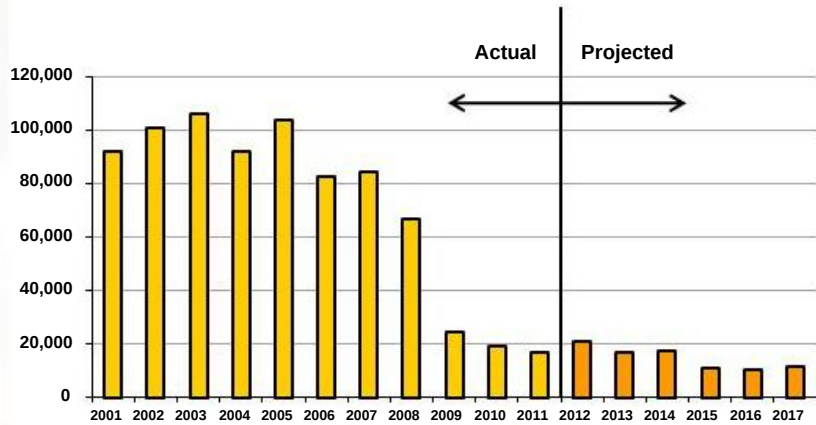
	Cross-State Air Pollution Rule	Mercury and Air Toxics Standards	Water 316(b)	Coal Combustion Waste
<b>Status</b>	Stayed by DC Circuit Court	Published February 2012	Proposed	Proposed
<b>Effective</b>	Pending Court Decision	April 2012 (3 to 5 years to comply)	July 2012	Mid 2013
<b>Emissions / Areas Covered</b>	NOx SO <sub>2</sub>	Mercury Acid gases	Water intake	Coal waste
<b>Generation Sources Affected</b>	Coal Gas	Coal	Coal Nuclear	Coal
<b>Issue(s)</b>	Cost Reliability Allowances Timeline	Cost Timeline	Cost	Cost Designation as hazardous or non-hazardous

## Mercury and Air Toxics Standards (MATS)

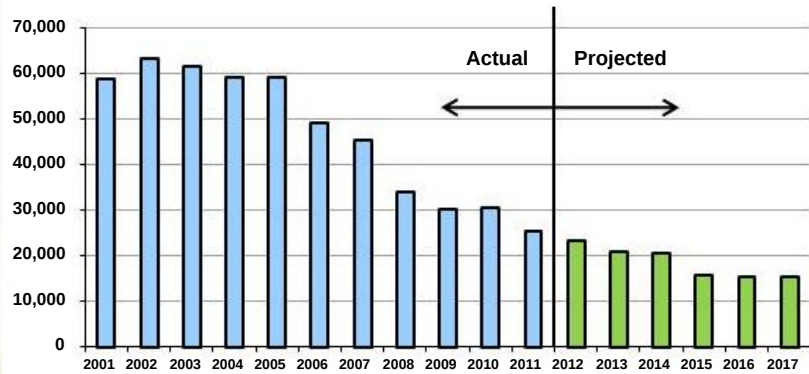
- Rule issued February 2012
- Westar does not view as problematic
  - No surprises in final rule
  - Allow three years for compliance
    - Opportunity for one additional year
  - View as additive to current environmental plans
    - Incorporated anticipated rules in current compliance plans for Regional Haze and JEC Consent Decree
  - Largest fleet impact on smallest coal-fired units
  - MATS compliance investment estimated up to \$40 million

# Dramatic Improvement in Air Quality

**Sulfur Dioxide ↓ 83%**  
(tons per year)



**Nitrogen Oxide ↓ 57%**  
(tons per year)



# Westar Coal Fleet Emission Control Equipment

## 83% of MWs Currently Scrubbed

Unit	Scrubber	Precipitator	Fabric Filter	Low NOx	SCR	ACI	DSI
Jeffrey 1	Yes	Yes	No plans	Yes	Planned	Planned	No plans
Jeffrey 2	Yes	Yes	No plans	Yes	Uncertain	Planned	No plans
Jeffrey 3	Yes	Yes	No plans	Yes	No plans	Planned	No plans
La Cygne 1	Yes	(b)	Planned	No	Yes	Planned	No plans
La Cygne 2	Planned	Yes	Planned	Planned	Planned	Planned	No plans
Lawrence 3	No plans	Yes (c)	No plans	Planned	No plans	Planned	Planned
Lawrence 4	Yes (a)	(b)	Planned	Planned	No plans	Planned	No plans
Lawrence 5	Yes (a)	(b)	Planned	Yes	No plans	Planned	No plans
Tecumseh 7	No plans	Yes	No plans	Yes	No plans	Planned	Planned
Tecumseh 8	No plans	Yes (c)	No plans	Planned	No plans	Planned	Planned

(a) Equipment rebuild underway

(b) PM removal integrated into scrubbers

(c) Equipment upgrade planned

## Air Quality Controls

Air Quality Control	Targeted Emission / Benefit
Low NOx Burner Systems	NOx
Selective Non-Catalytic Reduction	NOx
Selective Catalytic Reduction	NOx
Scrubber	SO <sub>2</sub> Acid gases Small amount of mercury
Baghouse	Particulate matter Small amount of mercury Metals
Electrostatic Precipitator	Particulate matter Metals
Activated Carbon Injection (ACI)	Mercury
Dry Sorbent Injection (DSI)	SO <sub>2</sub> Acid gases



# Transmission

# Major Transmission Investments Underway

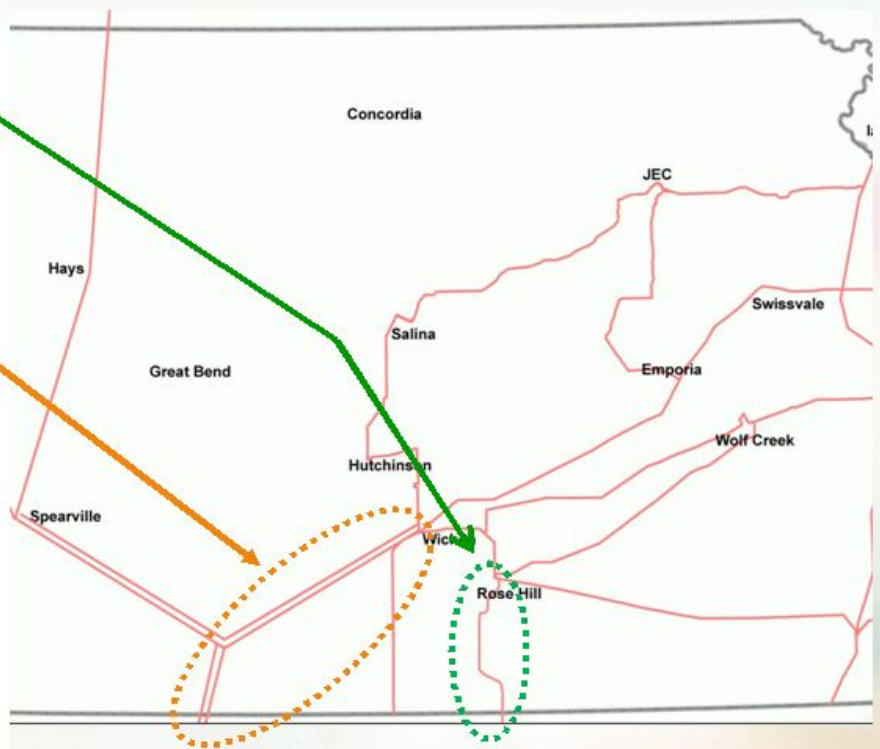
- **Rose Hill – Oklahoma**

Under construction

- Target completion Apr 2012
- Investment n \$80 million
  - Favorable to budget

- **Prairie Wind Transmission**

- 50/50 JV with ETA
- Siting approved June 2011
- Acquiring ROW and clearing
- Begin construction mid 2012
- Approximately 110 miles
- Estimated completion 2014
- Project cost n \$225 million

