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State Corporation Commission
of Kansas

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of	]	
Midwest Energy, Inc. for Approval to	]	Docket No. 11-MDWE-609-RTS
Make Certain Changes in its	]	
Charges for Electric Service	]	

DIRECT TESTIMONY OF

BRIAN KALCIC

RE: JURISDICTIONAL REVENUE REQUIREMENT ALLOCATION, RESIDENTIAL RATE STRUCTURE AND SMALL GENERAL SERVICE RATE STRUCTURE

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

July 1, 2011

Q. Please state your name and business address.

A. Brian Kalcic, 225 S. Meramec Avenue, St. Louis, Missouri 63105.

Q. What is your occupation?

A. I am an economist and consultant in the field of public utility regulation, and principal of Excel Consulting. My qualifications are described in the Appendix to this testimony.

Q. On whose behalf are you testifying in this case?

A. I am testifying on behalf of the Citizens' Utility Ratepayer Board ("CURB").

Q. What is the subject of your testimony?

A. I will examine Midwest Energy, Inc.'s ("MEI") proposed split of its claimed revenue requirement between its retail and wholesale customer classes, and sponsor an appropriate adjustment to MEI's jurisdictional revenue requirement allocation.

In addition, I will review MEI's current and proposed residential and small general service ("GSS" and "GSS-DR") rate structures, and sponsor changes, where appropriate.

Q. Please summarize your primary recommendations.

A. Based upon my analysis of MEI's filing and discovery responses, I recommend that the Kansas Corporation Commission ("KCC" or "Commission"):

- reject MEI's proposed split of its claimed revenue requirement between its retail and wholesale customer classes;
- adopt CURB's recommended jurisdictional revenue requirement adjustment;
- adopt MEI's proposed residential rate structure, as modified by CURB, in order to provide a strong conservation price signal to MEI's residential customers; and
- adopt MEI's proposed conservation-oriented changes to its GSS rate schedule.

The specific details associated with the above recommendations are discussed below.

I. Jurisdictional Allocation

Q. Mr. Kalcic, what is MEI's total claimed revenue requirement in this proceeding?

A. MEI's total claimed revenue requirement is $137.013 million, per line 9 of Section 3, Schedule 1. This claim equates to a requested base rate increase, i.e., exclusive of purchased power ("PP") costs, of $3.411 million over current pro forma revenues of $133.602 million.

Q. How much of its requested $3.411 million increase does MEI proposed to collect from retail customers?

A. MEI proposed to collect 100% of the $3.411 million from its retail rate classes. More specifically, MEI is proposing to collect an additional $0.131 million via an increase in

retail Transmission Delivery Charges ("TDCs"), and an additional $3.280 million via an increase in retail distribution charges.[1]

Q. Mr. Kalcic, within the context of MEI's filed case, do you agree with MEI that retail customers should receive an increase of $3.411 million?

A. No, I did not. Based on MEI's filed revenue requirement and jurisdictional cost-of-service study ("COSS"), I find that MEI's retail rate classes should receive an increase of $3.343 million, or approximately $68,000 less than proposed by MEI. Correspondingly, MEI's wholesale classes should receive an increase that is $68,000 greater than proposed by MEI.

Q. How did you determine the level of your recommended jurisdictional revenue requirement adjustment?

A. My recommended adjustment is derived in Schedule BK-1.

Q. Please discuss Schedule BK-1.

A. Line 1 of Schedule BK-1 shows MEI's total claimed revenue requirement of $137.012 million. Lines 2-3 show the total M-System and W-System wholesale revenue levels necessary to provide MEI's overall requested rate of return of 6.90%, based on MEI's filed COSS. Subtracting lines 2 and 3 from line 1 produces a cost-based *retail* revenue requirement (target) of $135.039 million.

[1] See Exhibit__(Volker-4), page 1 of 7, at line 49, and Section 2, Schedule 1, at line 55, for MEI's proposed retail transmission and distribution increases, respectively.

Lines 5 and 6 of Schedule BK-1 contain MEI's proposed retail rate revenue and miscellaneous revenue levels, which total $135.107 million (per line 7). A comparison of lines 4 and 7 shows that MEI's proposed retail revenue requirement is greater than MEI's total retail cost of service. In particular, subtracting line 7 from line 4 results in a total retail revenue requirement adjustment (i.e., reduction) of $67,947 (at MEI's claimed revenue requirement level).

Q. Has CURB witness Andrea C. Crane incorporated your recommended jurisdictional revenue requirement adjustment in preparing CURB's recommended retail revenue requirement increase for MEI?

