

MINUTES OF THE SENATE UTILITIES COMMITTEE.

The meeting was called to order by Chairperson Senator Stan Clark at 9:30 a.m. on February 18, 2003 in Room 231-N of the Capitol.

All members were present except:

Committee staff present:     Raney Gilliland, Legislative Research  
                                  Bruce Kinzie, Revisor of Statutes  
                                  Ann McMorris, Secretary

Conferees appearing before the committee:

Others attending:     See attached list

Senator Clark introduced Homera Nino de Rivera from Mexico City. He is the Director of Information in Mexico. The International Visitors Council scheduled him to meet people connected to public affairs and external relations especially connected with telecommunications and the transportation industry. He was particularly interested in how policies are negotiated between the states in issues which cross state lines and chose to attend the Senate Utilities Committee meeting for the purpose of learning more about public utilities.

Senator Clark provided the committee with copies of specific pages from Kansas annual reports by various companies in different time periods on compensation and investments and briefed them on his findings. (Attachment 1)

Chair opened discussion for possible action on:

**SB 80 - Public Utilities, Commission approval for selling, assigning or leasing certain assets.**

Bruce Kinzie of Revisor of Statutes office explained the changes in language as suggested by KCC and provided the committee with Substitute for **SB 80**. (Attachment 2) After considerable discussion, and comments from Barry Hart and Tom Gleason who felt this new language doesn't give KCC authority they don't already have, no action was taken.

Chair opened discussion for possible action on

**SB 51 - Prohibiting the exclusion of excessive employee compensation ("golden parachutes") in public utility rates**

Bruce Kinzie provided a balloon version of **SB 51** - deleted Section 1 (E) and (I) and relettered the remaining sections; Under new (I) - added new paragraph (3) defining compensation; and added new sub paragraphs under paragraph 6 (e) and (h). (Attachment 3)

Moved by Senator Brownlee, seconded by Senator Lee, that the proposed balloon amendments be adopted. The motion remains open until the next meeting.

Next meeting of the Senate Utilities committee will be on February 21.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 3

# SENATE UTILITIES COMMITTEE GUEST LIST

DATE: FEBRUARY 18, 2003

Name	Representing
Anne Bos	KCC
HOMEFO NIÑO DE RIVERA	
PAULA NAVARRO-GONZALEZ	
Tim McCall	KDOL
Steve Johnson	Kansas Gas Service
Tim Pickering	SBC
MARK SCHREIBER	Westar Energy
<del>XXXXXXXXXXXXXXXXXXXX</del>	KCC
James Spiess	KITA - to Telecom Ind. Assn
Jeffrey	Aquila
James Smith	CEPE
Bruce Graham	ICEPE
Barry HART	Ks. Elect. Co-ops.
Amy Campbell	Midwest Energy
DENNY KOCH	SBC
Elaine Schulz	PSIC



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Name of Respondent t Energy Corp.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 20
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**DIRECTORS**

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.

Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	John Blackwell, Secretary	Route 2, Box 89, Larned, KS 67550
2	Kenneth R. Braun	3008 Cherry Hill Drive, Hays, KS 67601
3	Lon R. Frahm, Treasurer	18 Cottonwood Drive, Colby, KS 67701
4	Bill Hikok	1203 Hillside Drive, Scott City, KS 67871
5	Keith L. Miller	363 NE 80th Ave, Great Bend, KS 67530
6	Chuck Moore	P.O. Box 502, Colby, KS 67701
7	Gary Moss	HC1 Box 49, Menlo, KS 67753
8	Juanita Stecklein, Vice Chairman	1075 280th Ave, Hays, KS 67601
9	Dale Unruh, Chairman	Route 1, Box 12, Pawnee Rock, KS 67567
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Supplemental Electric Report of MIDWEST ENERGY, INC. Year Ending December 31, 2001

Position (a)	Total No. of Employees as of Dec. 31 (b)	Annual Salary Ranges			No. of Employees			Total Payroll for the Year (j)
		Min (c)	Mid- Point (d)	Max. (e)	Min. (f)	Mid- Point (g)	Max. (h)	
<u>Officers (see page 104)</u>								
<u>Management Categories (Non-Officers):</u>								
General Manager / Executive Director								
Director								
Manager								
Superintendent								
Assistant Manger / Staff Coordinator								
Foreman								
<u>Professional / Technical Categories:</u>								
Attorney								
Engineer								
Finance / Accountant								
Rates Analyst								
Public Affairs Specialist								
Information Systems Specialist								
Customer Assistance Representative								
Marketing / Sales Representative								
Clerical Personnel								
<u>Union Categories:</u>								
Lineman, Journeyman								
Lineman, Apprentice								
Service Repairman								
Distribution Repairman								
Laborer								

Supplemental Electric Report of MIDWEST ENERGY, INC. Year Ending December 31, 2001

Name of Respondent	This Report is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, _____
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## DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to *Utility Departments, Construction, Plant Removals, and Other Accounts*, and enter such amounts in the appropriate lines and columns provided.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1.	Electric			
2.	Operation			
3.	Production			
4.	Transmission			
5.	Distribution			
6.	Customer Accounts			
7.	Customer Service and Informational			
8.	Sales			
9.	Administrative and General			
10.	TOTAL Operation (Total of lines 3 thru 9)	See pages 354-355 of Regular Report		
11.	Maintenance			
12.	Production			
13.	Transmission			
14.	Distribution			
15.	Administrative and General			
16.	TOTAL Maint. (Total of lines 12 thru 15)			
17.	Total Operation and Maintenance			
18.	Production (Total of lines 3 and 12)			
19.	Transmission (Total of lines 4 and 13)			
20.	Distribution (Total of lines 5 and 14)			
21.	Customer Accounts (Line 6)			
22.	Customer Service and Informational (line 7)			
23.	Sales (Line 8)			
24.	Administrative and General (Total of lines 9 and 15)			
25.	TOTAL Oper. And Maint. (Total of lines 18 thru 24)			

Supplemental Electric Report of MIDWEST ENERGY, INC. Year Ending December 31, 2001

Name of Respondent		This Report is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, _____
<b>DISTRIBUTION OF SALARIES AND WAGES - Continued</b>				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
26.	Gas			
27.	Operation			
28.	Production - Manufactured Gas			
29.	Production - Nat. Gas (Including Expl. And Dev.)			
30.	Other Gas Supply			
31.	Storage, LNG Terminaling and Processing			
32.	Transmission			
33.	Distribution			
34.	Customer Accounts			
35.	Customer Service and Informational			
36.	Sales	See pages 354-355 of Regular Report		
37.	Administrative and General			
38.	TOTAL Operation (Total of lines 28 thru 37)			
39.	Maintenance			
40.	Production - Manufactured Gas			
41.	Production - Natural Gas			
42.	Other Gas Supply			
43.	Storage, LNG Terminaling and Processing			
44.	Transmission			
45.	Distribution			
46.	Administrative and General			
47.	TOTAL Maint. (Total of lines 40 thru 46)			

FERC FORM NO. 1 (ED. 12-88)

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Supplemental Electric Report of MIDWEST ENERGY, INC. Year Ending December 31, 2001

Name of Respondent		This Report is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, _____
<b>DISTRIBUTION OF SALARIES AND WAGES - Continued</b>				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
	Gas (Continued)			
48.	Total Operation and Maintenance			
49.	Production - Manufactured Gas (Lines 28 and 40)			
50.	Production - Natural gas (including Expl. And Dev.) (Lines 29 and 41)			
51.	Other Gas Supply (Lines 30 and 42)			
52.	Storage, LNG Terminaling and Processing (Lines 31 and 43)			
53.	Transmission (Lines 32 and 44)			
54.	Distribution (Lines 33 and 45)			
55.	Customer Accounts (Line 34)			
56.	Customer Service and Informational (Line 35)			
57.	Sale (Line 36)			
58.				
59.	TOTAL Operation and Maint. (Total of lines 49 thru 58)	See pages 354-355 of Regular Report		
60.	Other Utility Departments			
61.	Operation and Maintenance			
62.	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)			
63.	Utility Plant			
64.	Construction (By Utility Departments)			
65.	Electric Plant			
66.	Gas Plant			
67.	Other			
68.	TOTAL Construction (Total of lines 65 thru 67)			
69.	Plant Removal (By Utility Departments)			
70.	Electric Plant			
71.	Gas Plant			
72.	Other			
73.	TOTAL Plant Removal (Total of Lines 70 thru 72)			





Name of Respondent M. Energy Corp.	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	Dec. 31, 2001

DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Total Operation and Maintenance			
49	Production-Manufactured Gas (Enter Total of lines 28 and 40)			
50	Production-Natural Gas (Including Expl. and Dev.) (Total lines 29,			
51	Other Gas Supply (Enter Total of lines 30 and 42)	57,937		
52	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
53	Transmission (Lines 32 and 44)	46,380		
54	Distribution (Lines 33 and 45)	1,696,371		
55	Customer Accounts (Line 34)	783,717		
56	Customer Service and Informational (Line 35)	266,072		
57	Sales (Line 36)	17,156		
58	Administrative and General (Lines 37 and 46)	571,370		
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	3,439,003	983,894	4,422,897
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	6,554,999	1,875,376	8,430,375
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant	1,144,280	327,377	1,471,657
66	Gas Plant	427,837	122,403	550,240
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	1,572,117	449,780	2,021,897
69	Plant Removal (By Utility Departments)			
70	Electric Plant	125,970	36,040	162,010
71	Gas Plant	16,958	4,852	21,810
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	142,928	40,892	183,820
74	Other Accounts (Specify):			
75	123.2 Midwest Development	620	177	797
76	123.4 Midwest United Energy	12,105	3,463	15,568
77	123.41 Pioneer Telecommunications Project	11,584	3,314	14,898
78	143 Other Accounts Receivable	1,129	323	1,452
79	186 Miscellaneous Deferred Debits	4,851	1,388	6,239
80	186.9 Restructuring/Unbundling/Open Access	36,338	10,396	46,734
81	416 Merchandise and Appliance Sales Expense - Electric	34,291	9,811	44,102
82	416 Merchandise and Appliance Sales Expense - Gas	335,034	95,853	430,887
83	418 Expenses on Non-Utility Property	2,868	820	3,688
84				
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95	TOTAL Other Accounts	438,820	125,545	564,365
96	TOTAL SALARIES AND WAGES	8,708,864	2,491,593	11,200,457

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Name of Respondent  
Western Resources, Inc.

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
04/30/2002

Year Report  
Dec. 2001

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Chairman of the Board and CEO	David C. Wittig	
2	Executive Vice President, Chief Strategic Officer	Douglas T. Lake	
3	Executive Vice President and CAO (1)	Carl M. Koupal, Jr.	
4	Executive Vice President, Electric Operations (1)	Thomas L. Grennan	
5	Executive Vice President, Shared Services (2)	Rita A. Sharpe	
6	Executive Vice President and General Counsel (1)	Richard D. Terrill	
7	Sr. Vice President, Finance and Treasurer (1)	James A. Martin	
8	Corporate Secretary (5)	Larry D. Irick	
9	Senior Vice President, Customer Operations (4)	Richard A. Dixon	
10	Senior Vice President, CFO and Treasurer (5)	Paul R. Geist	
11	Senior Vice President, Commodity Strategy (4)	Shane A. Mathis	
12	Senior Vice President, Generation & Marketing (6)	Douglas R. Sterbenz	
13			
14			
15			
16	Notes:		
17			
18	(1) Resigned October 2001		
19			
20	(2) Resigned December 2001		
21			
22	(3) Appointed Vice President December 2001		
23			
24	(4) Appointed December 2001		
25			
26	(5) Appointed October 2001		
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28	(6) Appointed November 2001		
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Name of Respondent Resources, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 20
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**DIRECTORS**

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1		
2	Frank J. Becker	Lawrence, KS
3		
4	Gene A. Budig	New York, NY
5		
6	Charles Q. Chandler, IV	Wichita, KS
7		
8	John C. Dicus	Topeka, KS
9		
10	R. A. Edwards (1)	Hutchinson, KS
11		
12	Douglas T. Lake	Topeka, KS
13	Executive Vice President, Chief Strategic Officer	
14		
15	Owen F. Leonard (2)	Saddle Brook, NJ
16		
17	John C. Nettels, Jr.	Overland Park, KS
18		
19	Jane Dresner Sadaka (3)	New York, NY
20		
21	Louis W. Smith (4)	Kansas City, MO
22		
23	David C. Wittig	Topeka, KS
24	Chairman of the Board, President and CEO	
25		
26		
27		
28		
29	Notes:	
30		
31	(1) Appointed October 2001	
32		
33	(2) Retired May 2001	
34		
35	(3) Retired March 2001	
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37	(4) Retired July 2001	
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DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	16,027,536		
4	Transmission	1,510,985		
5	Distribution	8,050,529		
6	Customer Accounts	6,654,569		
7	Customer Service and Informational	345,262		
8	Sales	312,404		
9	Administrative and General	27,619,548		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	60,520,833		
11	Maintenance			
12	Production	14,144,368		
13	Transmission	1,459,748		
14	Distribution	4,887,929		
15	Administrative and General	528,464		
16	TOTAL Maint. (Total of lines 12 thru 15)	21,020,509		
17	Total Operation and Maintenance			
18	Production (Enter Total of lines 3 and 12)	30,171,904		
19	Transmission (Enter Total of lines 4 and 13)	2,970,733		
20	Distribution (Enter Total of lines 5 and 14)	12,938,458		
21	Customer Accounts (Transcribe from line 6)	6,654,569		
22	Customer Service and Informational (Transcribe from line 7)	345,262		
23	Sales (Transcribe from line 8)	312,404		
24	Administrative and General (Enter Total of lines 9 and 15)	28,148,012		
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)	81,541,342		81,541,342
26	Gas			
27	Operation			
28	Production-Manufactured Gas			
29	Production-Nat. Gas (Including Expl. and Dev.)			
30	Other Gas Supply			
31	Storage, LNG Terminaling and Processing			
32	Transmission			
33	Distribution			
34	Customer Accounts			
35	Customer Service and Informational			
36	Sales			
37	Administrative and General			
38	TOTAL Operation (Enter Total of lines 28 thru 37)			
39	Maintenance			
40	Production-Manufactured Gas			
41	Production-Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing			
44	Transmission			
45	Distribution			
46	Administrative and General			
47	TOTAL Maint. (Enter Total of lines 40 thru 46)			
				1-11



