

How rates are set

MONTHS 1-12

- 1 Kansas Corporation Commission (KCC) approves service rates.

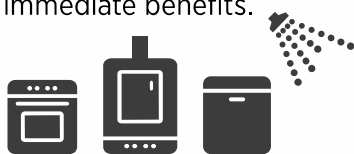


- 2 We invest in our system to meet your energy needs.



MONTHS 13-16

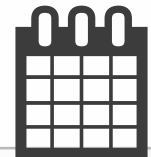
- 3 We pay for those investments and customers gain immediate benefits.



- 4 We must recover those investments. When necessary, we seek a rate increase.



- 5 We take months to compile a case based on the investments and operating costs from a "test year."



MONTH 24

- 6 The KCC thoroughly reviews our request and rules within 240 days.



- 7 The KCC sets new rates.



New rates don't consider up to two years of investments, higher costs of service and inflation from the test year to implementation. This is termed "regulatory lag."

- 8 New rates appear on customer bills.