A. Yes, in Schedule ACC-22.

II. Residential Rate Structure

Q. Mr. Kalcic, please provide a brief description of MEI's current residential service rate schedules.

A. MEI serves residential customers via four (4) rate schedules: 1) M-System Residential Electric Service (M-RES); 2) M-System Residential Total Electric (M-RTE); 3) W-System Residential Electric Service (W-RES); and 4) W-System Residential Peak Management Service (W-RPM).

The majority of MEI's residential customers (i.e., 75.1%) take service under Rate M-RES. The M-RES rate schedule contains a customer charge, a three-step declining-block winter energy charge, and a flat rate summer energy charge.

Approximately 2.9% of residential customers take service on MEI's Rate M-RTE space heating rate schedule. The M-RTE rate schedule contains a customer charge, a two-step declining block winter energy charge, and a flat rate summer energy charge.

Approximately 21.4% of MEI's residential customers take service under Rate W-RES. The W-RES rate schedule contains a customer charge and a seasonally differentiated, flat rate energy charge.[2] Finally, a small number of residential customers (0.6%) avail themselves of Rate W-PM, which contains a customer charge, a seasonally differentiated capacity (or demand) charge, and a year-round flat rate energy charge.

Q. Does MEI propose to revise its residential rate *structure* in this proceeding?

A. Yes. As discussed on pages 31-39 of Mr. Volker's direct testimony, MEI is proposing a "major redesign of how revenue is recovered" from residential customers. In general, MEI's proposed residential rate structure includes: a) inclining block summer energy charges; b) the elimination of declining block winter energy charges for Rate M-RES customers; and c) changes in the size of the current residential rate blocks. In addition, MEI is introducing a new M-System Demand Rate Service (M-DRS) option for residential customers.

MEI's proposed changes to its residential rate structure are intended, in part, to encourage energy efficiency.

[2] To encourage conservation, Rate W-RS customers that limit their average daily usage in the summer months to no more than 40 kWh qualify for the (lower) winter energy rate during the summer period.

Q. Have you provided a summary of MEI's proposed residential rate design in this case?

A. Yes, in Schedule BK-2.

Q. Does CURB agree with MEI's proposed residential rate design in this proceeding?

A. In large part, it does. CURB agrees with MEI that its residential rate structure should encourage customers to be more energy efficient, i.e., to conserve electricity. As such, CURB agrees with MEI's proposal to implement an inclining block summer energy charge for all residential customers that do not choose a demand based service, and to eliminate the existing declining block winter energy charges for Rate M-RES customers.

As shown on lines 2-4, 6-8 and 16-18 of Schedule BK-2, MEI is proposing to implement an inclining block summer energy charge for residential customers. The aggregate energy charge differential across MEI's proposed summer rate blocks is 3.0¢ per kWh, for all M-RES, M-RTE and W-RES customers. In CURB's view, MEI's proposed 3.0¢ per kWh summer rate differential is significant, and would provide a meaningful price signal to residential customers to conserve electricity.

However, as I discuss below, CURB does recommend certain revisions to MEI's proposed residential rate design for M-RTE customers that would eliminate certain proposed discrepancies in the energy charges applicable to M-RES and M-RTE customers. Accordingly, I have prepared an alternative M-System residential rate design for the Commission's consideration in this proceeding.

Q. Does CURB recommend any modification to MEI's proposed W-RES rate design?

A. No. Since MEI's W-System does not include a residential all-electric or space heating rate schedule, there is no issue of a discrepancy between the rates charged to W-System heating versus non-heating customers.

Q. Does CURB take issue with MEI's existing (Rate W-PM) or proposed (Rate M-DRS) demand based residential rate schedules?

A. No. These are voluntary rate schedules (for customers with peak loads less than 25 kW) that encourage conservation by providing residential customers with the opportunity to lower their total monthly bills by managing their peak usage.

Q. Why does CURB agree with MEI that it is appropriate to implement a more conservation-oriented residential rate structure in this proceeding?

A. CURB's Consumer Counsel informs me that the Commission has the authority to adjust utility rate structures to accomplish desired goals such as conservation. As a matter of public policy, it is CURB's position that the Commission can, and should, encourage conservation by revising existing rate structures to provide stronger conservation-oriented price signals. Many Kansas electric utilities are currently involved with (or have recently completed) extensive capital expenditure programs. Greater conservation, if achieved, will help consumers manage rising electric utility bills in the coming years and delay the need for additional generation units.

Q. Couldn't a significant revision to a utility's existing rate structure exacerbate the rate increases that will be experienced by certain residential customers?