Name of Respondent W Resources, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001
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DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Total Operation and Maintenance			
49	Production-Manufactured Gas (Enter Total of lines 28 and 40)			
50	Production-Natural Gas (Including Expl. and Dev.) (Total lines 29,			
51	Other Gas Supply (Enter Total of lines 30 and 42)			
52	Storage, LNG Terminating and Processing (Total of lines 31 thru			
53	Transmission (Lines 32 and 44)			
54	Distribution (Lines 33 and 45)			
55	Customer Accounts (Line 34)			
56	Customer Service and Informational (Line 35)			
57	Sales (Line 36)			
58	Administrative and General (Lines 37 and 46)			
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)			
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	81,541,342		81,541,342
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant	7,006,844		7,006,844
66	Gas Plant			
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	7,006,844		7,006,844
69	Plant Removal (By Utility Departments)			
70	Electric Plant	1,625,368		1,625,368
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	1,625,368		1,625,368
74	Other Accounts (Specify):			
75	146 Accounts Receivable	9,000		9,000
76	163 Stores Expense and Undistributed	1,230,019		1,230,019
77	184 Clearing Accounts	16,344,534		16,344,534
78	186 Misc. Deferred Debits	4,011		4,011
79	211 Other Paid-In Capital	4,596,405		4,596,405
80	228 Operating Reserves	559,054		559,054
81	232 Accounts Payable	10,927,476		10,927,476
82	241 Tax Collections Payable	-193,994		-193,994
83	253 Other Deferred Credits	5,543,540		5,543,540
84	426 Misc. Other Deductions	1,173,105		1,173,105
85	451 Misc. Service Revenues	170,275		170,275
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	40,363,425		40,363,425
96	TOTAL SALARIES AND WAGES	130,536,979		130,536,979

1-12

GENERAL INFORMATION AND IMPORTANT CHANGES DURING YEAR

1. Name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept.

Sidney J. Severson  
 Director of Finance  
 Sunflower Electric Cooperative, Inc.  
 301 W. 13th Street  
 Hays, KS. 67601

2. Incorporation

- (a) State in which incorporated Kansas
- (b) Date of Incorporation August 12 19 57
- (c) If incorporated in Kansas, state whether incorporated:  
 (1) under the Electric Cooperative Act (Chapter 17, Article 46) or (2) under the Cooperative Society Act (Chapter 17, Article 15).

ELECTRIC COOPERATIVE ACT

3. Date when first project was energized June, 1960

4. States other than Kansas in which respondent operated during the calendar year None

5. Officers and Manager at close of calendar year:

Title (a)	Name of Officer (b)	Address (c)	Salary for Year, (If any) (d)
Gen. Mgr.	Arthur J. Schnose	Hays, Kansas 67601	\$ 80,471
President	Lewis E. Mitchell	Scott City, Kansas 67871	NONE
Vice-Pres.	Paul Seib, Jr.	Ness City, Kansas 67560	NONE
Secretary	George H. Jensen	Hays, Kansas 67601	NONE
Treasurer	Loren E. Ochs	Jetmore, Kansas 67854	NONE

6. If any change in the above positions has been made subsequent to close of the calendar year, show name and address of new incumbent and name of person replaced.

Steven W. Thompson, Hays, Kansas 67601 - Arthur J. Schnose

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GENERAL INFORMATION AND IMPORTANT CHANGES DURING YEAR - Continued

7. Directors at close of calendar year:

Name of Director (a)	Address (b)	Term Began (c)	Term Expires (d)	Meetings Attended During Year (e)	Fees During Year (f)
Lewis E. Mitchell	Scott City, KS 67871	5/84	5/15/86	14	2,800
Carroll Ginther	Bird City, KS. 67731	5/84	5/15/86	12	2,500
Norval Evert	Goodland, KS 67735	5/84	5/15/86	6	1,100
George Jensen	Hays, KS. 67601	5/83	5/10/85	20	3,950
Chrissie Drommer	Norton, KS. 67654	5/84	5/15/86	14	2,900
Paul Seib, Jr.	Ness City, KS. 67560	5/83	5/10/85	13	2,600
Loren E. Ochs	Jetmore, KS. 67854	5/83	5/10/85	12	2,500
Arthur B. Williams	Ulysses, KS. 67880	5/83	5/10/85	7	1,400
See Page 2A for Alternate Directors					

8. Annual Meeting

(a) Date and place held 5/15/84 - Hilton Hotel, Garden City, KS.

(b) Votes cast for election of directors:

By members in person 8  
 By proxy -0-  
 Total votes cast 8

(c) Membership outstanding End of Year 8

9. If any general or special cash distribution or patronage capital was made during the year, give the amount paid, the number of members (or prior members) receiving payment, and the purpose for such distribution.

NONE

10. Describe any important extensions of the transmission or distribution system during the year.

30 Miles 115 kV Transmission Line Extension Hill City to Norton, Kansas

30 Miles Transmission Line Conversion, 69kV to 115kV Gove to Ransom, Kansas

11. Purchase or sale of an operating unit of plant.

NONE

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Sunflower Electric Coop

1984

<u>Name of Alternate</u>	<u>Address</u>	<u>Meetings Attended</u>	<u>Fees</u>
Raymond Sprenkle	Dodge City, KS.	1	100.00
Alfred Gerstner	Colby, KS.	1	350.00
Maurice O'Brien	Dighton, KS.	1	200.00
Charles Holt	Ulysses, KS.	4	800.00
Clifton Smith	Weskan, KS.	5	1,000.00

TABLE 1 ---

EMPLOYEE PAYROLL DATA

1. List in this table the payroll data as called for, beginning with office employees (including manager). Then list plant employees. Show subtotals for each group in column (g). Show all regular employees separately. Temporary employees may be shown by groups, providing the number thereof is shown (A temporary employee is one employed for short duration or for construction or other special work where employment will terminate upon completion thereof).  
 2. The rate of pay shown in column (e) should not include overtime.

Name of Employee (a)	Title of Position (b)	Length of Tenure		Year End Status		Total Compensation for Year (g)
		Number Prior Years (c)	Current Year (months) (d)	Pay per Hour or per Month (e)	Full time Part time or Terminated (f)	
Arthur Schnose	Gen. Mgr.	14	12	6875/mo	Full	\$ 80,471
Steve Thompson	Asst Gen Mgr	10	12	6250/mo	Full	59,745
Robert Anderson	Dir of Oper	3	12	4472/mo	Full	50,940
Other Office Empl	47	--	--	--		802,530
Plant Employees	210	--	--	--		6,277,735
Total Payroll for the Year (Should agree with Table 2 below, Line 13)						\$7,271,421

TABLE 2 --- DISTRIBUTION OF SALARIES AND WAGES

Line No.	Class of Charges	Operation (b)	Maintenance (c)	Total (d)
<b>OPERATING EXPENSE CHARGES</b>				
1.	Production expenses.....	\$ 3,054,084	\$ 1,654,908	\$ 4,708,992
2.	Transmission expenses.....	308,829	102,968	411,797
3.	Distribution expenses.....	-0-	-0-	-0-
4.	Customer accounting.....	41,259	-0-	41,259
5.	Customer service and informational expenses.....	-0-	-0-	-0-
6.	Sales promotion expenses.....	-0-	-0-	-0-
7.	Administrative and general expenses.....	993,686	6,493	1,000,179
8.	Total payroll charged directly to operating expenses during the year.....	\$ 4,397,858	\$ 1,764,369	\$ 6,162,227
<b>OTHER PAYROLL CHARGES</b>				
9.	Vehicle and/or other clearing accounts.....			175,493
10.	Amounts charged to construction and/or to plant accounts.....			471,401
11.	Amounts charged in connection with plant removals.....			-0-
12.	Amounts charged to other accounts (Submit schedule if more than 5% of total payroll).....			462,300
13.	Total Payroll Distribution (Should agree with total payroll Table 1)			\$ 7,271,421

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GENERAL INFORMATION AND IMPORTANT CHANGES DURING YEAR

1. Name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept.

Sidney J. Severson  
 Director of Finance  
 Sunflower Electric Cooperative, Inc.  
 301 W. 13th Street  
 Hays, KS 67601

2. Incorporation

- (a) State in which incorporated Kansas
- (b) Date of Incorporation August 12 19 57
- (c) If incorporated in Kansas, state whether incorporated:  
 (1) under the Electric Cooperative Act (Chapter 17, Article 46) or (2) under the Cooperative Society Act (Chapter 17, Article 15).

ELECTRIC COOPERATIVE ACT

3. Date when first project was energized June, 1960

4. States other than Kansas in which respondent operated during the calendar year \_\_\_\_\_

5. Officers and Manager at close of calendar year:

Title (a)	Name of Officer (b)	Address (c)	Salary for Year, (If any) (d)
Gen. Mgr	Steven W. Thompson	Hays, Kansas 67601	\$75,000
President	Lewis E. Mitchell	Scott City, Kansas	NONE
Vice-Pres.	Paul Seib, Jr.	Ness City, Kansas 67560	NONE
Secretary	George H. Jensen	Hays, Kansas 67601	NONE
Treasurer	Loren E. Ochs	Jetmore, Kansas 67854	NONE

6. If any change in the above positions has been made subsequent to close of the calendar year, show name and address of new incumbent and name of person replaced.

Paul Seib, Jr., Ness City, Kansas 67560 - Lewis E. Mitchell  
 Phil Lesh, Norton, Kansas 67654 - Paul Seib, Jr.

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31, 1985

Annual Report of Sunflower Electric Cooperative, Inc Year Ended December 31, 1985

GENERAL INFORMATION AND IMPORTANT CHANGES DURING YEAR - Continued

7. Directors at close of calendar year:

Name of Director (a)	Address (b)	Term Began (c)	Term Expires (d)	Meetings Attended During Year (e)	Fees During Year (f)
Lewis E. Mitchell	Scott City, KS 67871	5/84	5/15/86	23	3,000
Carroll Ginther	Bird City, KS 67731	5/84	5/15/86	23	2,400
Norval Evert	Goodland, KS 67735	5/84	5/15/86	18	1,925
George Jensen	Hays, KS 67601	5/85	5/07/86	26	2,650
Chrissie Drommer	Norton, KS 67654	5/84	5/15/86	25	2,750
Paul Seib, Jr.	Ness City, KS 67560	5/85	5/07/86	20	2,125
Loren E. Ochs	Jetmore, KS 67854	5/85	5/07/86	22	2,550
Perry Rubart	Ulysses, KS 67880	5/85	5/07/86	17	1,525
See Page 2A for Alternate Directors					

8. Annual Meeting

(a) Date and place held 5/7/85 Sunflower Office Building-Hays, Kansas

(b) Votes cast for election of directors:

By members in person 8  
 By proxy 0  
 Total votes cast 8

(c) Membership outstanding End of Year 8

9. If any general or special cash distribution of patronage capital was made during the year, give the amount paid, the number of members (or prior members) receiving payment, and the purpose for such distribution.

NONE

10. Describe any important extensions of the transmission or distribution system during the year.

NONE

11. Purchase or sale of an operating unit of plant.

NONE

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<u>Name of Alternate</u>	<u>Address</u>	<u>Meetings Attended</u>	<u>Fees</u>
Raymond Sprenkle	Dodge City, KS	2	\$ -0-
Alfred Gerstner	Colby, KS	5	\$ 600
Maurice O'Brien	Dighton, KS	2	\$ 300
Charles Holt	Ulysses, KS	3	\$ 500
Harlen McGinness	Wakeeney, KS	1	\$ 100
Phil Lesh	Norton, KS	2	\$ 100
*Jack Hutchinson	Ulysses, KS	3	\$ 200
Bob Johnson	McDonald, KS	3	\$ 50
John Tracy	Syracuse, KS	2	\$ -0-

\*Jack Hutchinson replaced Charles Holt as Alternate on 8/12/85. Mr. Holt resigned effective 6/30/85.

Changes in the above positions subsequent to the close of the calendar year.

---

Phil Lesh is Norton-Decatur's representative and Chrissie Drommer is the alternate.

John Tracy is Wheatland's representative and Lewis Mitchell is the alternate.

TABLE 1 ---

EMPLOYEE PAYROLL DATA

1. List in this table the payroll data as called for, beginning with office employees (including manager). Then list plant employees. Show subtotals for each group in column (g). Show all regular employees separately. Temporary employees may be shown by groups, providing the number thereof is shown (A temporary employee is one employed for short duration or for construction or other special work where employment will terminate upon completion thereof).  
 2. The rate of pay shown in column (e) should not include overtime.