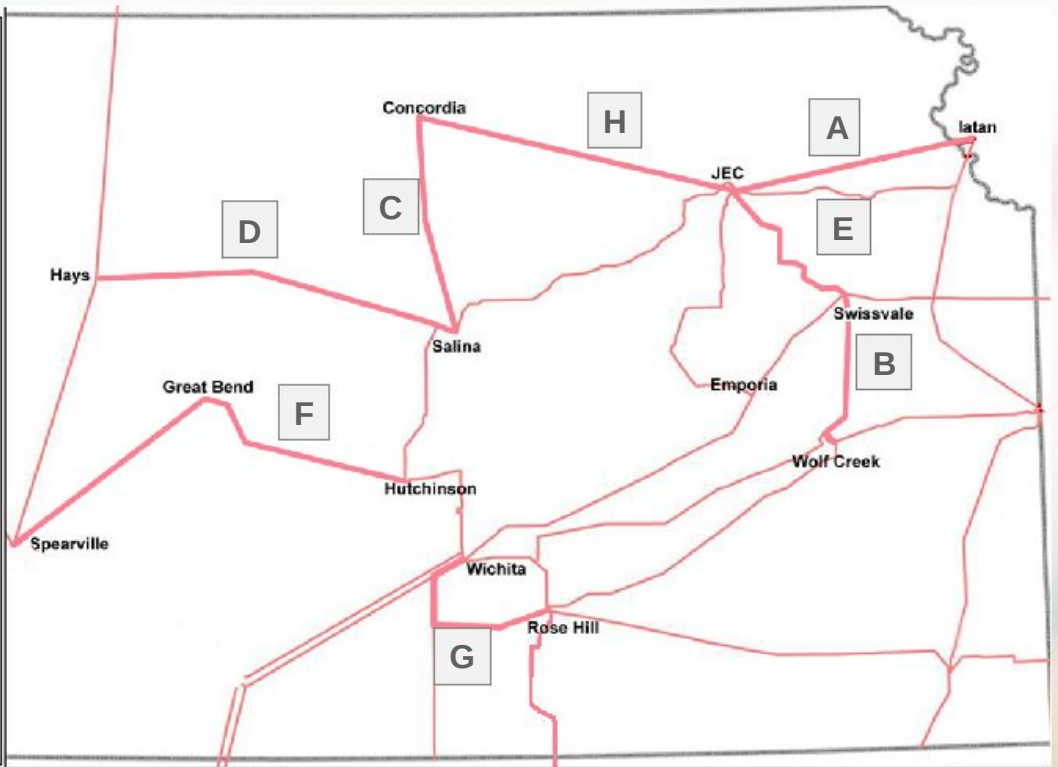


## Prairie Wind Transmission Regulation

- Received FERC incentives
  - Recovery of pre-commercial development costs
  - CWIP recovery in rate base
  - Allowed ROE of 12.8%
- KCC
  - Siting approved June 2011
- Southwest Power Pool
  - Regional cost allocation approved by FERC
  - “Notice to Construct” accepted
  - JV became a member of the SPP
  - PWT’s formula rate in effect

# Potential for High Voltage Transmission Growth

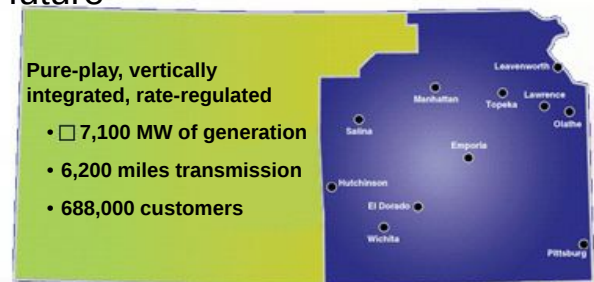
- A. JEC to Iatan Energy Center
- B. Wolf Creek to Swissvale
- C. Concordia to Salina
- D. Salina to Hays
- E. JEC to Swissvale
- F. Hutchinson to Spearville
- G. Wichita to Rose Hill
- H. JEC to Concordia



# Profile

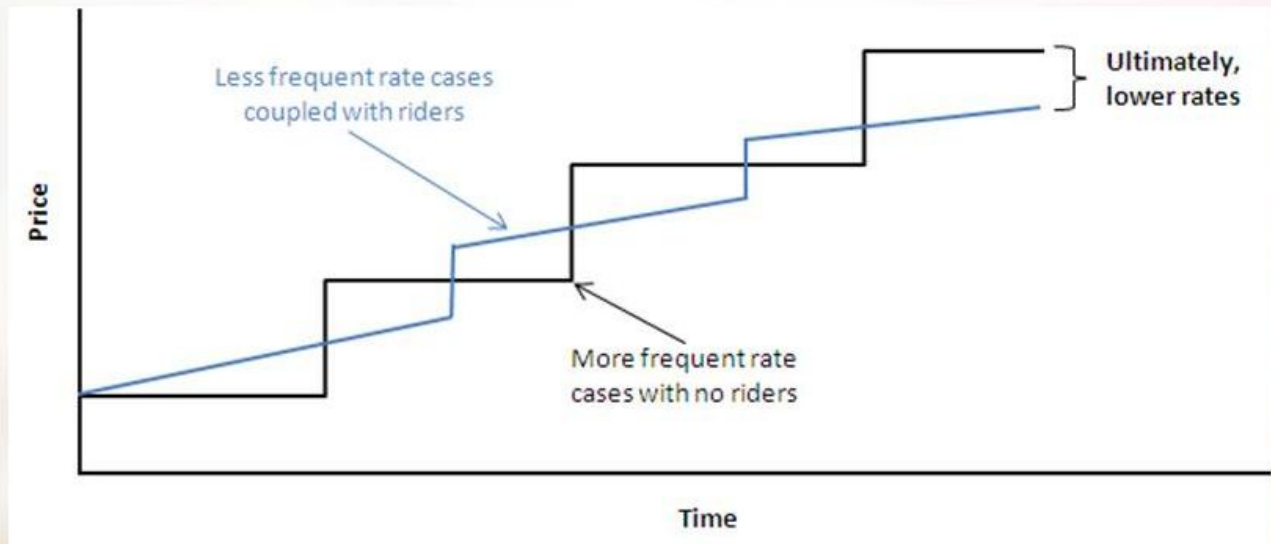
## Strategic Approach

- Embrace uncertainty
  - Acknowledge inability to predict the future
- Value flexibility
  - Operational
  - Financial
  - Regulatory
- Leverage actions and strategies around intrinsic advantages
- Seek collaborative and constructive approaches to regulation
- Value proposition
  - ***Protect against downside while growing investor returns***



