

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K/A  
(Amendment No. 1)**

**CURRENT REPORT**

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

Date of Report (Date of earliest event reported) May 2, 2005

**WESTAR ENERGY, INC.**

(Exact name of registrant as specified in its charter)

**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)

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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**EXPLANATORY NOTE**

This Current Report on Form 8-K/A amends the Current Report on Form 8-K filed with the Securities and Exchange Commission on May 2, 2005 by replacing Exhibit 99.2 to that Form 8-K with Exhibit 99.1 attached to this Form 8-K/A. The dollar amount included on the last line of page 12 of the presentation, which is titled "Other Significant Adjustments," has been changed from \$18 million to \$12 million.

**Section 7. Regulation FD Disclosure**

**Item 7.01 - Regulation FD Disclosure**

On May 2, 2005, Westar Energy, Inc. and Kansas Gas and Electric Company, a wholly owned subsidiary of Westar Energy, filed a joint application with the Kansas Corporation Commission to propose changes to their electric rates. Westar Energy is seeking an approximate 9 percent, or \$47.8 million, increase in rates, and Kansas Gas and Electric Company is seeking an approximate 6 percent, or \$36.3 million, increase in rates.

A copy of a presentation regarding the rate review is attached to this report and incorporated herein by this reference and is also available on our web site, <http://www.wr.com>.

**Section 9. Financial Statements and Exhibits**

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

Exhibit 99.1 Summary of Rate Application dated May 2, 2005

Forward-looking statements: Certain matters discussed in this Current Report on Form 8-K 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," "expect," "likely," "estimate," "intend" or words of similar meaning. Forward-looking statements describe our future plans, objectives, expectations or goals and are based on assumptions by the management of the Company as of the date of this document. If management's assumptions prove incorrect or should unanticipated circumstances arise, the Company's actual results could differ materially from those anticipated. These differences could be caused by a number of factors or combination of factors including, but not limited to, those factors described under the heading "Risk Factors" contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2004 as filed with the Securities and Exchange Commission. Readers are urged to consider such factors when evaluating any forward-looking statement, and the Company cautions you not to put undue reliance on any forward-looking statements. Any forward-looking statement speaks only as of the date such statement was made, and we do not undertake any

obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement was made except as required by applicable laws or regulations.

The information contained in this report is summary information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time. We disclaim any current intention to revise or update the information contained in this report, although we may do so from time to time as our management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

**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 thereunto duly authorized.

**Westar Energy, Inc.**

Date: May 9, 2005

By:           /s/ LARRY D. IRICK          

Name: Larry D. Irick

Title: Vice President, General Counsel and  
Corporate Secretary

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EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
Exhibit 99.1	Summary of Rate Application dated May 2, 2005



## **Summary of Rate Application**

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May 2, 2005

## Forward Looking Disclosure

The following presentation contains some "forward-looking statements" with respect to Westar Energy Inc.'s ("Westar") future plans, expectations and goals, including management's expectations with respect to future operating results and the outcome of Westar's pending rate review. The Private Securities Litigation Reform Act of 1995 has established that these statements qualify for safe harbors from liability.

Although we believe that the expectations and goals reflected in such forward-looking statements are based on reasonable assumptions, all forward-looking statements involve risk and uncertainty. Therefore, actual results could vary materially from what we expect. Please review our 2004 annual report on Form 10-K for important risk factors that could cause results to differ materially from those in any such forward-looking statements. Additionally, many of such forward-looking statements are subject to the outcome of our pending rate review with the Kansas Corporation Commission. Any forward-looking statement speaks only as of the date such statement was made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement was made except as required by applicable laws or regulations.