Name of Employee (a)	Title of Position (b)	Length of Tenure		Year End Status		Total Compensation for Year (g)
		Number Prior Years (c)	Current Year (months) (d)	Pay per Hour or per Month (e)	Full time or Part time or Terminated (f)	
(SEE ATTACHED)						
Total Payroll for the Year (Should agree with Table 2 below, Line 13)						

TABLE 2 --- DISTRIBUTION OF SALARIES AND WAGES

Line No.	Class of Charges	Operation (b)	Maintenance (c)	Total (d)
<u>OPERATING EXPENSE CHARGES</u>				
1.	Production expenses.....	\$3,423,224	\$1,776,264	\$5,199,488
2.	Transmission expenses.....	554,919	124,247	679,166
3.	Distribution expenses.....	--	--	--
4.	Customer accounting.....	65,356	--	65,356
5.	Customer service and informational expenses.....	--	--	--
6.	Sales promotion expenses.....	--	--	--
7.	Administrative and general expenses.....	1,035,890	104,627	1,140,517
8.	Total payroll charged directly to operating expenses during the year.....	\$5,079,389	\$2,005,138	\$7,084,527
<u>OTHER PAYROLL CHARGES</u>				
9.	Vehicle and/or other clearing accounts.....			261,893
10.	Amounts charged to construction and/or to plant accounts.....			77,118
11.	Amounts charged in connection with plant removals.....			-0-
12.	Amounts charged to other accounts (Submit schedule if more than 5% of total payroll).....			23,149
13.	Total Payroll Distribution (Should agree with total payroll Table 1)			\$7,446,687

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December 31

Employee Payroll Data

<u>Title of Position</u> (b)	<u>Employees</u>	<u>Total Compensation for Year</u> (g)
Clerical	16	241,578
Coal & Material Handler	12	334,649
Unit Operator	20	559,510
Equipment Operator	19	422,443
Control Operator	5	170,878
EIC Tech.	17	489,588
Journey Man Line/Sub Tech.	9	266,469
Lab Tech.	14	383,802
Maint. Planning Tech.	3	92,040
Mechanic/Machinist/Welder	22	572,036
Meter Tester	3	64,398
Secretary	3	154,796
System Operator	11	202,523
Shift Supervisor	6	201,880
Engineer	5	221,845
Engineer Tech.	6	175,724
Compressor Operator	6	41,392
Warehouseman	2	109,650
Prev. Maintenance Spec.	5	143,898
Programmer	6	69,937
Directors	3	203,122
Electric Meterman	4	52,540
Laborer	4	96,264
Telecom. Tech.	2	118,184
Accounting/Personnel Asst.	5	66,036
Manager	4	469,790
Supervisor & Supt.	4	785,310
Analyst	11	145,855
General Manager	5	79,153
Terminated	1	328,395
	30	<u>\$7,263,685</u>
Sub-Total		<u>183,002</u>
Accrued Vac./Hol. Acct. 242300		<u>\$7,446,687</u>

TOTAL

NOTE: SUNFLOWER DOES NOT HAVE SALARY RANGES IN EFFECT AT THIS TIME.

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GENERAL INFORMATION AND IMPORTANT CHANGES DURING YEAR - Continued

7. Directors at close of calendar year:

Name of Director (a)	Address (b)	Term Began (c)	Term Expires (d)	Meetings Attended During Year (e)	Fees During Year (f)
Gene Olson	Rt.2,Box 480, Colby, Ks.	1984	1987	18	1,800.00
Bruce Selby	Rt.1,Box 250, Brewster,Ks.	1985	1988	13	1,300.00
Tommy Tompkins	Rt.2,Box 77,Goodland,Ks.	1984	1987	16	1,600.00
Tauscher Bretz	Rt.2, Wallace, Kansas	1984	1987	17	1,700.00
Norval Evert	Rt.3,Box 38, Goodland,Ks.	1983	1986	23	2,300.00
Leroy Delzeit	Rt.2,Box 40, Oakley, Ks.	1984	1986	19	1,900.00
Dale Farmer	1345 W. 4th, Colby, Ks.	1983	1986	16	1,600.00
Kenneth Palmgren	Rt.1,Box 55, Edson, Ks.	1985	1988	9	900.00
Iley Sexson	R.R, Box 46, Weskan, Ks.	1985	1988	9	900.00

8. Annual Meeting

(a) Date and place held Goodland, Kansas April 11, 1985

(b) Votes cast for election of directors:

By members in person 218  
 By proxy 31  
 Total votes cast 249

(c) Membership outstanding End of Year 2,286

9. If any general or special cash distribution of patronage capital was made during the year, give the amount paid, the number of members (or prior members) receiving payment, and the purpose for such distribution.

In 1985, we refunded capital credits on 35 deceased members in the amount of \$17,755.47.

10. Describe any important extensions of the transmission or distribution system during the year.

11. Purchase or sale of an operating unit of plant.

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TABLE 1 --- EMPLOYEE PAYROLL DATA

1. List in this table the payroll data as called for, beginning with office employees (including manager). Then list plant employees. Show subtotals for each group in column (g). Show all regular employees separately. Temporary employees may be shown by groups, providing the number thereof is shown (A temporary employee is one employed for short duration or for construction or other special work where employment will terminate upon completion thereof).  
 2. The rate of pay shown in column (e) should not include overtime.

Name of Employee (a)	Title of Position (b)	Length of Tenure		Year End Status		Total Compensation for Year (g)	
		Number Prior Years (c)	Current Year (months) (d)	Pay per Hour or per Month (e)	Full time or Part time or Terminated (f)		
		Linemen	Cleric	Superv	Genera	Manage	

6. Sales promotion expenses.....			
7. Administrative and general expenses.....	97,273.58		97,273.58
8. Total payroll charged directly to operating expenses during the year.....	276,998.17	138,874.74	
<b>OTHER PAYROLL CHARGES</b>			
9. Vehicle and/or other clearing accounts.....			21,305.57
10. Amounts charged to construction and/or to plant accounts.....			108,231.93
11. Amounts charged in connection with plant removals.....			24,458.46
12. Amounts charged to other accounts (Submit schedule if more than 5% of total payroll).....			4,433.48
13. Total Payroll Distribution (Should agree with total payroll Table 1)			574,302.35

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TABLE 1 - - - EMPLOYEE PAYROLL DATA

1. List in this table the payroll data as called for, beginning with office employees (including manager). Then list plant employees. Show subtotals for each group in column (g). Show all regular employees separately. Temporary employees may be shown by groups, providing the number thereof is shown (A temporary employee is one employed for short duration or for construction or other special work where employment will terminate upon completion thereof).  
 2. The rate of pay shown in column (e) should not include overtime.

Name of Employee (a)	Title of Position (b)	Length of Tenure		Year End Status Pay per Hour or per Month (e)	Full time Part time or Terminated (f)	Total Compensation for Year (g)	PAYROLL INFORMATION FOR INVESTOR-OWNED ELECTRIC AND GAS UTILITY ANNUAL REPORTS			Total Payroll for the Year (i)					
		Number Prior Years (c)	Current Year (months) (d)				Annual Salary Ranges				No. of Employees				
							(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
							Total Number of Employees as of December 31	Min.	Mid-Point	Max.	Min.	Mid-Point	Max.		
<u>Management Categories</u>															
General Manager/Staff Members							3	26,750/ 32,771	32,772/ 42,956	42,957/ 56,307				3	139,455.10
Supervisors							4	28,704/ 32,864	32,865/ 40,269	40,270/ 49,338	2	2			130,334.07
Clerical Personell							6	10,400/ 14,581	14,582/ 23,420	23,421/ 37,606	2	2		2	135,528.62
Linemen							9	11,960/ 15,662	15,663/ 21,902	21,903/ 32,864	3	1		5	168,984.51
<b>TOTALS</b>															<b>574,302.30</b>

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## ELECTRIC OPERATION AND MAINTENANCE EXPENSES - Continued

Line No.	Account Number and Name (a)	Amount for Current Year (b)	Amount for Preceding Year (c)
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>			
<b>Operation</b>			
16.	(920) Administrative and general salaries	2,649,473	1,835,939
17.	(921) Office supplies and expenses	847,600	551,199
18.	(922) Administrative expenses transferred - Cr.	(15,190)	(157,786)
19.	(923) Outside services employed	594,464	636,839
20.	(924) Property insurance	7,194	358,693
21.	(925) Injuries and damages	0	292,440
22.	(926) Employee pensions and benefits	0	2,418,588
23.	(927) Franchise requirements	0	0
24.	(928) Regulatory commission expenses	124,083	152,825
25.	(929) Duplicate charges - Cr.	0	0
26.	(930.1) General advertising expenses	0	0
27.	(930.2) Miscellaneous general expenses	528,478	172,010
28.	(931) Rents	0	0
29.	Total operation (Lines 16-28, inclusive)	4,736,102	6,260,747
<b>Maintenance</b>			
30.	(935) Maintenance of general plant	470,763	337,533
31.	Total Administrative and General Expenses (Line 29 plus line 30)	5,206,865	6,598,280
32.	Total Elec. Exp. (pg 34, line 39 + pg 35, lines 17 & 39 + pg 36, lines 6, 10, 15, 31)	59,120,498	60,357,010

## SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES - CURRENT YEAR

Line No.	Functional Classification (a)	Operation (401) (b)	Maintenance (402) (c)	Total (d)
33.	Power Production Expenses	42,496,977	6,026,589	48,523,566
34.	Transmission Expenses	4,332,240	991,091	5,323,331
35.	Distribution Expenses	0	0	0
36.	Customer Accounts Expenses	45,686	0	45,686
37.	Customer Service and Informational Expenses	0	0	0
38.	Sales Expenses	21,050	0	21,050
39.	Administrative and General Expenses	4,736,102	470,763	5,206,865
40.	TOTAL ELECTRIC OPERATION AND MAINTENANCE EXPENSES	51,632,055	7,488,443	59,120,498

TABLE 1 -- EMPLOYEE PAYROLL DATA

1. List in this table the payroll data as called for, beginning with office positions (including manager). Then list plant positions. Show each position title. If there are five employees with the same position title, the position need only be listed once with the number of employees in parentheses, the average pay for the five, and the total compensation for the five.

2. The rate of pay shown in column (b) should not include overtime.

Title of Position (a)	Year End Status		Total Compensation for Year (d)
	Pay per Hour or per Month (b)	Full-Time Part-time or Terminated (c)	
See Attachment			
Total Payroll for the year (Should agree with Table 2 below, Line 13)			

TABLE 2-- DISTRIBUTION OF SALARIES AND WAGES

Line No.	Class of Charges (a)	Operation (b)	Maintenance (c)	Total (d)
<u>OPERATING EXPENSE CHARGES</u>				
1.	Production expenses	3,756,710	2,240,410	5,997,120
2.	Transmission expenses	931,443	477,044	1,408,487
3.	Distribution expenses	0	0	0
4.	Customer accounting	25,286	0	25,286
5.	Customers service and individual expenses	0	0	0
6.	Sales promotion expenses	0	0	0
7.	Administrative and general expenses	1,919,035	242,443	2,161,478
8.	Total payroll charged directly to operating expenses during the year	0	0	0
		6,632,474	2,959,897	
<u>OTHER PAYROLL CHARGES</u>				
9.	Vehicle and /or other clearing accounts			238,755
10.	Amounts charged to construction and / or to plant accounts			19,615
11.	Amounts charged in connection with plant accounts			0
12.	Amounts charged to other accounts (Submit schedule if more than 5% of total payroll)			0
13.	Total Payroll Distribution (Should agree with total payroll Table 1)			9,850,741

TABLE 1 EMPLOYEE PAYROLL DATA

1. List in this table the payroll data as called for, beginning with office positions (including manager). Then list plant positions. Show each position title. If there are five employees with the same position title, the position need only be listed once with the number of employees in parentheses, the average pay for the five, and the total compensation for the five.
2. The rate of pay shown in column (b) should not include overtime.

Title of Position (a)	Year End Status		Total Compensation for Year (d)
	Pay per Hour or per Month (b)	Full-Time Part-time or Terminated (c)	
See Attachment			
Total Payroll for the year (Should agree with Table 2, Line 13):			

Pursuant to K.S.A. 45-221 (b), Employee Payroll Data is deemed confidential and will be kept in a locked file.



Pursuant to  
K.S.A. 45-221 (b)  
Officer Compensation Information  
Is Deemed Confidential  
and  
Kept in a Locked File

TABLE 2-- DISTRIBUTION OF SALARIES AND WAGES

Line No.	Class of Charges (a)	Operation (b)	Maintenance (c)	Total (d)
<u>OPERATING EXPENSE CHARGES</u>				
1.	Production expenses			
2.	Transmission expenses			
3.	Distribution expenses			
4.	Customer accounting			
5.	Customers service and individual expenses			
6.	Sales promotion expenses			
7.	Administrative and general expenses			
8.	Total payroll charged directly to operating expenses during the year			
<u>OTHER PAYROLL CHARGES</u>				
9.	Vehicle and /or other clearing accounts			
10.	Amounts charged to construction and / or to plant accounts			
11.	Amounts charged in connection with plant removals			
12.	Amounts charged to other accounts (Submit schedule if more than 5% of total payroll)			
13.	Total Payroll Distribution (Should agree with total payroll Table 1)			See Page 37

GENERAL INFORMATION AND IMPORTANT CHANGES DURING YEAR

1. Name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept.
  
2. Incorporation
  - (a) State in which incorporated Kansas
  - (b) Date of incorporation October 25, 1948
  - (c) If incorporated in Kansas, state whether incorporated:
    - (1) under the Electric Cooperative Act (Chapter 17, Article 46) or
    - (2) under the Cooperative Society Act (Chapter 17, Article 15).
  