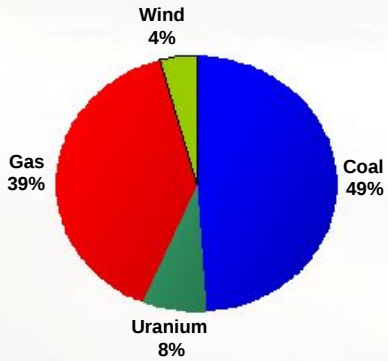
## Regulatory Approach

- A sound regulatory and energy policy platform
  - KCC and FERC
- Ultimately results in lower rates for customers

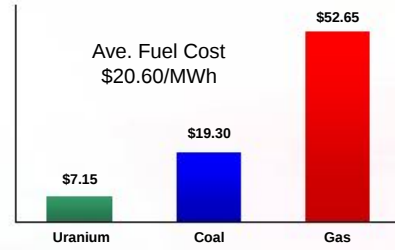


# Favorable Supply Portfolio

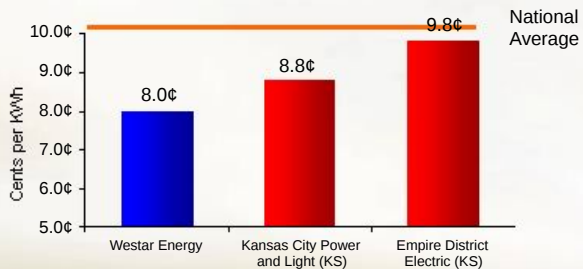
## MW Capacity



## Cost of Fuel

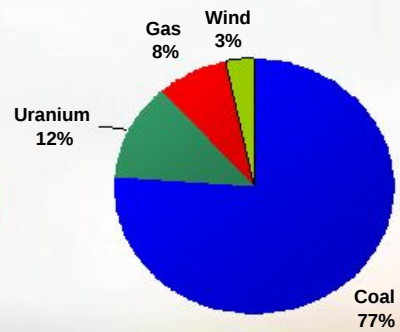


## Low Rates



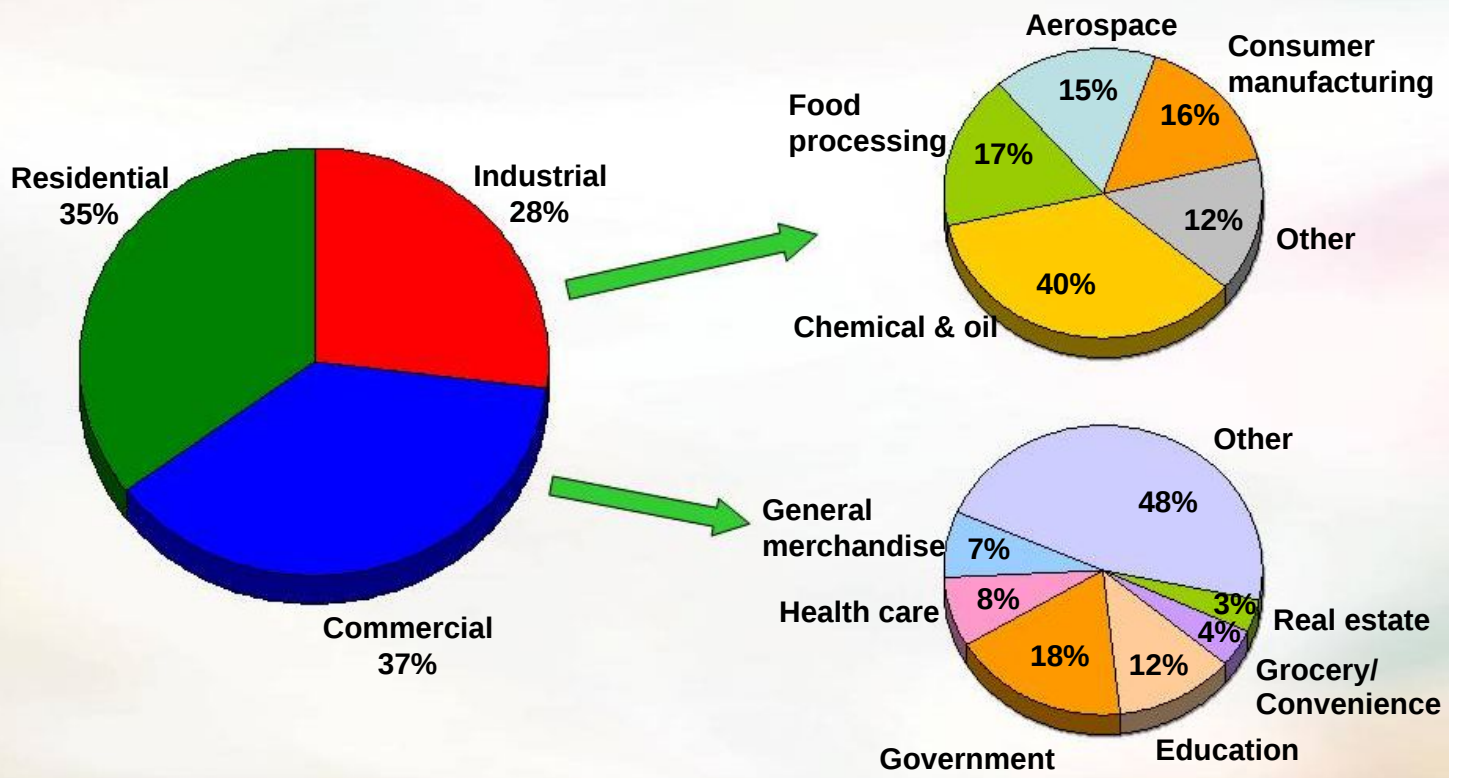
Source: Edison Electric Institute 07/01/2011