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## Overview

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- On May 2, Westar filed two rate applications
  - ☞ Retail rate review with Kansas Corporation Commission (KCC)
    - Fulfills July 2003 agreement as part of approved debt reduction plan
  - ☞ FERC formula transmission rate
    - Unbundles transmission service from retail rates
      - Consistent with Southwest Power Pool (SPP) RTO membership
      - Allows for ROE premium
  
- By Kansas statute, KCC must issue an order no later than December 28, 2005
  - ☞ FERC transmission rate likely to be effective by December 2005
  
- Simultaneous filing allows opportunities for retail and transmission rates to be effective at same time

## Kansas Retail Case Highlights

- Seeking \$84.1 million increase
  - ☞ Northern territory \$47.8 million, or 9.3%
  - ☞ Southern territory \$36.3 million, or 6.3%
  
- Increase allows us to retain our regional and national competitive pricing advantage
  - ☞ Requested average rates
    - Northern territory 6.0 cents per kWh
    - Southern territory 6.4 cents per kWh
  - ☞ Rates remain among the lowest in the state
  - ☞ National average 7.5 cents per kWh
  
- Further closes the difference between our Northern and Southern rate areas
  - ☞ Proposed difference now less than 7%
  - ☞ Was about 32% at the time of the merger
  - ☞ Common rate structure and design

## Key Calculations in Retail Case

- KCC jurisdictional rate base of \$2.3 billion
  - Excludes FERC jurisdictional rate base of approximately \$326 million
  - Reflects rate base credits of \$626 million
    - Principally deferred income taxes

- Requested rate of return – summarized <sup>1/</sup>

	% of		Component		WACC	Pre-Tax
	<u>Capital</u>		<u>Cost</u>			
Common equity	45%	x	11.5%	=	5.2%	8.7%
Debt	55%	x	6.6%	=	<u>3.6%</u>	<u>3.6%</u>
Weighted average return					8.8%	12.3%

<sup>1/</sup> Summary excludes minor effect of 0.7% preferred stock ratio

## Depreciation Rate Change

- New depreciation rates
  - ☞ In 2001 case KCC ordered lower depreciation rates, based on longer plant lives
    - Reduced annual revenues by approximately \$30 million
    - Direct impact on cash flow, but no direct impact on earnings
  
- A subsequent KCC order required Westar to conduct a fresh depreciation study. Results of that study are part of the present rate review
  
- Proposed increases in depreciation expense of \$29 million
  - ☞ Does not challenge longer plant lives
  - ☞ Increases cost of negative net salvage value, particularly on generating assets

## Fuel Adjustment Clause/Off-System Sales Sharing

- Fuel adjustment clause
  - ☞ Monthly adjustment based on estimated fuel and purchased power costs
    - Two month lag to true up actuals vs. estimates
  
- Proposed off-system sharing
  - ☞ \$24 million credit built into retail rates
    - No change from what exists today
  - ☞ Sliding scale sharing thereafter
    - \$24-\$32 million—50%/50%
    - > \$32 million—75% Westar/25% customers
  - ☞ Sharing through fuel adjustment clause

## Transmission Formula Rate

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- Transmission formula rate
  - ☞ Revenue requirement associated with the transmission function is removed from bundled retail rates
  - ☞ FERC filing to create a FERC-approved formula transmission rate
  - ☞ Retail revenue requirement will include a "line item expense" equal to FERC formula rate and SPP charges
    - Will appear as an unbundled line item on retail bills
    - Authorized by Kansas statute
  
- Simultaneous FERC filing
  - ☞ Includes FERC formula ROE plus 50 basis point premium for RTO membership
  - ☞ Rate expected to be effective December 2005

## Environmental Cost Recovery Rider

- Pending environmental rules, regulations, statutes and litigation will cause Westar to invest significantly to further reduce emissions
  - ☞ SO<sub>x</sub>
  - ☞ NO<sub>x</sub>
  - ☞ Mercury
  - ☞ Particulates
  
- Uncertain legislative and regulatory outcomes result in wide range of potential expenditures
  - ☞ We have identified the potential for up to \$660 million (nominal dollars) of expenditures for environmental projects over approximately 10 years
    - Expenditures could be significantly lower
  
- First projects are likely to include scrubbers and SCR for our 50% of LaCygne Unit 1 (operated by KCPL (GXP))
  - ☞ Follow-on projects may include
    - Low NO<sub>x</sub> burners at Jeffrey Energy Center (JEC)
    - Potential rebuild of scrubbers at JEC
    - Other projects as needed

## Environmental Cost Recovery Rider

- Propose a tracking mechanism to recover associated costs of environmental compliance
  - ☞ Revenue requirement related to environmental costs would be recovered as a line item on retail bills
  - ☞ True up and rebundle costs in subsequent rate reviews
  