3. Date when first project was energized June 18, 1949
  
4. States other than Kansas in which respondent operated during the calendar year \_\_\_\_\_  
Colorado
  
5. Officers and Managers at close of calendar year:

Title (a)	Name of Officer (b)	Address (c)	Salary for Year (if any) (d)
President Vice-President Secretary Treasurer Manager	Ron Davis Wes Campbell Edwin Wasinger John Graber Neil K. Norman	Syracuse, Ks. Holcomb, Ks. Scott City, Ks. Kendall, Ks. Scott City, Ks.	130,000

6. If any change in the above position has been made subsequent to close of the calendar year, show name and address of new incumbent and name of person replaced.

ELECTRIC OPERATION AND MAINTENANCE EXPENSES- Continued				
Line No.	Account Number and Name (a)	Amount for Current Year (b)	Amount for Preceding Year (c)	
	<u>ADMINISTRATIVE AND GENERAL EXPENSE</u> <u>Operation</u>			
16.	(920) Administrative and general salaries .....	998,293	869,566	
17.	(921) Office supplies and expenses .....	551,396	513,020	
18.	(922) Administrative expenses transferred - Cr .....			
19.	(923) Outside services employed .....			
20.	(924) Property insurance .....	258,880	222,190	
21.	(925) Injuries and damages .....	631,858		
22.	(926) Employee pensions and benefits .....	359,673	86,344	
23.	(927) Franchise requirements .....	772,802	79,911	
24.	(928) Regulatory commission expenses .....			
25.	(929) Duplicate charges - Cr .....	39,811	28,867	
26.	(930.1) General advertising expenses .....	(43,937)	(43,014)	
27.	(930.2) Miscellaneous general expenses .....	235		
28.	(930) Rents .....	327,194	326,751	
		17,725	18,196	
29.	Total operation (Lines 16-28, incl.) .....	3,913,930	2,101,831	
	Less: amont TRF to Trans. & Dist. Accts. <u>Maintenance</u>	(2,681,012)		
30.	(932) Maintenance of general plant .....	67,762	54,053	
31.	Total Administrative and General Expenses (Line 29 plus line 30) .....	1,302,680	2,155,884	
32.	Total Electric Expenses (Page 32, line 39 plus page 33, line 17 & 39, plus page 34, Lines 6, 10, 15, 31) .....	38,688,987	41,793,216	
SUMMARY OF ELECTRIC OPERATION AND MAINTENANCE EXPENSES - CURRENT YEAR				
Line No.	Functional Classification (a)	Operation (401) (b)	Maintenance (402) (c)	Total (d)
33.	Power Production Expenses .....			
34.	Transmission Expenses .....	3,021	9,846	12,867
35.	Distribution Expenses .....	1,715,860	1,372,224	3,088,084
36.	Customer Accounts Expenses .....	1,134,547		1,134,547
37.	Customer Service and Informational Expenses .....	13,506		13,506
38.	Sales Expenses .....	136,864		136,864
39.	Adm. and General Expenses .....	1,232,918	69,762	1,302,680
40.	TOTAL ELECTRIC OPERATION AND MAINTENANCE EXPENSES .....	4,236,716	1,451,832	5,688,548

Table 1 - EMPLOYEE PAYROLL DATA

1. List in this table the payroll data as called for, beginning with office positions (including manager). Then list plant positions. Show each position title. If there are five employees with the same position title, the position need only be listed once with the number of employees in parenthesis, the average pay for the five. And the total compensation for the five.
2. The rate of pay shown in column (b) should not include overtime.

Title of Position (a)	Year End Status		Total Compensation for Year (d)
	Pay per Hour or per Month (b)	Full Time Part Time or Terminated (c)	
see pgae 37-1			

Total Payroll for the year (Should agree with Table 2, below, Line 13)

Table 2 - DISTRIBUTION OF SALARIES AND WAGES

Line No.	Class of Charges (a)	Operation (b)	Maintenance (c)	Total (d)
	<u>OPERATING EXPENSE CHARGES</u>			
1.	Production expenses .....			
2.	Transmission expenses .....			
3.	Distribution expenses .....			
4.	Customer accounting .....			
5.	Customer service and individual expenses .....			
6.	Sales promotion expenses .....			
7.	Administrative and general expenses .....			
8.	Total payroll charged directly to operating expenses during the year .....			
	<u>OTHER PAYROLL CHARGES</u>			
9.	Vehicle and / or other clearing accounts .....			
10.	Amounts charged to construction and / or to plant accounts .....			
11.	Amounts charged to connection with plant removals .....			
12.	Amounts charged to other accounts (Submit schedule if more than 5% of total payroll) .....			
13.	Total Payroll Distribution .....			
	(Should agree with total payroll Table 1)			

Pursuant to  
K.S.A. 45-221 (b)  
Officer Compensation Information  
Is Deemed Confidential  
And  
Kept in a Locked File



Table 2 - DISTRIBUTION OF SALARIES AND WAGES

Line No.	Class of Charges (a)	Operation (b)	Maintenance (c)	Total (d)
<u>OPERATING EXPENSE CHARGES</u>				
1.	Production expenses .....			
2.	Transmission expenses .....	354		354
3.	Distribution expenses .....	943,467	429,834	1,373,301
4.	Customer accounting .....	163,005		163,005
5.	Customer service and individual expenses .....	267,538		267,538
6.	Sales promotion expenses .....	39,044		39,044
7.	Administrative and general expenses .....	639,015	186	639,201
8.	Total payroll charged directly to operating expenses during the year .....			2,482,443
<u>OTHER PAYROLL CHARGES</u>				
9.	Vehicle and / or other clearing accounts .....			310,410
10.	Amounts charged to construction and / or to plant accounts .....			830,167
11.	Amounts charged in connection with plant removals .....			193,534
12.	Amount charged to other accounts (Submit schedule if more than 5% of total payroll .....			12,820
13.	Total Payroll Distribution .....			3,829,004
	(Should agree with total payroll Table 1)			

1-34

1. BOARD OF DIRECTORS

Give the name of each person who was a member of the board of directors at any time during the year, indicating with an asterisk (\*) in column (a) those directors who were members of the Executive Committee (if any), and by a double asterisk (\*\*) the Chairman, if any, of that committee, at the end of the year.

Column (c) relates to board meetings only.

Line No.	Ref. To Exec. Comm. (a)	Name of Director and Address (City and State) (b)	Fees Paid During Year (c)
1	**	CARL C. KREHBIEL, MOUNDRIDGE, KS	\$12,000.00
2	*	KATHRYN KREHBIEL, MOUNDRIDGE, KS	\$12,000.00
3	*	HARRY M. WEELBORG, CANTON, KS	\$12,000.00
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Name of the Chairman of the Board	CARL C. KREHBIEL
Name of the Secretary (or Clerk) of the Board	KATHRYN KREHBIEL
Number of meetings of board during the year	15
Number of directors provided for by charter of by-laws, as amended to the end of the year	3
Number of directors required to constitute a quorum	2

State briefly the powers and duties of Executive Committee, if any:

26. EXPENSE MATRIX						
Line No.	Expenses	AMOUNT				
		Salaries and Wages	Pension and Benefits	Rents	Other	Total (To Schedule 20)
1	Plant Specific Operations	135,999	101,048	558	642,009	879,614
2	Plant Nonspecific Operations	43,173	35,372	3,400	1,000,849	1,082,794
3	Customer Operations	82,785	60,939	-	229,888	373,612
4	Corporate Operations	28,889	21,608	-	958,758	1,009,255
5	Total Operating Expenses	290,846	218,967	3,958	2,831,504	3,345,275

27. DONATIONS OR PAYMENTS FOR SERVICE RENDERED BY PERSONS OTHER THAN EMPLOYEES			
1. Report for each service rendered (including materials furnished incidental to the service which are impracticable of separation) by recipient and the aggregate of all payments made during the year where the aggregate of all such payments to a recipient was (1) \$7,000/(2) \$20,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services or as donations (except rents for property, taxes, utility services, traffic settlements, amounts paid for general services and licenses, accruals paid to trustees of pension and other employee benefit funds, and amounts paid for construction or maintenance of plant to persons (not an employee of the respondent) indicate by an asterisk in column (c) each item that includes payments for materials furnished incidental to the service performed.			
Line No.	Name of Recipient (a)	*Nature of Service (b)	Amount of Payment (c)
1	FRED WILLIAMSON & ASSOCIATES, INC	COST CONSULTANT	146,938
2	KENNEDY AND COE, LLC	AUDIT - TAX	33,699
3	TRI-CO, INC.	PROGRAMMERS	106,123
4	RVW, INC.	ENGINEERS	49,408
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	(1) Applies to all other LECs (2) Applies to Southwestern Bell and United Telephone	* Should include general accounting, audit, tax, legal, separations study, engineering, and various other services if applicable.	

1-36

1. BOARD OF DIRECTORS

Give the name of each person who was a member of the board of directors at any time during the year, indicating with an asterisk (\*) in column (a) those directors who were members of the Executive Committee (if any), and by a double asterisk (\*\*) the Chairman, if any, of that committee, at the end of the year.

Column (c) relates to board meetings only.

Line No.	Ref. To Exec. Comm. (a)	Name of Director and Address (City and State) (b)	Fees Paid During Year (c)
1		TR BAALMAN PO BOX 333 GRINNELL, KS 67738	
2	*	JOE CRAMER 195 N. BISON RD HEALY, KS 67850	
3	*	VERLA MOSER 1608 UTE WINONA, KS 67764	
4		CHRISTY KERN PO BOX 272 COLBY, KS 67701	
5	*	LOUIS DIBLE 1622 CO RD 36 MENLO, KS 67753	
6		DALE HUDSON 3665 RD 66 BREWSTER, KS 67732	
7		RUTH JENSEN PO BOX 206 KANORADO, KS 67741	
8		GERALD AYERS 608 2ND PC WINONA, KS 67764	
9		BUD NEWBERRY PO BOX 861 DIGHTON, KS 67839	

Name of the Chairman of the Board	DALE HUDSON
Name of the Secretary (or Clerk) of the Board	CHRISTY KERN
Number of meetings of board during the year	12
Number of directors provided for by charter of by-laws, as amended to the end of the year	9
Number of directors required to constitute a quorum	5
State briefly the powers and duties of Executive Committee, if any:	

26. EXPENSE MATRIX						
Line No.	Expenses	AMOUNT				
		Salaries and Wages	Pension and Benefits	Rents	Other	Total (To Schedule 20)
1	Plant Specific Operations	472,286	293,629		519,932	1,285,847
2	Plant Nonspecific Operations	105,595	63,721		2,321,336	2,490,652
3	Customer Operations	203,445	128,743		53,855	386,043
4	Corporate Operations	273,836	167,666		619,280	1,060,782
5	Total Operating Expenses	1,055,162	653,759		3,514,403	5,223,324

\*\*DOES NOT INCLUDE LABOR CHARGED TO CONSTRUCTION A/C 2003

27. DONATIONS OR PAYMENTS FOR SERVICE RENDERED BY PERSONS OTHER THAN EMPLOYEES			
1. Report for each service rendered (including materials furnished incidental to the service which are impracticable of separation) by recipient and the aggregate of all payments made during the year where the aggregate of all such payments to a recipient was (1) \$7,000/(2) \$20,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services or as donations (except rents for property, taxes, utility services, traffic settlements, amounts paid for general services and licenses, accruals paid to trustees of pension and other employee benefit funds, and amounts paid for construction or maintenance of plant to persons (not an employee of the respondent) indicate by an asterisk in column (c) each item that includes payments for materials furnished incidental to the service performed.			
Line No.	Name of Recipient (a)	*Nature of Service (b)	Amount of Payment (c)
1	TELECOM CONSULTING ASSOCIATES	CONSULTANTS	214,494
2	KIESLING ASSOCIATES	AUDITORS	48,156
3	VIGNERY & MASON	ATTORNEYS AT LAW	25,426
4	JAMES CAPLINGER	ATTORNEYS AT LAW	48,527
5	RVW, INC.	OUTSIDE PLANT ENGINEERS	385,718
6	JM TREE & LAWN SERVICE	LANDSCAPER	* 8,040
7	MID-AMERICA COMPUTER (MACC)	BILLING COMPANY	* 143,240
8	MASTEC NORTH AMERICA INC	CONTRACTOR	* 499,576
9	STRAIT & ASSOCIATES	ARCHITECT	9,231
10	WOOFER CONSTRUCTION	BUILDING CONTRACTOR	* 68,416
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	(1) Applies to all other LECs (2) Applies to Southwestern Bell and United Telephon	* Should include general accounting, audit, tax, legal, separations study, engineering, and various other services if applicable.	

1. BOARD OF DIRECTORS

Give the name of each person who was a member of the board of directors at any time during the year, indicating with an asterisk (\*) in column (a) those directors who were members of the Executive Committee (if any), and by a double asterisk (\*\*) the Chairman, if any, of that committee, at the end of the year. Column (c) relates to board meetings only.