## Fuel Mix

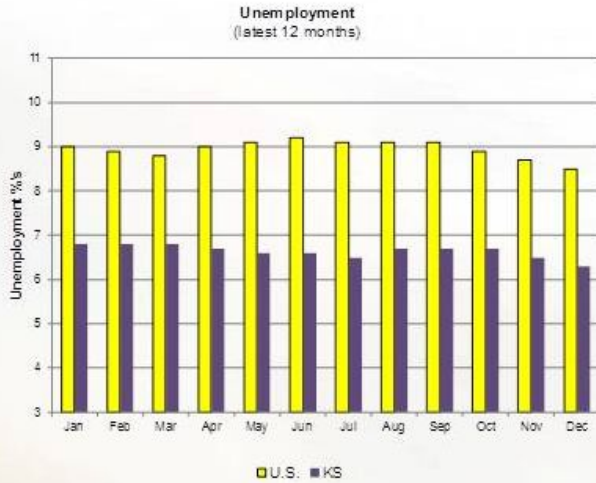




# Diverse Energy Sales (MWh)



# Strong Service Territory



- Economy significantly stronger than for the nation
  - No real estate crash
  - Unemployment remains 2+ pts favorable to nation
- Economic development gains fueling industrial resurgence
  - Sales up 2% 12me Dec '11
  - EcoDevo successes:
    - Mars Chocolate opening M&M and Snickers factory in Topeka
    - South central Kansas becoming a wind manufacturing corridor
      - Pulling from aerospace base

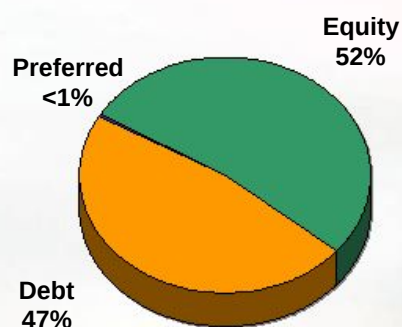
## Liquidity and Capitalization

- Solid investment grade credit
- Total credit facility capacity \$1 Billion
  - Active in Commercial Paper market
- No bonds mature before 2014

	Secured	Unsecured	Outlook
Moody's	A3	Baa2	Stable
Fitch Ratings	A-	BBB+	Stable
Standard & Poor's	BBB+	BBB	Stable

<u>Dec. 31, 2011</u> (a)	
(millions)	
Long-term, net	<b>\$2,491</b>
Preferred	<b>21</b>
Common	<b><u>2,769</u></b>
<b>Total Capitalization</b>	<b>\$5,281</b>

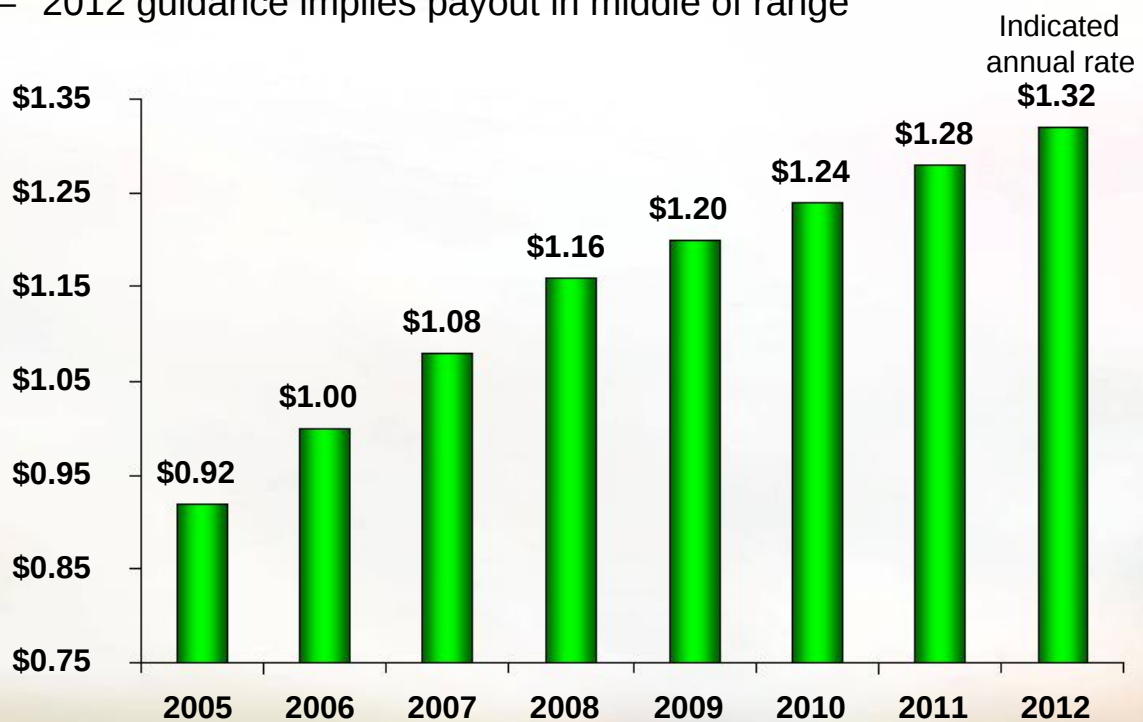
(a) Capitalization excludes short-term debt and adjustments for VIEs



Target n 50/50 capital structure

## Dividend

- Quarterly dividend increased 3% effective April 1
- Long-standing dividend payout target of 60%-75% of earnings
  - 2012 guidance implies payout in middle of range



## Westar's Value Proposition

- Solid, transparent business strategy
- Strong, experienced utility management team
- Thoughtful, disciplined approach to operations, capital planning and financing
- Constructive regulatory and policy environment
  - Results in lower, more gradual price changes for customers
  - Preserves reliable infrastructure as base for economic growth
  - Provides investors clarity
- Focus on containing risks and maintaining returns
- Diverse customer base and stable service territory

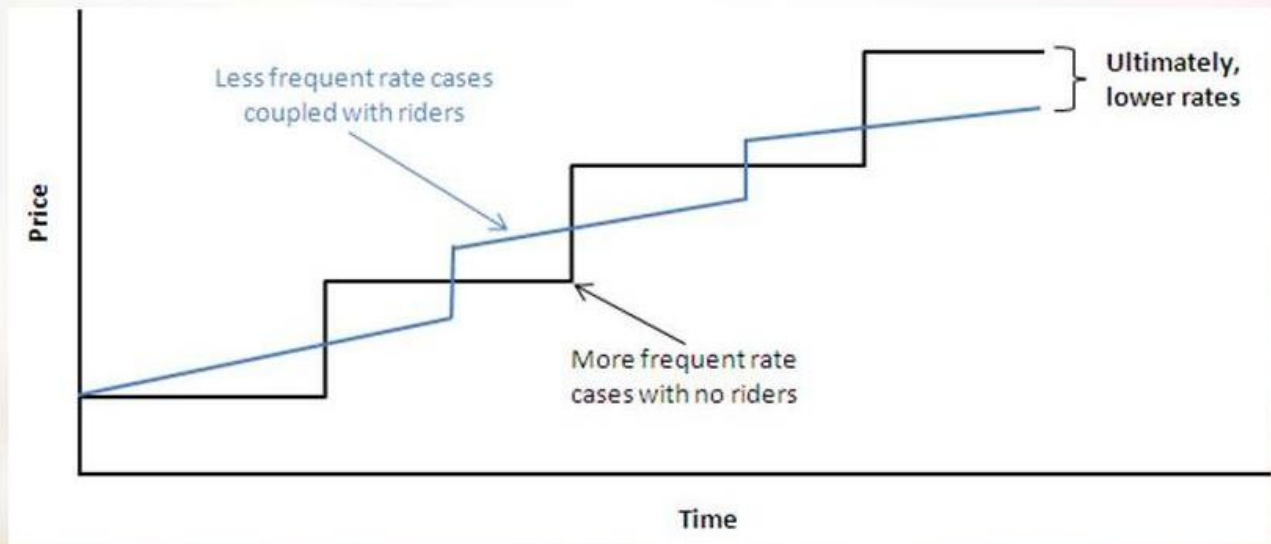
# Rates and Regulation

## Kansas Regulators

- Kansas Corporation Commission
  - Three-member board appointed by governor
    - Serve staggered four year terms
- Current KCC commissioners
  - Mark Sievers (R), chairman
    - Term expires March 2015
  - Thomas Wright (D)
    - Term expires March 2014
  - Ward Loyd (R)
    - Term expires March 2012