A. Yes. While Mr. Volker testifies that MEI's specific proposals are not expected to cause significant impacts on customers' annual bills, CURB is certainly cognizant of that general possibility. In its comments to the Commission in Docket No. 08-GIMX-442-GIV, CURB stated, in pertinent part:

> [W]ith respect to rate impacts on consumers that may result from adjusting the current rate structure or from moving to real-time pricing, the Commission must also be an active participant in the creation of mechanisms or rate structures that protect the most vulnerable of our citizens. . . . CURB encourages the Commission to join with CURB, the utilities and other intervenors, where appropriate, in finding mechanisms to make sure there are rate protections and affordability programs for our low-income and fixed-income customers. For example, rate design should ensure that the first block of usage remains affordable for all customers. Rate blocks above this first block can be adjusted upward, if necessary.[3]

In other words, CURB finds that an appropriate residential rate design would encourage conservation while at the same time providing a measure of affordability over a "first block" or baseline level of customer usage. Usage in excess of the baseline level would be subject to significantly greater pricing for all customers.

Q. What is the effective level of residential baseline usage in MEI's proposed rate design?

A. The baseline level of usage varies by rate schedule. As shown in Schedule BK-2, MEI proposes to establish a baseline usage block of 500 kWh per month for both M-RES

[3] *Comments of the Citizens' Utility Ratepayer Board*, Dec. 21, 2007, pp. 7-8, KCC Docket No, 08-GIMX-442-GIV.

and W-RES customers.[4] In other words, the first 500 kWh of monthly use (in each service area) would be assigned the lowest energy charge rate. While usage in excess of 500 kWh per month *during the winter* would not be billed at a higher rate, usage in excess of 500 kWh per month *in the summer* would be subject to increasingly higher charges.

As shown on lines 6-11 of Schedule BK-2, MEI proposes to establish an effective baseline level of usage for M-RTE customers at 1,100 kWh per month rather than 500 kWh per month.

Q. What is MEI's rationale for proposing a different blocking structure (and effective baseline usage level) for M-RTE customers compared to M-RES and W-RES customers?

A. For billing convenience, MEI seeks to include a maximum of three distinct energy charges per residential rate schedule. For M-RES and W-RES customers, the winter energy charge is flat and set equal to the charge for the first block of usage in the summer.[5] Since the winter energy charge for these rate schedules is a "repeat" of the first block summer energy charge, MEI was able to establish three rate blocks (i.e., charges) in the summer without exceeding its self-imposed limit of including three energy charges per residential rate schedule.

In the case of M-RTE customers, MEI seeks to maintain a discounted second winter rate block for heating load. Since one of the three separate energy charges "available" to M-RTE customers is reserved for the winter tail block, MEI could not

[4] See lines 2-5 of Schedule BK-2 for MEI's proposed M-RES energy charges, and lines 16-19 for MEI's proposed W-RES energy charges.
[5] In Schedule BK-2, compare: a) lines 2 and 5; and b) lines 16 and 19.

establish more than two summer energy rate levels (blocks) without exceeding its three energy charge limit. In short, MEI proposes to aggregate the first two M-RES and W-RES summer rate blocks into a single M-RTE summer rate block, which covers the same total number of kWh (i.e., 1,100) per month.

Q. Does CURB agree with MEI's proposed M-RTE rate design?

A. No. CURB opposes MEI's proposal to establish stand-alone rate blocks (and charges) for the *non-heating* portion of M-RTE customers' load. If M-RTE (electric heating) customers are entitled to any discount from the standard rates paid by M-RES customers, that discount should apply only to their electric heating load in the winter. Stated differently, the charges paid by M-RTE customers should be identical to those paid by M-RES customers, except for usage in excess of 1,100 kWh per month in the winter.

However, as shown on lines 2-11 of Schedule BK-2, there would be *no* common energy charges paid by M-RES and M-RTE customers under the Company's proposed rate design.

Q. Have you prepared an alternative M-RTE rate design for this proceeding?

A. Yes, I have. As discussed below, CURB's recommended rate design is illustrated in Schedule BK-3, using MEI's proposed billing determinants and class revenue levels.

Q. Please describe Schedule BK-3.

A. Schedule BK-3 consists of six columns. Column 1 contains MEI's adjusted test year billing determinants for the M-RES and M-RTE classes.[6] Column 2 contains the Company's present rates, adjusted for MEI's proposed TDC and purchased power cost levels. Column 3 shows the present revenue that is derived from multiplying the billing determinants in column 1 by the present rates shown in column 2. CURB's recommended rates are shown in column 4, and its recommended revenue is provided in column 5. Finally, column 6 shows the percentage change in revenues under CURB's recommended rate design.