Line No.	Ref. to Exec. Comm. (a)	Name of Director and Address (City and State) (b)	Fees Paid During Year (c)
1	**	J. Cliff Eason San Antonio, Texas 09/15/00 to 01/05/01	None
2	**	Stanley T. Sigman San Antonio, Texas 01/05/01 to 04/23/01	None
3		Daniel J. Fete San Antonio, Texas 09/15/00 to 12/30/01	None
4		Alfred G. Richter, Jr. San Antonio, Texas 09/15/00 to 12/30/01	None
5	**	Forrest E. Miller San Antonio, Texas 04/23/01 to 12/30/01	None
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Name of the Chairman of the Board ..... Forrest E. Miller  
 Name of the Secretary (or Clerk) of the Board ..... Alfred G. Richter, Jr.  
 Number of meetings of board during the year ..... 1  
 Number of directors provided for by charter of by-laws, as amended to the end of the year ..... # of directors shall be set by Board or shareholders majority  
 Number of directors required to constitute a quorum ..... majority  
 State briefly the powers and duties of Executive Committee, if any:





26. EXPENSE MATRIX						
Line No.	Expenses	AMOUNT				Total (To schedule 21)
		Salaries and Wages	Pensions and Benefits	Rents	Other	
1	Plant Specific Operations Expense	\$49,761,696	\$25,875,460	\$5,662,177	\$119,037,131	\$200,336,464
2	Plant Nonspecific Operations Expense	\$32,864,284	\$17,411,775	\$2,511,206	\$265,059,290	\$317,846,555
3	Customer Operations	\$50,705,688	\$22,675,244	\$955,109	\$39,358,836	\$113,694,877
4	Corporate Operations	\$4,357,845	(\$24,042,880)	\$318,144	\$40,260,480	\$20,893,589
5	Total Operating Expenses (To page 21, Schedule 21)	\$137,689,513	\$41,919,599	\$9,446,636	\$463,715,737	\$652,771,485

27. DONATIONS OR PAYMENTS FOR SERVICE RENDERED BY PERSONS OTHER THAN EMPLOYEES			
1. Report for each service rendered (including materials furnished incidental to the service which are impracticable of separation) by recipient and in total the aggregate of all payments made during the year where the aggregate of all such payments to a recipient was (1) \$7,000/(2)\$20,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services or as donations (except rents for property, taxes, utility services, traffic settlements, amounts paid for general services and licenses, accruals paid to trustees of pension and other employee benefit funds, and amounts paid for construction or maintenance of plant to persons (not an employee of the respondent). Indicate by an asterisk in column (C) each item that includes payments for materials furnished incidental to the service performed.			
Line No.	Name of Recipient (a)	*Nature of Service (b)	Amount of Payment (c)
1	Kansas Press Association, Inc.	Advertising	\$35,070
2	Topeka Capital Journal	Advertising	\$32,853
3	Category Total		\$67,923
4			
5	Greater Topeka Chamber of Commerce	Contributions	\$20,000
6			
7	Whelan Security	Security	\$234,926
8			
9	Southwestern Bell Yellow Pages	Directory	\$718,615
10			
11	Overland Park Chamber of Commerce	Dues	\$20,500
12			
13	Alcatel USA Marketing, Inc.	Computer	\$44,000
14	CPT International, Inc.	Computer	\$85,140
15	Ericsson, Inc.	Computer	\$198,598
16	Hekimian Laboratories, Inc.	Computer	\$51,170
17	Intelis, Inc.	Computer	\$348,150
18	Lucent Network Systems	Computer	\$91,831
19	Nortel Networks	Computer	\$4,935,165
20	Northern Telecom, Inc.	Computer	\$232,122
21	Omega Products Corporation	Computer	\$51,522
22	Telcobuy	Computer	\$187,265
23	Xerox Corporation	Computer	\$30,958
24	Category Total		\$6,255,921
22			
23	Telcordia Technologies	Tuition	\$296,355
24			
25			
(1) Applies to all other LECs		*Should include general accounting, audit, tax, legal, separations	
(2) Applies to Southwestern Bell and United Telephone		study, engineering and various other service if applicable	

## 27. DONATIONS OR PAYMENTS FOR SERVICE RENDERED BY PERSONS OTHER THAN EMPLOYEES

1. Report for each service rendered (including materials furnished incidental to the service which are impracticable of separation) by recipient and in total the aggregate of all payments made during the year where the aggregate of all such payments to a recipient was (1) \$7,000/(2)\$20,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services or as donations (except rents for property, taxes, utility services, traffic settlements, amounts paid for general services and licenses, accruals paid to trustees of pension and other employee benefit funds, and amounts paid for construction or maintenance of plant to persons (not an employee of the respondent). Indicate by an asterisk in column (C) each item that includes payments for materials furnished incidental to the service performed.

Line No.	Name of Recipient (a)	* Nature of Service (b)	Amount of Payment (c)
1	Account Services	Financial	\$61,515
2	Commercial Recovery Systems	Financial	\$47,723
3	Dynamic Recovery Services, Inc.	Financial	\$97,682
4	First Collection Services	Financial	\$20,347
5	National Collection Consultant, Inc.	Financial	\$41,242
6	Risk Management Alternatives, Inc.	Financial	\$48,183
7	Southwest Credit	Financial	\$43,527
8	Southwest Credit Systems	Financial	\$27,925
9	Trans Union Corporation	Financial	\$23,819
10	Transcontinental Adjustment Corporation	Financial	\$125,872
11	Tulsa Adjustment Bureau	Financial	\$64,451
12	Category Total		\$602,287
13			
14	Bartlett & West Engineers, Inc.	Consulting	\$45,372
15	Brack & Associates	Consulting	\$66,075
16	Collins Land Service	Consulting	\$21,518
17	Continental Consulting	Consulting	\$55,913
18	Denny Koch	Consulting	\$60,000
19	Glenda Cafer	Consulting	\$69,154
20	Kaster Architects, Inc.	Consulting	\$37,708
21	Kathy Damron	Consulting	\$48,000
22	LECG LLC	Consulting	\$25,540
23	Pat Hubbell Associates	Consulting	\$48,000
24	Ponsinelli White Vardeman	Consulting	\$48,000
25	Reber Design Management	Consulting	\$44,858
26	Savoy Ruggles & Bohm, P.A.	Consulting	\$56,998
27	Schwerdt Design Group Inc.	Consulting	\$751,603
28	Security Link Ameritech	Consulting	\$27,239
29	TAD Telecom, Inc.	Consulting	\$72,520
30	Category Total		\$1,478,497
31			
32	A&H Electric	Contract Services	\$31,915
33	Acterna	Contract Services	\$29,855
34	ADC Telecommunications, Inc.	Contract Services	\$37,604
35	Agilent Technologies	Contract Services	\$42,000
36	Alcatel USA Marketing, Inc.	Contract Services	\$195,516
37	Alert Staffing, LLC	Contract Services	\$24,756
38	All Pro, Inc	Contract Services	\$26,675
39	Alliance Datacom	Contract Services	\$31,659
40	Alturdyne	Contract Services	\$45,126
41	AT&T Opus	Contract Services	\$22,500
42	Baughman Company PA	Contract Services	\$86,980
43	Beckerle Consultants, Inc	Contract Services	\$50,580
44	BGM Industries, Inc.	Contract Services	\$29,273
	(1) Applies to all other LECs	*Should include general accounting, audit, tax, legal, separations	
	(2) Applies to Southwestern Bell and United Telephone	study, engineering and various other service if applicable	

## 27. DONATIONS OR PAYMENTS FOR SERVICE RENDERED BY PERSONS OTHER THAN EMPLOYEES

1. Report for each service rendered (including materials furnished incidental to the service which are impracticable of separation) by recipient and in total the aggregate of all payments made during the year where the aggregate of all such payments to a recipient was (1) \$7,000/(2)\$20,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services or as donations (except rents for property, taxes, utility services, traffic settlements, amounts paid for general services and licenses, accruals paid to trustees of pension and other employee benefit funds, and amounts paid for construction or maintenance of plant to persons (not an employee of the respondent). Indicate by an asterisk in column (C) each item that includes payments for materials furnished incidental to the service performed.

Line No.	Name of Recipient (a)	* Nature of Service (b)	Amount of Payment (c)
1	Brooks, Inc.	Contract Services	\$213,962
2	Brungardt Honomichl	Contract Services	\$36,178
3	Bubeck Service, Inc.	Contract Services	\$169,453
4	C L Blankenship, Inc.	Contract Services	\$40,662
5	Cherokee Tel-Design	Contract Services	\$167,093
6	City of Wichita	Contract Services	\$198,689
7	Cohorst, Jeanne R R	Contract Services	\$56,287
8	Comco Design, Inc.	Contract Services	\$265,586
9	Communication Suppliers, Inc.	Contract Services	\$165,989
10	Continental Adjustment	Contract Services	\$59,833
11	Creek Electric, Inc.	Contract Services	\$23,646
12	Cronister & Co.	Contract Services	\$486,000
13	D & T Generator Services	Contract Services	\$109,357
14	Daniel W. Craig	Contract Services	\$40,949
15	Day Night Inc.	Contract Services	\$117,229
16	Dean Machinery Co.	Contract Services	\$96,125
17	Designed Telecommunications Services	Contract Services	\$640,076
18	DFC Company of Lawrence LC	Contract Services	\$28,080
19	Diamond Engineering	Contract Services	\$3,091,997
20	Double Check Company, Inc.	Contract Services	\$41,923
21	E-Kan Inc.	Contract Services	\$74,748
22	Ericsson, Inc.	Contract Services	\$472,723
23	Finley Engineering	Contract Services	\$154,382
24	Fujitsu Network Communications, Inc.	Contract Services	\$1,728,608
25	Furniture Services Group	Contract Services	\$103,399
26	Goldsmith's, Inc.	Contract Services	\$112,541
27	Gonzales Communications	Contract Services	\$700,475
28	Hekimian Laboratories, Inc.	Contract Services	\$28,725
29	Housley Communications, Inc.	Contract Services	\$726,544
30	I D C Services	Contract Services	\$54,600
31	Independent Electric Machinery Company	Contract Services	\$63,192
32	Industrial Technology, Inc.	Contract Services	\$21,587
33	Installation Technicians, Inc.	Contract Services	\$2,647,106
34	Intec	Contract Services	\$33,903
35	K & W Underground, Inc.	Contract Services	\$47,021
36	Kansas Building Systems, Inc.	Contract Services	\$10,424,830
37	Kaufman Trenching & Excavating LLC	Contract Services	\$33,046
38	Kearney & Son, Inc.	Contract Services	\$112,789
39	Kinetic Solutions, Inc.	Contract Services	\$82,509
40	Kink Telecom, LLC	Contract Services	\$1,301,227
41	KOM Engineering, LLC	Contract Services	\$33,686
42	LAN TEL Communications	Contract Services	\$294,786
43	Language Learning Enterprises	Contract Services	\$140,732
44	Leath & Sons, Inc.	Contract Services	\$632,611
	(1) Applies to all other LECs	*Should include general accounting, audit, tax, legal, separations	
	(2) Applies to Southwestern Bell and United Telephone	study, engineering and various other service if applicable	

## 27. DONATIONS OR PAYMENTS FOR SERVICE RENDERED BY PERSONS OTHER THAN EMPLOYEES

1. Report for each service rendered (including materials furnished incidental to the service which are impracticable of separation) by recipient and in total the aggregate of all payments made during the year where the aggregate of all such payments to a recipient was (1) \$7,000/(2)\$20,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services or as donations (except rents for property, taxes, utility services, traffic settlements, amounts paid for general services and licenses, accruals paid to trustees of pension and other employee benefit funds, and amounts paid for construction or maintenance of plant to persons (not an employee of the respondent). Indicate by an asterisk in column (C) each item that includes payments for materials furnished incidental to the service performed.

Line No.	Name of Recipient (a)	* Nature of Service (b)	Amount of Payment (c)
1	Libla Communications	Contract Services	\$631,203
2	Lucent Technologies	Contract Services	\$8,522,312
3	Moore Engineering Service, Inc.	Contract Services	\$607,777
4	Nationwide Telephone	Contract Services	\$42,787
5	Nortel Networks	Contract Services	\$61,132
6	Northern Telecom	Contract Services	\$3,768,036
7	Orius Telecom Services, Inc.	Contract Services	\$76,717
8	Otis Elevator Company	Contract Services	\$284,271
9	Overland Park Property Company	Contract Services	\$24,219
10	P B Hoidale Company, Inc.	Contract Services	\$26,030
11	Paramount Designs	Contract Services	\$155,799
12	PBG, Inc.	Contract Services	\$55,526
13	Peterson Power Systems, Inc.	Contract Services	\$135,867
14	Phillips Southern Electric	Contract Services	\$257,043
15	R M Many Tech, Inc.	Contract Services	\$25,783
16	Reliable Electric	Contract Services	\$74,716
17	Richard E Myers	Contract Services	\$41,877
18	Robert A. Kumin PC	Contract Services	\$35,189
19	SBC Leasing Affiliates	Contract Services	\$1,797,601
20	Schatz Underground Cable, Inc.	Contract Services	\$973,165
21	Scott & Landers, LLC	Contract Services	\$37,086
22	SH&J Electric	Contract Services	\$23,036
23	Siemens Cerberus	Contract Services	\$72,448
24	SKC Electric, Inc.	Contract Services	\$94,500
25	Smoyer Cable, Inc.	Contract Services	\$209,268
26	Southwest Engineering	Contract Services	\$60,848
27	Spirent Communications	Contract Services	\$47,130
28	Sprint North Supply	Contract Services	\$76,782
29	TAC Worldwide Companies	Contract Services	\$20,070
30	Ted Wilkerson Company	Contract Services	\$34,967
31	Telcobuy Com	Contract Services	\$1,630,103
32	Tescom	Contract Services	\$61,629
33	Test & Measurement, Inc.	Contract Services	\$116,499
34	The Diamond Engineering Co.	Contract Services	\$810,701
35	The Spanos Corporation	Contract Services	\$82,100
36	Three W Utility Services	Contract Services	\$178,994
37	Trans Union Corp.	Contract Services	\$37,014
38	Underground Systems, Inc.	Contract Services	\$32,629
39	U.S. Electrical	Contract Services	\$22,677
40	U.S. Engineering Co.	Contract Services	\$74,735
41	U.S. Telecom Supply, Inc.	Contract Services	\$1,478,821
42	UUNET Technologies	Contract Services	\$376,000
43	WACA	Contract Services	\$253,078
44	Wichita Electric Company, Inc.	Contract Services	\$103,830
	(1) Applies to all other LECs	*Should include general accounting, audit, tax, legal, separations	
	(2) Applies to Southwestern Bell and United Telephone	study, engineering and various other service if applicable	



27. DONATIONS OR PAYMENTS FOR SERVICE RENDERED BY PERSONS OTHER THAN EMPLOYEES

1. Report for each service rendered (including materials furnished incidental to the service which are impracticable of separation) by recipient and in total the aggregate of all payments made during the year where the aggregate of all such payments to a recipient was (1) \$7,000/(2)\$20,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services or as donations (except rents for property, taxes, utility services, traffic settlements, amounts paid for general services and licenses, accruals paid to trustees of pension and other employee benefit funds, and amounts paid for construction or maintenance of plant to persons (not an employee of the respondent). Indicate by an asterisk in column (C) each item that includes payments for materials furnished incidental to the service performed.