## Regulatory Approach

- A sound regulatory and energy policy platform
  - KCC and FERC
- Ultimately results in lower rates for customers





# Methods of Cost Recovery

	<b>Revenue Requirement</b>	<b>Method of Recovery</b>	<b>Comment</b>
1.	Fuel, purchased power and environmental consumables	Quarterly adjustment based on forecasted cost, with annual true-up	Adjusts prices for actual costs, protecting both customers and investors from mispricing
2.	Environmental capital, excluding La Cygne environmental project	Environmental Cost Recovery Rider adjusts annually	Allows annual price adjustment to reflect capital costs for investments in emission controls
3.	Transmission rate recovery	FERC formula rate adjusts annually; companion retail tariff to reflect current revenue requirement	Timely recovery of transmission system operating and capital costs
4.	General capital investments	Traditional rate case, but with predetermination and CWIP	Typical rate case reflects current level of operating expenses and most recent plant investment
5.	Property taxes	Annual adjustment to reflect current property taxes	Allows timely recovery of actual property tax costs in current rates
6.	Extraordinary storm damages	Traditionally deferred accounting treatment as rate base	Smooths period expenses for extraordinary storm restoration costs
7.	Pension expenses	Deferred as a regulatory asset for subsequent recovery	Smooths period expenses in excess of amount in base rates
8.	Energy efficiency programs	Deferred as a regulatory asset for subsequent recovery	Smooths period expenses for energy efficiency programs

## Retail Energy Cost Adjustment (RECA)

- Provides timely price adjustments for fuel and purchased power costs
- Retail rates based on forecast of fuel and purchased power costs and retail sales
  - Set quarterly
  - Difference between forecast and actual is deferred
    - Quarterly approach produces more stable prices
    - Annual settlement of deferred balance
- RECA also used to rebate wholesale margins as a credit to retail cost of service
  - Energy Marketing (i.e., non-asset) margins continue to be excluded from rate setting

## Pension Tracker

- Defer as regulatory asset shortfall between funding of GAAP pension/OPEB expense and pension/OPEB currently authorized in rates
- Maintain minimum funding level equal to GAAP pension/OPEB expense
- Recover deferred expenses through multi-year amortization as part of next rate case

## Environmental Cost Recovery Rider Mechanics

- ECRR adjusts retail rates annually to reflect capital investments in emission controls
  - Investments as of December 31 recovered in rates subsequent June
  - Eliminates need to file a rate case to capture rate base additions
    - Return *of* and *on* capital that is in service December 31
    - Return *on* capital not yet placed in service December 31 (i.e., CWIP)
- ECRR reduces regulatory lag
  - Regulatory lag limited to months, rather than longer lag typically associated with traditional rate case filings

## Illustrative ECRR Mechanics

	2008	2009	2010	2011	2012	2013	2014
<b>Clean Air Investment (1)</b>							
Year 1 Investment	\$ 238.4						
Year 2 Investment		\$ 85.2					
Year 3 Investment			\$ 107.7				
Year 4 Investment				\$ 153.4			
Year 5 Investment					\$ 219.3		
Year 6 Investment						\$ 121.7	
Year 7 Investment							\$ 107.4
Environmental Investment	\$ 238.4	\$ 85.2	\$ 107.7	\$ 153.4	\$ 219.3	\$ 121.7	\$ 107.4
<b>Accumulated Depreciation Clean Air Investment</b>							
Depreciation on Year 1 Investment	\$ 4.8	\$ 9.5	\$ 9.5	\$ 9.5	\$ 9.5	\$ 9.5	\$ 9.5
Depreciation on Year 2 Investment		1.7	3.4	3.4	3.4	3.4	3.4
Depreciation on Year 3 Investment			2.2	4.3	4.3	4.3	4.3
Depreciation on Year 4 Investment				3.1	6.1	6.1	6.1
Depreciation on Year 5 Investment					4.4	8.8	8.8
Depreciation on Year 6 Investment						2.4	4.9
Depreciation on Year 7 Investment							2.1
Annual Depreciation	\$ 4.8	\$ 11.2	\$ 15.1	\$ 20.3	\$ 27.8	\$ 34.6	\$ 39.2
Total Accum Depreciation for Environmental Investment	\$ 4.8	\$ 16.0	\$ 31.1	\$ 51.4	\$ 79.2	\$ 113.8	\$ 153.0
Environmental Investment, net of Accum. Depreciation	\$ 233.6	\$ 69.2	\$ 76.6	\$ 102.0	\$ 140.1	\$ 7.9	\$ (45.6)
<b>Return on prior YE investment balance (2)</b>		\$ 27.7	\$ 8.2	\$ 9.1	\$ 12.1	\$ 16.6	\$ 0.9
<b>Return of prior YE investments completed</b>		4.8	11.2	15.1	20.3	27.8	34.6
<b>Annual ECRR Revenue Requirement</b>		\$ 32.5	\$ 19.4	\$ 24.2	\$ 32.4	\$ 44.4	\$ 35.5
<b>Estimated calendar year revenue recognition (3)</b>		\$ 18.9	\$ 24.9	\$ 22.2	\$ 29.0	\$ 39.4	\$ 39.2
<b>Cumulative ECRR revenue recognition</b>		\$ 18.9	\$ 43.8	\$ 66.0	\$ 95.0	\$ 134.4	\$ 173.6

(1) Illustration reflects only the projects publicly announced and assumes one-half of annual investment in service at year end

(2) Illustration uses a 11.9% pretax return and 4% depreciation recovery

(3) Annual ECRR Tariff is effective June 1; assume Jan-May at prior year revenue requirement and Jun-Dec at new revenue requirement