- Advantages
  - ☞ Adequate and timely cost recovery
    - Avoid more frequent rate cases
  - ☞ Send proper price signals with regard to the cost of environmental compliance
  - ☞ Minimizes total cost to customer by avoiding AFUDC
  
- Present case seeks to establish the rider prior to Westar having to make significant investments in environmental controls



## Other Significant Adjustments

- Rematch COLI credits and Wolf Creek revenue requirement
  - ☞ In 2001 case KCC extended the depreciable life of Wolf Creek
  - ☞ COLI was originally used to offset Wolf Creek revenue requirement
  - ☞ In this review we seek two adjustments
    - Spread COLI benefits over the now anticipated longer life of Wolf Creek
    - Smooth the COLI credits to an equal annual amount
      - Proposed annual credit slightly greater than what is in rates today
- Asking the Commission to revisit two controversial adjustments from the 2001 rate case that served to reduce ratebase
  - ☞ Unamortized gain on LaCygne sale-leaseback transaction
    - Ratebase deduction of \$90 million (revenue requirement of \$11.0 million)
  - ☞ Imputed deferred income taxes associated with KPL/KGE merger premium
    - Ratebase deduction of \$69 million (revenue requirement of \$12.7 million)
- Recovery of costs related to 2002 and 2005 ice storms
  - ☞ Recover \$49 million of costs over three (North) and five (South) year periods
  - ☞ Annual revenue requirement of \$12 million

# **Reliability-Based Sharing Proposal**

**(Alternative Ratemaking Proposal)**

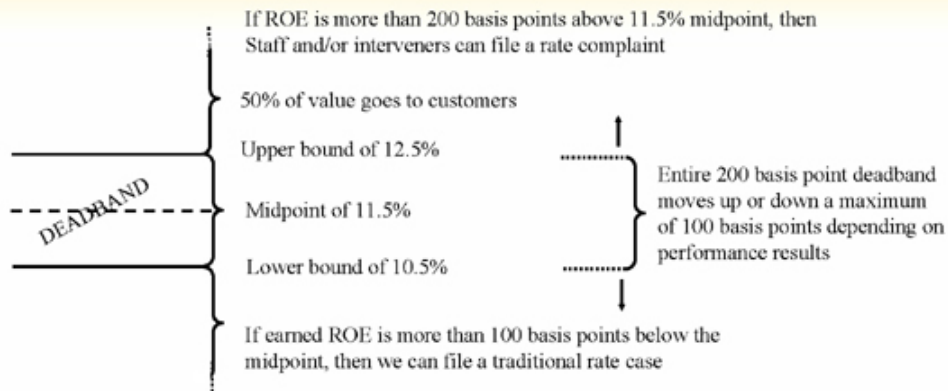
## Overview

- In addition to the traditional rate review, Westar has proposed an alternative ratemaking feature, a reliability-based sharing proposal (RBSP)
  - ☞ Three-year trial period, with opportunity to extend
  - ☞ Provide incentives to improve customer service along five dimensions
  - ☞ Less satisfactory customer service would result in lower ROE threshold before customer rebates are triggered, and lower ROE before we could seek rate increase
  - ☞ Improved customer service would result in higher ROE threshold before customer rebates are triggered, and make us less subject to a rate complaint
  
- Basic construct
  - ☞ Establishes a midpoint ROE of 11.5%, with a 200% basis point deadband (10.5%-12.5%)
  - ☞ Annual review, using abbreviated, but traditional ratemaking formula
    - Earnings above 12.5% shared with customers 50%/50% via rebates
    - No opportunity for Westar to seek a rate increase unless actual ROE is <10.5%
  - ☞ Entire bandwidth moves up or down based on five customer service measures

## Five Customer Service Quality Measures

- Customer service quality scored along five dimensions, each with equal weighting
  - System average interruption duration index (SAIDI)
  - System average interruption frequency index (SAIFI)
  - Answered call rate
  - Actual meter reads
  - Equivalent forced outage rate (EFOR) on generation plants
  
- Each measure scored along a five point scale
  
- Deadband movement based on weighted average score
  
- Maximum weighted average bandwidth movement of 100 basis points
  - Deadband can never go above 13.5% on the upper end or below 9.5% on the lower end, regardless of customer service performance

## ROE Bandwidth Dynamics



# 2005 Rate Case Timeline

*Approximate Dates*