Line No.	Name of Recipient (a)	* Nature of Service (b)	Amount of Payment (c)
1	Wilson Contracting	Contract Services	\$37,036
2	York International Corporation	Contract Services	\$21,199
3	York Underground, Inc.	Contract Services	\$30,688
4	Category Total		\$50,350,240
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(1) Applies to all other LECs (2) Applies to Southwestern Bell and United Telephone		*Should include general accounting, audit, tax, legal, separations study, engineering and various other service if applicable	

1. BOARD OF DIRECTORS

Give the name of each person who was a member of the board of directors at any time during the year, indicating with an asterisk (\*) in column (a) those directors who were members of the Executive Committee (if any), and by a double asterisk (\*\*) the Chairman, if any, of that committee at the end of the year. Column (c) relates to board meetings only.

Line No.	Ref. to Exec. Com. (a)	Name of Director and Address (City and State) (b)	Fees Paid During Year (c)
1		Michael B. Fuller Overland Park, Kansas	-
2		Thomas A. Gerke Overland Park, Kansas	-
3		Richard D. McRae Overland Park, Kansas	-

Name of Chairman of the Board	Michael B. Fuller
Name of Secretary (or Clerk) of the Board	Michael T. Hyde
Number of meetings of Board during the year	N/A*
Number of directors provided for by charter or by-laws, as amended to the end of the year	3
Number of directors required to constitute a quorum	2
State briefly the powers and duties of Executive Committee (if any):	

\* In lieu of actual Board meetings, all actions of the Board of Directors are by written consent.

24. COMPENSATION OF OFFICERS, DIRECTORS AND MANAGERS				
Name and Title of Person (a)	End of Year Annual Salary Rate (b)	AMOUNTS PAID DURING YEAR		
		Salary (c)	Other Compensation (d)	Total Compensation (e)
See Attached Supplement to Schedule 24, page 23A				
25. EMPLOYEE PAYROLL DATA				
Position/Job Title (List all officers individually) (a)	Number of Employees (c)	Pay Range Wage-Hourly Rate Salaried-Annual Salary (c)		Total Compensation for year (d)
See Attached Supplement to Schedule 25, page 23B				

26. EXPENSE MATRIX						
Line No.	Expenses	AMOUNT				
		Salaries and Wages	Pensions and Benefits	Rents	Other	Total (to schedule 21)
1	Plant Specific Operations Expense	\$ 3,475,394	806,145	\$ 2,281,408	\$ 6,959,991	\$ 13,522,938
2	Plant Nonspecific Operations Expense	879,524	194,331	2,598	24,064,148	25,140,601
3	Customer Operations	662,042	131,202	19,307	5,065,911	5,878,462
4	Corporate Operations	359,005	76,511	315	6,428,990	6,864,820
5	Total Operating Expense	\$ 5,375,965	\$ 1,208,189	\$ 2,303,628	\$ 42,519,039	\$ 51,406,821

NOTE: All "Salaries and Wages, Pensions and Benefits, and Rents" allocated through clearing accounts to "Other" have been restated to the previously named accounts for purpose of this report.

27. DONATIONS OR PAYMENTS FOR SERVICE RENDERED BY PERSONS OTHER THAN EMPLOYEES			
1. Report for each service rendered (including materials furnished incidental to the service which are impracticable of separation) by recipient and in total the aggregate of all payments made during the year where the aggregate of all such payments to a recipient was (1) \$7,000/(2) \$20,000 or more including fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payments for services or as donations (except rents for property, taxes, utility services, traffic settlements, amounts paid for general services and licenses, accruals paid to trustees of pension and other employee benefit funds, and amounts paid for construction of maintenance of plant to persons ( not an employee of the respondent). Indicate by an asterisk in column (c) each item that includes payments for materials furnished incidental to the service performed.			
Line No.	Name of Recipient (a)	*Nature of Service (b)	Amount of Payment (c)
1	Aerotek	Engineering Services	408,784
2	Central Locating Service	Cable Location Service	1,446,786
3	CML Emergency Services	Engineering Services	49,770
4	Comm Tech Services	Engineering Services	31,595
5	Communication Link	Engineering Services	136,599
6	Communication Test Design	Telephone Plant Contractor	197,230
7	David N Hollis Architect	Architectural Services	52,505
8	Dell Computer Corp	Telephone Plant Contractor	27,660
9	Executive Relocation Corp	Relocation Services	37,257
10	HL Yoh	Telephone Plant Contractor	161,633
11	Howell Construction	Telephone Plant Contractor	21,439
12	Installation Technicians	Telephone Plant Contractor	1,381,329
13	J&K Contracting LC	Contract Services	3,508,322
14	JM Neil & Associates	Telephone Plant Contractor	56,605
15	Kansas One Call System	Cable Location Service	34,955
16	Kearney & Son	Telephone Plant Contractor	22,947
17	Keller Fire & Safety	Telephone Plant Contractor	77,085
18	Kelly Services	Temporary Services	36,497
19	Lambic Telecommunications	Engineering Services	44,455
20	Lucent	Engineering Services	1,123,654
21	Manpower	Temporary Services	139,206
22	North Supply	Warehouse Services	807,170
23	Option One	Telephone Plant Contractor	20,345
24	Orbis Networks	Engineering Services	29,680
25	Schultz Bros. Electric	Engineering Services	89,906
26	Starcom	Telephone Plant Contractor	162,120
27	Tad Telecommunications	Engineering Services	94,948
28	Tek Systems	Telephone Plant Contractor	105,005
29	Teledata Contractors	Contract Services	446,506
30	Teltec	Telephone Plant Contractor	29,520
31	Think Resources	Telephone Plant Contractor	28,155
32	Thornton Communications	Engineering Services	91,190
33	Volt Telecommunications Group	Payphone Services	123,253
34	Wescon	Contract Services	74,039

(1) Applies to all other LECs  
 (2) Applies to SWB & United Telephone

\* Should include general accounting, audit, tax, legal separations study, engineering and various other services if applicable.

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ing to application of agencies for permits or licenses necessary to do business or to expand business operations within this state, except as otherwise provided by law.

(32) Engineering and architectural estimates made by or for any public agency relative to public improvements.

(33) Financial information submitted by contractors in qualification statements to any public agency.

(34) Records involved in the obtaining and processing of intellectual property rights that are expected to be, wholly or partially vested in or owned by a state educational institution, as defined in K.S.A. 76-711, and amendments thereto, or an assignee of the institution organized and existing for the benefit of the institution.

(35) Any report or record which is made pursuant to K.S.A. 65-4922, 65-4923 or 65-4924, and amendments thereto, and which is privileged pursuant to K.S.A. 65-4915 or 65-4925, and amendments thereto.

(36) Information which would reveal the precise location of an archeological site.

(37) Any financial data or traffic information from a railroad company, to a public agency, concerning the sale, lease or rehabilitation of the railroad's property in Kansas.

(38) Risk-based capital reports, risk-based capital plans and corrective orders including the working papers and the results of any analysis filed with the commissioner of insurance in accordance with K.S.A. 40-2c20 and 40-2d20 and amendments thereto.

(39) Memoranda and related materials required to be used to support the annual actuarial opinions submitted pursuant to subsection (b) of K.S.A. 40-409, and amendments thereto.

(40) Disclosure reports filed with the commissioner of insurance under subsection (a) of K.S.A. 40-2,156, and amendments thereto.

(41) All financial analysis ratios and examination synopses concerning insurance companies that are submitted to the commissioner by the national association of insurance commissioners' insurance regulatory information system.

(42) Any records the disclosure of which is restricted or prohibited by a tribal-state gaming compact.

(43) Market research, market plans, business plans and the terms and conditions of managed care or other third party contracts, developed or entered into by the university of Kansas medical

center in the operation and management of the university hospital which the chancellor of the university of Kansas or the chancellor's designee determines would give an unfair advantage to competitors of the university of Kansas medical center.

(44) The amount of franchise tax paid to the secretary of state by domestic corporations, foreign corporations, domestic limited liability companies, foreign limited liability companies, domestic limited partnership, foreign limited partnership, domestic limited liability partnerships and foreign limited liability partnerships.

(45) Records the disclosure of which would pose a substantial likelihood of revealing security measures that protect: (A) Systems, facilities or equipment used in the production, transmission or distribution of energy, water or communications services; or (B) sewer or wastewater treatment systems, facilities or equipment. For purposes of this paragraph, security means measures that protect against criminal acts intended to intimidate or coerce the civilian population, influence government policy by intimidation or coercion or to affect the operation of government by disruption of public services, mass destruction, assassination or kidnapping.

(b) Except to the extent disclosure is otherwise required by law or as appropriate during the course of an administrative proceeding or on appeal from agency action, a public agency or officer shall not disclose financial information of a taxpayer which may be required or requested by a county appraiser or the director of property valuation to assist in the determination of the value of the taxpayer's property for ad valorem taxation purposes; or any financial information of a personal nature required or requested by a public agency or officer, including a name, job description or title revealing the salary or other compensation of officers, employees or applicants for employment with a firm, corporation or agency, except a public agency. Nothing contained herein shall be construed to prohibit the publication of statistics, so classified as to prevent identification of particular reports or returns and the items thereof.

(c) As used in this section, the term "cited or identified" shall not include a request to an employee of a public agency that a document be prepared.

(d) If a public record contains material which is not subject to disclosure pursuant to this act,

Substitute for SENATE BILL NO. 80

By

AN ACT concerning public utilities; prohibiting the subsidizing of unregulated, nonjurisdictional activities.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) No public utility, as defined by K.S.A. 66-104, and amendments thereto, governed by the state corporation commission shall use ratepayer funds or public utility assets to subsidize unregulated and nonjurisdictional activities.

(b) The state corporation commission shall adopt reasonable rules and regulations to implement the provisions of this section.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.



Southwestern Bell Telephone, L.P.

Year Ending December 31, 2001

10. INVESTMENTS (Accounts 1401, 1402, 1406, and 1160)

1. With respect to each account includible in this schedule in which there was reflected an investment at any time during the year, enter in column (b) the number and title of the account. List separately thereunder the description of each different security or other investment (except that data relating to all government securities in account 1402 and all securities in account 1160 classified as D Other may be combined and the total for each reported on a single line) in each of the following classification (symbols to be indicated in column (a): A-1 Stock of active telephone companies; A-2 Stocks of inactive telephone companies; A-3 Stocks of other companies; B Long-term securities owned; C Investment advances; D Other. Subtotals for each of the required classifications and totals for each account shall be shown. The aggregate of all deposits of cash amounting individually to less than \$5,000 each may be shown as a balancing amount on the line immediately preceding the total of account 1402. (By an inactive company is meant one which has been practically absorbed in a controlling company, and which neither operates property nor administers its financial affairs; if it maintain an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.)

Line No.	Class (a)	Description of Investment (Including nominal interest rate and term which appropriate) (b)	Book Cost of Investments at Beginning of the Year (c)
1		<u>Account 1401—Investments in Affiliated Companies</u>	
2		None	N/A
3			
4			
5			
6		<u>Account 1402—Investments in Nonaffiliated Companies</u>	
7		None	N/A
8			
9			
10			
11		<u>Account 1406—Nonregulated Investments</u>	
12		None	N/A
13			
14			
15			
16		<u>Account 1160—Temporary Cash Investments</u>	
17		None	N/A
18			
19			
20			
21			
22			
23			
24			
25			
26		<b>NOTE:</b>	
27		All amounts on this schedule are Kansas specific, i.e.—the Company operates	
28		in other states, but has specifically identified the amounts related to Kansas.	
29			
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Southwestern Bell Telephone, L. P.

Year Ending December 31, 2001

10. INVESTMENTS (Accounts 1401, 1402, 1406, and 1160) - (continued)

2. If the consideration given or received for any investment reported in the schedule was other than cash, give particulars in a note.

3. The book cost of investments transferred from other accounts shall be reported in column (d). The book cost of investments transferred to other accounts or the amount by which investments are written down shall be reported in column (e). All such entries shall be explained in notes.

4. With respect to investment advances included in Account 1401, responses should be made only in columns (c), (f), (h) and (i) for the total of advances made to each of the companies listed in column (b).