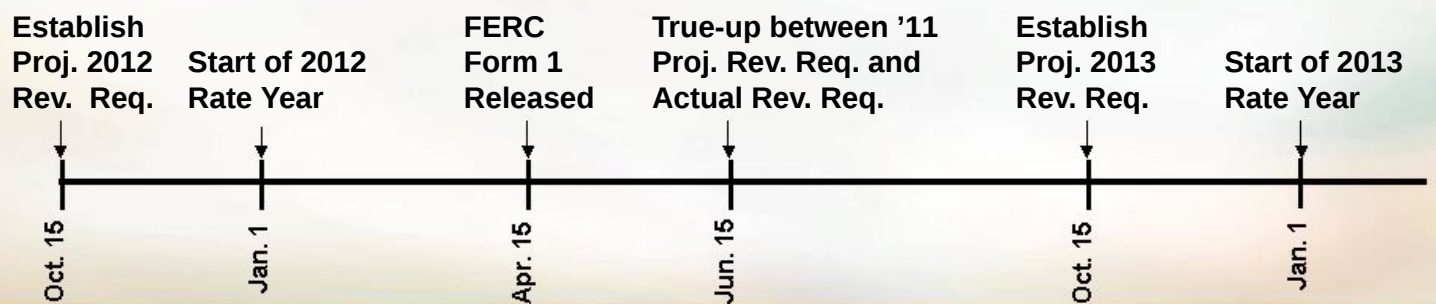
## Transmission Cost Recovery

- FERC formula transmission rate
  - Changes in cost of service reflected in annual update of FERC tariff
    - Update posted each October using projected test year
      - Capital expenditures
      - O&M
      - Tariff based on year-end consolidated capital structure
    - FERC transmission changes effective January 1
    - Allowed ROE 11.3%
    - Annual true-up compares projected revenue requirement to actual, with difference incorporated into next update
  - Incentives on recently completed central Kansas line
    - 12.3% ROE
    - Accelerated book depreciation of 15 vs. 45 years
- Transmission Delivery Charge (TDC)
  - Retail rates adjusted to match changes to FERC tariff

## Transmission Formula Rate Mechanics

- Fixed formula with changing inputs
  - Updated annually using Form 1 data
  - Established protocols for updates
- Uses projected test year
  - Rate base (based on 13 month average)
  - O&M, depreciation and taxes
  - Cost of debt
- Annual true-up incorporated in subsequent year's formula inputs

Transmission Formula Rate Time Line



## Energy Efficiency Initiatives

- SmartStar Lawrence smart grid project
  - Installing □48,000 “smart” meters
  - Advanced outage management system
  - Total project cost of □\$40 million
    - Reduced by 50% DOE match
  - Expect to implement over 2 - 3 years
- Deferred accounting for the cost of energy efficiency initiatives, such as
  - Smart thermostats
  - Customer educational programs
  - Demand response programs



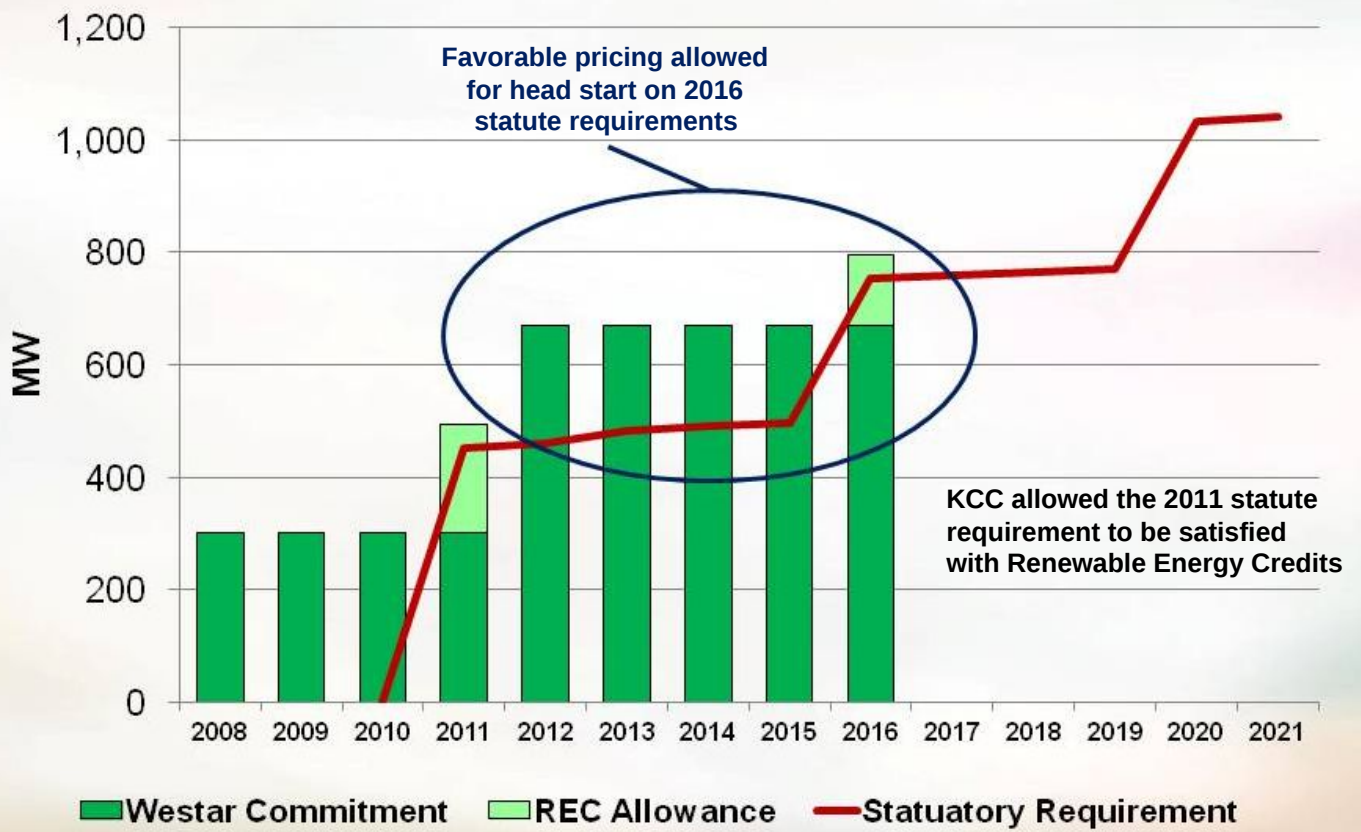
## Kansas' Renewable Requirements

- Renewable Portfolio Standard established
  - Installed capability standard in lieu of energy standard
    - 10% of **peak load** by 2011, 15% by 2016 and 20% after 2020
  - If generated in Kansas, treated at 110% of requirement
  - Relief from standard possible if costs would increase prices >1%
    - Potential to offset with RECs for initial period
- Limited net metering
  - Limited to 1% of peak demand
  - Customer's net metered sales can't produce net negative sales
- Environmental predictability
  - Legislation precludes state air emission levels from being more stringent than federal standards

## Addition of Renewables in 2012

- Statute requires □200 MW additional renewables by 2011
  - KCC approved use of RECs to satisfy 2011 requirement until projects placed in-service in late 2012
- KCC approved request for □370 MW through PPAs
  - Agreements for 2 projects
    - Post Rock Wind Farm - 201 MW
    - Ironwood Wind Farm – 168 MW
  - Expect both projects to be in-service by end 2012
  - Recover through the fuel adjustment clause
- 20 year agreements priced < \$35/MWh

# Westar Renewables Compliance



## Statutes for Predetermination and CWIP

- Predetermination
  - Utilities can obtain order establishing ratemaking principles that will apply over the life of the asset
- Construction Work in Progress (CWIP)
  - Utilities can include CWIP in rate cases

## Capital Structure for Ratemaking (Per Recent Orders)

### KCC

	<u>Capitalization Ratio</u>	<u>Cost of Capital</u>	<u>Weighted Cost of Capital</u>	<u>Pre-tax Weighted Cost of Capital</u>
Long-term debt	48.66%	6.55%	3.19%	3.19%
Preferred	0.51	4.55	.02	.04
Common	<u>50.83</u>	10.40	<u>5.29</u>	<u>8.77</u>
	100.00%		8.50%	12.00%

### FERC Transmission

	<u>Capitalization Ratio</u>	<u>Cost of Capital</u>	<u>Weighted Cost of Capital</u>	<u>Pre-tax Weighted Cost of Capital</u>
Long-term debt	50.89%	6.30%	3.21%	3.21%
Preferred	0.44	4.52	.02	.03
Common	<u>48.67</u>	11.30 <sup>(1)</sup>	<u>5.50</u>	<u>9.10</u>
	100.00%		8.73%	12.34%

(1) Incentive ROE of 12.3% for applicable rate base

## Capital Structure for Ratemaking (Proposed)

### **KCC** *(proposed in Settlement Agreement)*

	<u>Capitalization Ratio</u>	<u>Cost of Capital</u>	<u>Weighted Cost of Capital</u>	<u>Pre-tax Weighted Cost of Capital</u>
Long-term debt	46.97%	6.65%	3.12%	3.12%
Preferred	0.40	4.55	.02	.03
Common	<u>52.63</u>	10.00	<u>5.26</u>	<u>8.71</u>
	100.00%		8.40%	11.86%

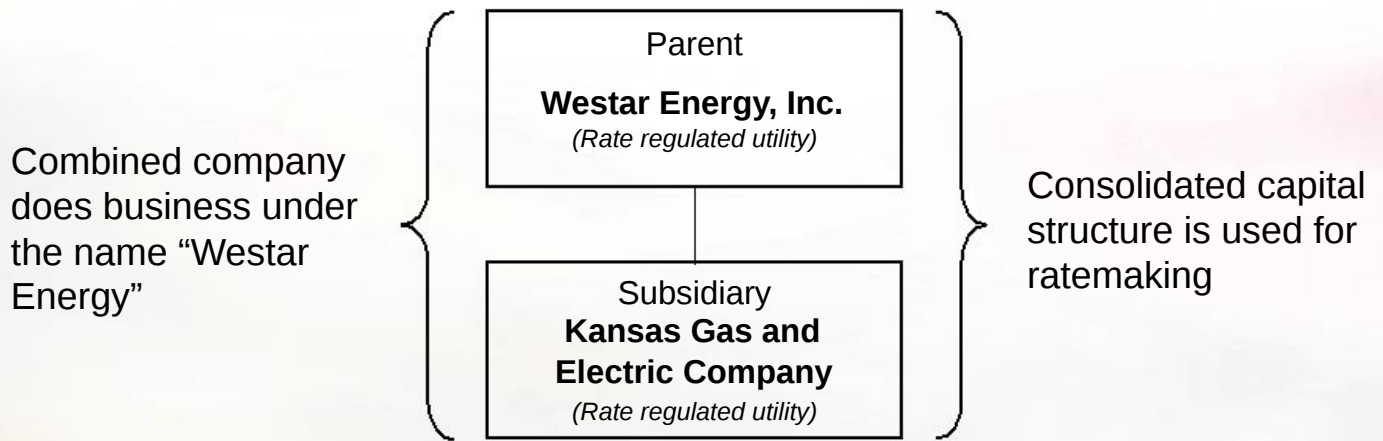
## Abbreviated (Limited Scope) Rate Case (ARC)

- Obtain permission from KCC to file ARC
  - Request made in a general rate case (GRC)
  - Identify scope of proposed ARC
- Must file within 12 months of final GRC order
- Applicant must adopt from previous rate order:
  - All regulatory procedures
  - All regulatory principles
  - Established rate of return