Line No.	Book Cost of Investments Made During the Year (d)	Book Cost of Investments Disposed of During the Year (e)	INVESTMENTS AT END OF THE YEAR		Gain (or Loss) from Investments Disposed of (h)	Interest or Dividends Credited to Income During the Year (i)
			Book Cost (f)	Shares of Stock or Face Amount of Other Investments (g)		
1						
2						
3						
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SB80

123

Name of Respondent Midwest Energy Inc	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2001
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**Investments (Account 123, 124, and 136)**

- Report below investments in Accounts 123, Investments in Associated Companies, 124, Other Investments, and 136, Temporary Cash Investments.
- Provide a subheading for each account and list thereunder the information called for:
  - Investment in Securities-List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, Other Investments) state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, also may be grouped by classes.
  - Investment Advances-Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (b)	Purchases or Additions During the Year (c)
1	Account 123.1 - Patronage Capital		
2	NRUCFC	1,891,582	679,927
3	Dodge City Cooperative	1,825	
4	Farmers Coop Assn (Atwood)	21	
5	Federated Rural Electric Insurance	305,401	78,958
6	Frontier Equity	2,093	93
7	Golden Belt Telephone	6,618	2,335
8	Hi-Plains Coop		1,720
9	Kansas Electric Cooperatives		41,710
10	Kansas Electric Utilities Research Program	1,809	
11	Lane-Scott Electric Coop	86	41
12	Midland Marketing	2,548	614
13	Midwest Coop	896	
14	NRTC (Ks DBS)	145,859	
15	Pioneer Communications	1,003	715
16	Pioneer Electric Cooperative	24	79
17	Prairie Land Electric Coop	68	29
18	Rural Telephone	4,942	483
19	S & T Telephone	1,671	6,091
20	Smokey Hill Electric Coop	129	180
21	United Telephone Association	10,463	2,549
22	Victory Electric Cooperative	68	50
23	Wallace County Coop	240	
24	Western Cooperative Electric	260	51
25	Wheatland Coop	590	2,008
26			
27	Account 123.22 - Investment in Capital Term Certificates - NRUCFC	5,369,370	143,750
28			
29	Account 123.23 - Other Investments in Associated Companies		
30	Co-Bank - National Bank for Cooperatives	1,277	
31	Energy Co-Opportunity	5,000	
32			
33	Account 123.24 & 123.25 - Other Investments in Assoc Companies		
34	KEC headquarters building	104,151	
35	KEC old building	13,755	
36			
37	Account 124 - Other Investments		
38	New England Life	502,122	17,103
39	Rose Chemical site	1,389	381
40	Ladder Creek Dairy Coperative	100,000	

Name of Respondent Midwest Energy Inc	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2001
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**Investments (Account 123, 124, and 136) (continued)**

- List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.
- Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.
- If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.
- Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.
- In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (h).

Line No.	Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)
1					
2	594,370		1,977,139		
3			1,825		
4			21		
5	32,515		351,844		
6	28		2,158		
7	603		8,350		
8	50		1,670		
9			41,710		
10			1,809		
11			127		
12	465		2,697		
13			896		
14			145,859		
15	140		1,578		
16	19		84		
17	14		83		
18	675		4,750		
19	377		7,385		
20			309		
21	2,136		10,876		
22			118		
23			240		
24	70		241		
25			2,596		
26					
27	24,408		5,488,712		
28					
29					
30	1,277				
31			5,000		
32					
33					
34			104,151		
35			13,755		
36					
37					
38			519,225		
39			1,770		
40			100,000		

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Name of Respondent West Energy Inc	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2001
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**Investments in Subsidiary Companies (Account 123.1)**

- Report below investments in Account 123.1, Investments in Subsidiary Companies.
- Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
  - (a) Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
  - (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Midwest Industrial Development			
2	Common stock	10/07/1991		50,000
3	Continuous advances			3,750,000
4	Equity in undistributed subsidiart			( 7,606,357)
5	MUE other comprehensive income adjustment			
6				
7	Westland Energy, LLC	09/01/2001		( 107,000)
8	Assets transferred			517,766
9	Equity in undistributed subsidiary			
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
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34				
35				
36				
37				
38				
39				
40	<b>TOTAL Cost of Account 123.1 \$</b>	<b>2,910,443</b>	<b>TOTAL</b>	<b>( 3,395,591)</b>

Name of Respondent Midwest Energy Inc	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year of Report Dec. 31, 2001
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**Investments in Subsidiary Companies (Account 123.1) (continued)**

- Designate in a footnote, any securities, notes, or accounts that were pledged, and state the name of pledgee and purpose of the pledge.
- If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
- Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
- In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustments includible in column (f).
- Report on Line 40, column (a) the total cost of Account 123.1.

Line No.	Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)
1				
2			50,000	
3	12,100,000		15,850,000	
4	( 4,498,414)		( 12,104,771)	
5		173,050	( 173,050)	
6				
7			( 107,000)	
8			517,766	
9	( 1,122,502)		( 1,122,502)	
10				
11				
12				
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14				
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33				
34				
35				
36				
37				
38				
39				
40	6,479,084	173,050	2,910,443	

10. INVESTMENTS (Accounts 1401, 1402, 1406, and 1160)

1. With respect to each account includible in this schedule in which there was reflected an investment at any time during the year, enter in column (b) the number and title of the account. List separately thereunder the description of each different security or other investment (except that data relating to all government securities in account 1402 and all securities in account 1160 classified as D Other may be combined and the total for each reported on any each of the following classifications (symbols to be indicated in column (a): A-1 Stock of active telephone companies; A-2 Stocks of inactive telephone companies; A-3 Stocks of other companies; B Long-term securities owned; C Investment advances; D Other. Subtotals for each of the required classifications and totals for each account shall be shown. The aggregate of all deposits of cash amounting individually to less than \$5,000 each may be shown as a balancing amount on the line immediately preceding the total of account 1402. (An inactive company is one which has been practically absorbed in a controlling company, and which neither operates property nor administers its financial affairs; if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.) If the investment is associated with nonregulated service, please so indicate.

Line No.	Class (a)	Description of Investment (Including nominal interest rate and term when appropriate) (b)	Book Cost of Investments at Beginning of the Year (c)
1		#1401 - Investments in Affiliated Companies	
2		- Zaziwil, Inc.	1,856,114
3		- Moundridge Telcom, Inc.	32,862
4			
5			
6		#1402 - Other Investments	
7		- Rural Telephone Bank	159,350
8		- Mid-Kansas Co-op Association	998
9			
10			
11		#1406 - Non-Regulated Permanent Investment	30,174
12			
13			
14		#1160 - Temporary Investments	
15		- Mutual Funds	44,066
16		- Illuminet, Inc.	15,593
17			
18			
19			
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21			
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23			
24			
25			
26			
27			
28			
29			
30			
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10. INVESTMENTS (Accounts 1401, 1402, 1406, and 1160) - (continued)

2. If the consideration given or received for any investment reported in the schedule was other than cash, give particulars in a note.
3. The book cost of investments transferred from other accounts shall be reported in column (d). The book cost of investments transferred to other accounts or the amount by which investments are written down shall be reported in column (e). All such entries shall be explained in notes.
4. With respect to investment advances included in Account 1402, responses should be made only in columns (c), (f), (h), (i) for the total of advances made to each of the companies listed in column (b).

Line No.	Book Cost of Investments Made During the Year (d)	Book Cost of Investments Disposed During the Year (e)	INVESTMENTS AT END OF THE YEAR			
			Book Cost (f)	Shares of Stock or Face Amount of Other Investments (g)	Gain (or Loss) from Investments Disposed (h)	Interest or Dividends Credited to Income During the Year (i)
1			\$ -			
2	361,254	-	2,217,368			361,254
3	54,796	-	87,658	1		54,796
4			-			
5			-			
6			-			
7			159,350	159,350		
8			998	998		82
9			-			
10			-			
11	28,877		59,051			
12			-			
13			-			
14			-			
15	2,414		46,480			2,414
16			15,593			
17			-			
18			-			
19			-			
20			-			
21			-			
22			-			
23			-			
24			-			
25			-			
26			-			
27			-			
28			-			
29			-			
30			-			
31			-			
32			-			
33			-			
34			-			
35			-			

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10. INVESTMENTS (Accounts 1401, 1402, 1406, and 1160)

1. With respect to each account includible in this schedule in which there was reflected an investment at any time during the year, enter in column (b) the number and title of the account. List separately thereunder the description of each different security or other investment (except that data relating to all government securities in account 1402 and all securities in account 1160 classified as D Other may be combined and the total for each reported on any each of the following classifications (symbols to be indicated in column (a): A-1 Stock of active telephone companies; A-2 Stocks of inactive telephone companies; A-3 Stocks of other companies; B Long-term securities owned; C Investment advances; D Other. Subtotals for each of the required classifications and totals for each account shall be shown. The aggregate of all deposits of cash amounting individually to less than \$5,000 each may be shown as a balancing amount on the line immediately preceding the total of account 1402. (An inactive company is one which has been practically absorbed in a controlling company, and which neither operates property nor administers its financial affairs; if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.) If the investment is associated with nonregulated service, please so indicate.

Line No.	Class (a)	Description of Investment (Including nominal interest rate and term when appropriate) (b)	Book Cost of Investments at Beginning of the Year (c)
1		1401 INVESTMENT AFFILIATES - S&T CELLULAR	\$ 1,906,415
2		1401.2 EQUITY EARNINGS	1,932,070
3		1401.6 INVESTMENT AFFILIATES - S&T COMMUNICATIONS	840,943
4		1402.1 INVESTMENT KCPR	3,008
5		1402.2 INVESTMENT RURAL DEVELOPMENT - GRINNELL GROCERY STORE	18,242
6		1402.3 INVESTMENT EDWARD JONES	3,232,904
7		1402.4 MARKET ADJ SECURITIES	(349,838)
8		1402.5 INVESTMENT SALOMON SMITH BARNEY	18,787,081
9		1402.6 MARKET VALUE ADJ SALOMON SMITH BARNEY	(1,866,085)
10			
11			
12		TOTAL	\$24,504,740.00
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
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28			
29			
30			
31			
32			
33			
34			
35			

10. INVESTMENTS (Accounts 1401, 1402, 1406, and 1160) - (continued)

2. If the consideration given or received for any investment reported in the schedule was other than cash, give particulars in a note.
3. The book cost of investments transferred from other accounts shall be reported in column (d). The book cost of investments transferred to other accounts or the amount by which investments are written down shall be reported in column (e). All such entries shall be explained in notes.
4. With respect to investment advances included in Account 1402, responses should be made only in columns (c), (f), (h), (i) for the total of advances made to each of the companies listed in column (b).

Line No.	INVESTMENTS AT END OF THE YEAR					
	Book Cost of Investments Made During the Year (d)	Book Cost of Investments Disposed During the Year (e)	Book Cost (f)	Shares of Stock or Face Amount of Other Investments (g)	Gain (or Loss) from Investments Disposed (h)	Interest or Dividends Credited to Income During the Year (i)
1			N/A			
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
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27						
28						
29						
30						
31						
32						
33						
34						
35						

10. INVESTMENTS (Accounts 1401, 1402, 1406, and 1160)

1. With respect to each account includible in this schedule in which there was reflected an investment at any time during the year, enter in column (b) the number and title of the account. List separately hereunder the description of each different security or other investment (except that data relating to all government securities in account 1402 and all securities in account 1160 classified as D Other may be combined and the total for each reported on a single line) in each of the following classifications (symbols to be indicated in column (a): A-1 Stocks of active telephone companies; A-2 Stock of inactive telephone companies; A-3 Stocks of other companies; B Long-term securities owned; C Investment advances; D Other. Subtotals for each of the required classifications and totals for each account shall be shown. The aggregate of all deposits of cash amounting to individually to less than \$5,000 each may be shown as a balancing amount on the line immediately preceding the total of account 1402. (By an inactive company is meant one which has been practically absorbed in a controlling company, and which neither operates property nor administers its financial affairs, if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.)

Line No.	Class (a)	Description of Investment (Including nominal interest rate and term when appropriate) (b)	Book Cost of Investments at Beginning of the Year (c)
1		Account 1160 - Temporary Investments - Nonaffiliated	\$ 0
2			
3			
4		Account 1401 - Investments in Affiliated Companies	\$ 0
5			
6		Centel Corporation	\$ (395,657)
7			
8		Account 1402 - Investments in Affiliated Companies	
9			
10			
11			
12			
13			
14			
15			
16			
17			
18		Account 1402 - Investments in Nonaffiliated Companies	
19			
20		Hiawatha Development Association	50
21		Oswego Homes, Inc	300
22		Fredonia Development Co	200
23		Russell Industrial, Inc	1,000
24		Oswego Industrial, Inc	300
25		Kansas Development Credit Corp	5,000
26		Junction City Industrial Development, Inc.	1,000
27		Junction City Housing and Development, Inc.	1,000
28		Wakefield Area Development Corp	100
29		Horton Industrial Development Corp	200
30		Garnett Industrial Development Corp	100
31		Haven Co-op Oil Co	50
32			
33		Subtotal	\$ 9,300
34			
35		Milbourn Golf & Country Club	0
36		Hallbrook Farms Country Club	0
37		Topeka Country Club	0
38			
39		Subtotal	\$ 0
40			
41			
42			
43		Total Account 1402	\$ 9,300
44			
45		Account 1406 - Nonregulated Investments	
46			
47			
48		Investment in Sprint/United Midwest Management Company	22,362,113
49		Total Account 1406	\$ 22,362,113
50			

10. INVESTMENTS (Accounts 1401, 1402, 1406, and 1160) - (Continued)

2. If the consideration given or received for any investment reported in the schedule was other than cash, give particulars in a note.
3. The book cost of investments transferred from other accounts shall be reported in column (d). The book cost of investments transferred to other accounts or the amount by which investments are written down shall be reported in column (e). All such entries shall be explained in notes.
4. With respect to investments advances included in Account 1401, responses should be made only in columns (c), (f), (h) and (i) for the total of advances made to each of the companies listed in column (b).

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Line No	Book Cost of Investments Made During the Year (d)	Book Cost of Investments Disposed of (e)	INVESTMENTS AT END OF THE YEAR		Gain (or Loss) from Investments Disposed of (h)	Dividends Credited to Income During the Year (i)
			Book Cost (f)	Shares of Stock or Face Amount of Other Invest (g)		
1	\$	\$	\$ 0		\$	\$
2						
3						
4						
5			0			
6						
7			\$ (395,657)			
8						
9						
10						
11			0			
12			0			
13			0			
14						
15			\$ 0			
16						
17						
18						
19						
20		50	0			
21		300	0			
22		200	0			
23		1000	0			
24		300	0			
25		5000	0			
26		1000	0			
27		1000	0			
28		100	0			
29		200	0			
30		100	0			
31		50	0			
32						
33			\$ 0			
34						
35			0			
36			0			
37			0			
38						
39			\$ 0			
40						
41						
42						
43			\$ 0			
44						
45						
46						
47						
48						
49	\$ 5,017,356 **		27,379,469			
50			\$ 27,379,469			

\*\* Transferred assets to Sprint/United Telephone Midwest Management Service Company

\*\*\*\* Includes 4 common shares and 400 preferred shares



Name of Respondent Western Resources, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Dec. 31, 2001
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**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
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Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Astra Resources, Inc.	Inactive Company	100%	
2	Canguard, Inc.	Security Monitoring Services	100%	1
3	CET Benelux S. A.	Security Monitoring Services	100%	2
4	CET Germany (Sicherheitsdienste GmbH) S. A.	Security Monitoring Services	95%	2
5	CET Nederland	Security Monitoring Services	100%	3, 4
6	CET (Suisse), S.A.	Security Monitoring Services	100%	2, 5
7	Consutron Nederland Teleshop BV	Security Monitoring Services	100%	3
8	Contract Compression, Inc.	Inactive Company	100%	6
9	CPI -Western Power Holdings, Ltd.	Generation Projects	50%	7
10	Croise Laroche S. A.	Security Monitoring Services	99.8%	8
11	E.R.E. Detection Electronique S. A.	Security Monitoring Services	100%	2
12	E.S. Beveiliging	Security Monitoring Services	100%	3
13	Eurocontact S. A.	Security Monitoring Services	100%	2
14	Eurostation S. A.	Security Monitoring Services	100%	2
15	France Reseau Telesecurite ("FRT")	Security Monitoring Services	100%	9, 10
16	Kansas Gas and Electric Company	Utility Company	100%	
17	Masco Holdings Limited	Inactive Company	100%	11, 12
18	Masco Security Systems Limited	Inactive Company	100%	12, 13
19	Network Multi-Family Security Corp	Security Monitoring Services	100%	14
20	Orion Bataille	Security Monitoring Services	100%	15, 16
21	Protection One Alarm Monitoring, Inc.	Security Monitoring Services	100%	17
22	Protection One Alarm Monitoring of Mass., Inc.	Security Monitoring Services	100%	14
23	Protection One Canada, Inc.	Security Monitoring Services	100%	14
24	Protection One Europe SARL	Security Monitoring Services	100%	18, 19
25	Protection One France S.A.	Security Monitoring Services	100%	19, 20
26	Protection One Inc.	Security Monitoring Services	87%	21
27	Protection One International, Inc.	Holding Company	100%	21

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Name of Respondent Western Resources, Inc.	This Report Is:		Date of Report (Mo, Da, Yr)	Year of Report
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	04/30/2002	Dec. 31, 2002

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Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Protection One Residential	Security Monitoring Services	100%	9, 10
2	Protection One Systems	Security Monitoring Services	100%	2, 16
3	Protection One U.K., PLC	Security Monitoring Services	100%	12, 21
4	Rangeline Corporation	Inactive Company	100%	
5	Residential Alarmcentrale B.V.	Security Monitoring Services	100%	22
6	Security Monitoring Services, Inc.	Security Monitoring Services	100%	14
7	Surveillance Electronique	Security Monitoring Services	100%	15, 16
8	Telra	Security Monitoring Services	100%	5, 23
9	The Kansas Power and Light Company	Inactive Company	100%	
10	The Wing Group International, Inc.	Inactive Company	100%	24
11	The Wing Group, Limited Co.	Inactive Company	100%	21
12	Westar Aviation, Inc.	Aviation Leases	100%	21
13	Westar Communications, Inc.	Paging Services	100%	21
14	Westar Energy, Inc.	Inactive Company	100%	
15	Westar Energy Investments, Inc.	Inactive Company	100%	25
16	Westar Financial Services, Inc.	Inactive Company	100%	21
17	Westar Generating, Inc.	Generation Projects	100%	
18	Westar Generating II, Inc.	Inactive Company	100%	
19	Westar Industries, Inc.	Holding Company	100%	
20	Westar Industries Limited	Inactive Company	100%	21, 26
21	Westar Investments, Inc.	Holding Company	100%	21, 27
22	Westar Leasing, Inc.	Inactive Company	100%	21, 28
23	Westar Limited Partners, Inc.	Limited Partnerships	100%	21
24	Westar Limited Partners II, Inc.	Limited Partnerships	100%	21
25	Western Resources (Bermuda) Ltd.	Holding Company	100%	21
26	Western Resources Capital I	Financing Trust	100%	
27	Western Resources Capital II	Financing Trust	100%	

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Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Western Resources I (Cayman Islands) Ltd.	Generation Projects	100%	29
2	Western Resources II (Cayman Islands) Ltd.	Generation Projects	100%	30
3	Western Resources International Limited	Generation Projects	100%	31
4	Wing Colombia, L.L.C.	Inactive Company	100%	32
5	Wing International, Ltd.	Generation Projects	100%	33
6	Wing Turkey, Inc.	Generation Projects	100%	21
7	WR Receivables Corporation	Accounts Receivable Financing	100%	
8	WR Services, Inc.	Inactive Company	100%	
9				
10	Footnotes:			
11	(1) Owned by Protection One Canada, Inc.			
12	(2) Owned by Protection One France S.A.			
13	(3) Owned by CET Benelux			
14	(4) Tax entity and branch only; remove from .			
15	(5) Sold July 2001.			
16	(6) Terminated in 1998			
17	(7) Held jointly with China Power			
18	International Holdings, Ltd.			
19	(8) Owned by Protection One International, I.			
20	(9) Owned by Compagnie Europeene de			
21	Telesecuritye, S.A			
22	(10) Merged into Compagnie Europeene de			
23	Telesecuritye, S.A. in December 2000.			
24	(11) Owned by Protection One (UK) plc.			
25	(12) Sold June 2001.			
26	(13) Owned by Masco Holdings Limited.			
27	(14) Owned by Protection One Alarm Monitorin.			

Name of Respondent Western Resources, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/2002	Year of Report Dec. 31, 2001
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Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	(15) Owned by Protection One Systems.			
2	(16) Sold August 2001.			
3	(17) Owned by Protection One, Inc.			
4	(18) Owned by Croise Laroche S.A.			
5	(19) Name changed December 2000.			
6	(20) Owned by Protection One Europe SARL			
7	(21) Owned by Westar Industries, Inc.			
8	(22) Owned by Consutron Nederland Teleshop B.			
9	(23) Owned by CET (Suisse), S.A.			
10	(24) Owned by The Wing Group, Limited Company.			
11	(25) Owned by Astra Resources, Inc.			
12	(26) Name changed October 2001.			
13	(27) Name changed April 2001.			
14	(28) Incorporated October 2001.			
15	(29) Owned by Western Resources (Bermuda), L.			
16	(30) Owned by Western Resources I (Cayman			
17	Islands), Ltd.			
18	(31) Owned by CPI-Western Power Holdings, Lt.			
19	(32) Owned 99% by Westar Industries, Inc. &			
20	1% by The Wing Group, Limited Co.			
21	(33) Owned 99% by Wing Turkey, Inc. and			
22	1% by The Wing Group, Limited Co.			
23				
24				
25				
26				
27				

10

2-11



# SENATE BILL No. 51

By Senators Bunten and Clark

1-22

9 AN ACT concerning public utilities; relating to certain employee com-  
10 pensation; prohibiting inclusion in rates.

11  
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) As used in this section:

14 (1) "Excessive compensation" means any one or more of the  
15 following:

16 (A) The value of pension benefits, insurance policies, stock, stock  
17 options, annuities or deferred compensation plans that exceeds the value  
18 of similar benefits, policies, stock, stock options, annuities or other com-  
19 pensation plans routinely offered to all the utility's fulltime employees,  
20 or to its employees generally;

21 (B) the value of severance payments in excess of those routinely of-  
22 fered to all the utility's fulltime employees, or to its employees generally,  
23 when they terminate employment with the utility;

24 (C) the value of compensation for time spent on unregulated  
25 activities;

26 (D) the value of compensation for time spent solely on behalf of  
27 shareholders;

28 ~~(E) the value of compensation that conceals profits;~~

29 ~~(F) the value of management incentive or bonus payments which are~~  
30 ~~not in accordance with management's proportion of the payroll;~~

31 ~~(G) the value of merit increases for executives or senior management~~  
32 ~~which are not supported by evidence of increased productivity, increased~~  
33 ~~cost savings, improved quality of service or improved financial stability~~  
34 ~~and performance of the utility;~~

35 ~~(H) the value of compensation which is not proportionate to the com-~~  
36 ~~ensation of persons holding similar positions with other utilities in Kan-~~  
37 ~~sas and the surrounding four states;~~

38 ~~(I) the value of compensation of any kind made during a test period~~  
39 ~~to any employee who was not employed by the utility during the test~~  
40 ~~period;~~

41 ~~(J) the value of nonmonetary benefits paid for by the utility, or pro-~~  
42 ~~vided by the utility to executives, managers or their spouses or families,~~  
43 ~~which are not routinely provided to all the utility's fulltime employees, to~~

(E)

(F)

(G)

(H)

Senate Utilities  
February 18, 2003  
Attachment 3-1

3-2

1 the utility's employees generally or to employees' spouses and families  
 2 generally, such as, but not limited to: Vehicles; club memberships; en-  
 3 hanced or luxury travel arrangements or accommodations; enhanced or  
 4 luxury living quarters; or any other such nonmonetary benefits that are  
 5 not essential for conducting business activities on behalf of ratepayers; or  
 6 ~~((K))~~ the value of any expenditure made by the utility for any insurance  
 7 policy in the name of a current, former or departing employee, if the  
 8 utility is a beneficiary of the policy, including any expenditures resulting  
 9 from any loan taken out on such a policy and any payments made by the  
 10 utility from the proceeds of such loans.

11 (2) "Public utility" has the meaning provided by K.S.A. 66-104, and  
 12 amendments thereto.

13 (b) No public utility providing excessive compensation to any em-  
 14 ployee shall recover the value of the excess from the utility's ratepayers.

15 (c) The state corporation commission shall allow a public utility to  
 16 recover from ratepayers only that employee compensation, including  
 17 compensation of executives and senior management employees, which  
 18 the commission finds:

- 19 (1) Benefits ratepayers;
- 20 (2) is justified by the productivity, cost savings, quality of service,  
 21 overall performance and financial condition of the utility;
- 22 (3) is reasonable compensation in comparison to regional norms in  
 23 the utility industry;
- 24 (4) was paid within any test period, for work performed during the  
 25 test period;
- 26 (5) will not result in unjust or unreasonable rates; and
- 27 (6) is otherwise not excessive compensation.

28 (d) The state corporation commission shall review compensation of a  
 29 public utility's employees as a part of any proceeding before the com-  
 30 mission which may result in an increase of the utility's rates. The com-  
 31 mission shall deny recovery from ratepayers that amount of the value of  
 32 any compensation which the commission finds is excessive compensation  
 33 or does not meet the conditions stated in subsection (c), by excluding that  
 34 amount from the utility's cost of service, or otherwise excluding it from  
 35 rates. Whether shareholders have approved the compensation in question  
 36 shall not be considered by the commission in determining whether com-  
 37 pensation is excessive compensation. A public utility shall have the burden  
 38 of proving that compensation of current, former and departing employ-  
 39 ees, including compensation of executives and senior management em-  
 40 ployees, is not excessive compensation and that such compensation meets  
 41 the conditions stated in subsection (c) before recovery of such compen-  
 42 sation shall be allowed in rates.

43 ~~((e))~~ Any federal or state tax liabilities of any employee or public utility

(I)

(3) "Compensation" has the same meaning as provided by 17 CFR  
 229.402, as in effect on July 1, 2003, or any later version as established in  
 rules and regulations adopted by the state corporation commission.

(e) A public utility shall file a clear, concise and understandable  
 disclosure statement on or before April 1 of each year with the state  
 corporation commission disclosing the compensation of the 12 highest  
 compensated officers or employees of the public utility for the preceding  
 calendar year. In addition, if an officer or employee was listed in such  
 disclosure statement for the previous reporting year, but is not an officer or  
 employee of such public utility at the end of the current reporting calendar  
 year, the public utility shall disclose such individual's compensation paid  
 during the year of such individual's retirement or severance from the  
 public utility. The disclosure statement required to be filed under this  
 subsection shall be open for inspection by any person in accordance with  
 K.S.A. 45-218, and amendments thereto.

(f)



3-3

1 for compensation considered excessive under this section shall not reduce  
2 the amount that is to be excluded from the utility's cost of service or  
3 otherwise excluded from rates.

4 ~~(f)~~ The provisions of this section shall apply to any proceedings pend-  
5 ing before the state corporation commission on the effective date of this  
6 act and to all proceedings filed with the commission on or after that date.

7 Sec. 2. This act shall take effect and be in force from and after its  
8 publication in the statute book.

(g)

(h) The state corporation commission may adopt reasonable rules  
and regulations to implement the provisions of this section.