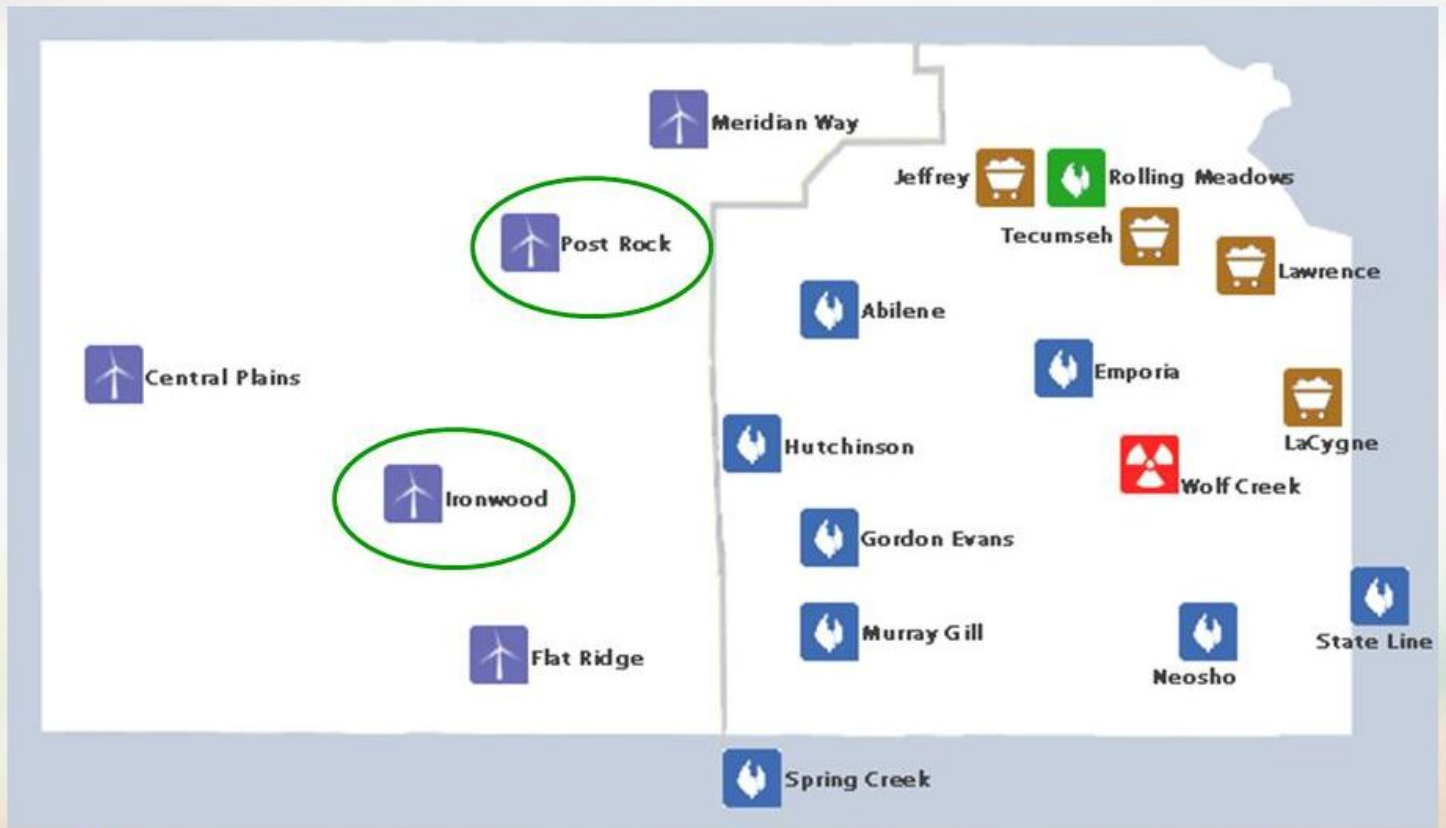
# Background



# Westar Energy Legal Structure



# Westar's Generating Resources



 Indicates proposed facility

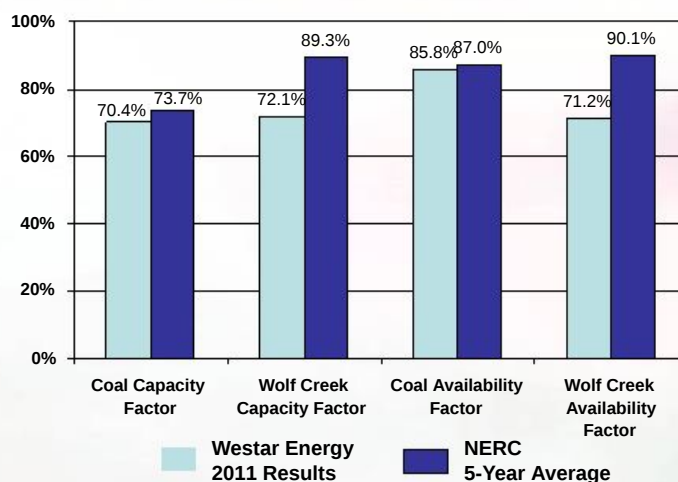
# Westar's Plants

	Westar's MW	Operator	Years Installed
<b>Pulverized coal</b>			
Jeffrey Energy Center	2,005	Westar	1978, 1980, 1983
Lawrence Energy Center	531	Westar	1954, 1960, 1971
Tecumseh Energy Center	205	Westar	1957, 1962
LaCygne Station	711	KCPL	1973, 1977
<b>Nuclear</b>			
Wolf Creek	547	WCNOC (1)	1985
<b>Gas steam turbine</b>			
Gordon Evans Energy Center	527	Westar	1961, 1967
Hutchinson Energy Center	167	Westar	1965
Murray Gill Energy Center	293	Westar	1952, 1954, 1956, 1959
Neosho Energy Center	62	Westar	1954
<b>Gas combustion turbine</b>			
Abilene Energy Center	68	Westar	1973
Gordon Evans Energy Center	294	Westar	2000, 2001
Hutchinson Energy Center	229	Westar	1974, 1975
Spring Creek Energy Center	279	Westar	2001
Emporia Energy Center	660	Westar	2008, 2009
<b>Gas combined cycle</b>			
State Line	201	EDE Co.	2001
<b>Wind</b>			
Meridian Way	96	Horizon (2)	2008
Central Plains	99	Westar	2009
Flat Ridge	100	Westar (3)	2009

<b>Available generation</b> At Dec. 31, 2011	7,074
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- (1) Wolf Creek Nuclear Operating Company is a company formed specifically to operate Wolf Creek for its owners. WCNOC is governed by a board of directors consisting of the CEO of WCNOC and senior executives of the plant owners.
- (2) 100% of generation purchased under Power Purchase Agreement (PPA)
- (3) 50% owned and 50% of generation purchased under PPA from BP Alternative Energy

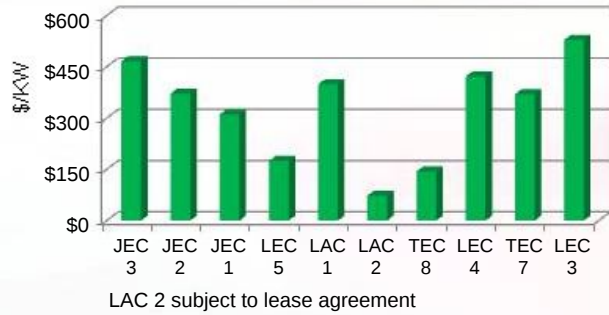
## Plant Performance



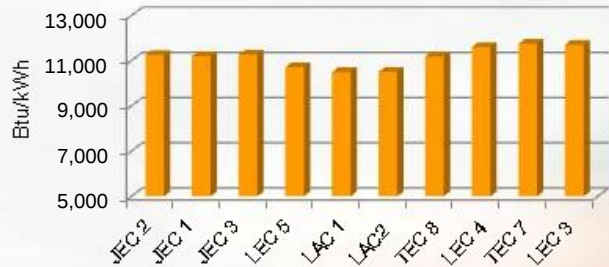
# Low-Cost Coal Fleet

- Very low fuel cost
  - PRB coal
  - Excellent rail arrangements
  - Proximity to mines
- Low embedded capital cost
- No high-heat rate obsolete plants

## Low Embedded Cost



## Heat Rate



## Westar Energy Coal Fleet

Unit	Capacity (MW)	WR Share (MW)	Age	Heat Rate (Btu/kWh)	Net Book Value (Millions)	\$/KW
Jeffrey 3	730	672	28	11,265	\$ 314	\$ 467
Jeffrey 2	725	667	31	11,256	\$ 248	\$ 372
Jeffrey 1	724	666	33	11,204	\$ 207	\$ 311
Lawrence 5	371	371	40	10,713	\$ 65	\$ 175
La Cygne 1	736	368	38	10,497	\$ 147	\$ 399
La Cygne 2 <sup>(a)</sup>	686	343	34	10,500	\$ 25	\$ 73
Tecumseh 8	132	132	49	11,189	\$ 19	\$ 144
Lawrence 4	109	109	51	11,605	\$ 46	\$ 422
Tecumseh 7	73	73	54	11,749	\$ 27	\$ 370
Lawrence 3	51	51	57	11,707	\$ 27	\$ 529
		3,452				

(a) Subject to lease agreement

## Coal Supply

### Westar-operated plant fuel supply (80%)

- JEC supply under contract through 2020 (10+ million tons/year)
  - 70% has no market openers
  - 30% reopened on price every 5 years
    - Next re-pricing will occur in 2013
  - All volumes have cost escalators
  - Rail contract through 2013
- LEC/TEC supply under contract until 2012 (3.5 million tons/year)
  - 100% at fixed price or capped through 2012
  - Rail contract through 2013

### Co-owned plant fuel supply managed by GXP (20%)

- LAC supply (3 million tons/year)