As shown on line 22 of Schedule BK-3, CURB's recommended rate design would produce a combined M-RES and M-RTE base rate increase of 1.02%, which is the same combined increase proposed by MEI.

Q. How did you determine the level of CURB's recommended residential rates shown in column 4 of Schedule BK-3?

A. CURB's recommended M-RES charges are identical to those proposed by MEI. To derive the consumption charges applicable to M-RTE customers, I first set all M-RTE consumption charges equal to MEI's proposed consumption charges, by rate block, *except for winter usage in excess of 1,000 kWh per month* (at line 19 of column 4). Next, I set the M-RTE winter tail block charge at the residual necessary to recover MEI's proposed M-RTE class revenue requirement, or 7.2795¢ or kWh.

[6] Where necessary, CURB assigned MEI's total class energy usage to seasons using MEI's base period (as opposed to adjusted test period) proof of revenue.

Therefore, under CURB's recommended rate design approach, M-RTE customers would appropriately pay the same rates charged to M-RES customers, except for the discounted rate that is applied to winter usage in excess of 1,100 kWh per month.

Q. Please summarize CURB's rate structure recommendations for MEI's residential rate classes?

A. CURB recommends that the Commission: a) accept MEI's proposed M-RES and W-RES rate blocks; b) establish corresponding rate blocks for M-RTE customers, except for usage in excess of 1,100 kWh in the winter period; c) set the consumption charges for M-RTE customers at the same levels established for M-RES customers (for all common rate blocks); and d) set the M-RTE consumption charge for winter usage in excess of 1,100 kWh per month at the residual level necessary to recover the approved M-RTE class revenue requirement.

The above rate structure guidelines should be implemented after the Commission has determined both MEI's overall revenue requirement, and individual customer class revenue targets.

III. GSS & GSS-DR Rate Structures

Q. Mr. Kalcic, please provide a brief description of MEI's current M-System GSS and GSS-DR rate schedules.

A. MEI's M-System General Service Small (GSS) rate schedule is applicable to non-residential customers with maximum demands less than 25 kW during the summer months. Rate GSS includes a customer charge, a declining block winter energy charge, and a flat rate summer energy charge (equal to the highest winter block rate).

MEI's M-System General Service Small Demand Rate (GSS-DR) rate schedule is an optional demand metered rate available to non-residential customers with maximum demands less than 25 kW during the summer months. Rate GSS-DR includes a customer charge, a demand charge, and a flat rate energy charge. Neither the demand charge nor the energy charge is seasonally differentiated.

Q. Does MEI propose to revise either its GSS or GSS-DR rate structure in this proceeding?

A. Yes. MEI is proposing to implement significant changes to its GSS rate structure.

Q. Please describe those proposed changes.

A. MEI proposes to replace its declining block GSS energy charges with a flat rate winter energy charge. MEI's also proposes to implement a three-step, inclining block summer energy charge (in place of the current flat rate energy charge). The summer rate blocks would be set at the same kWh levels as proposed for Rates M-RES and W-RES, i.e., at 0-500 kWh, 501-1,100 kWh, and all remaining kWh.

Q. Why is MEI proposing to use the same summer rate block structure for Rate GSS as Rates M-RES and W-RES?

A. MEI argues that the same rate blocks are appropriate for Rate GSS since the average annual usage per GSS customer is about the same as the average annual usage of a residential customer (less than 4% difference).

Q. Does CURB accept MEI's proposed GSS rate structure in this proceeding?

A. Yes. The elimination of existing declining block rates and the implementation of inclining block summer rates should encourage conservation among GSS customers. CURB recommends that the Commission adopt the Company's GSS rate structure proposals.

Q. Does CURB have any issue with MEI's existing GSS-DR rate structure?

A. No, since MEI's current (and proposed) GSS-DR rate structure does not include a declining block energy charge.

Q. Does this conclude your direct testimony?

A. Yes.

VERIFICATION

STATE OF MISSOURI)
) ss:
COUNTY OF ST. LOUIS)

I, Brian Kalcic, of lawful age, being first duly sworn upon his oath states:

That he is a consultant for the Citizens' Utility Ratepayer Board; that he has read the above and foregoing Testimony, and, upon information and belief, states that the matters therein appearing are true and correct.

Brian Kalcic

SUBSCRIBED AND SWORN to before me this 29 day of JUNE, 2011.

Notary of Public

My Commission expires:

8/6/2014

" NOTARY SEAL"
Jeffrey P. Mortland, Notary Public
St. Louis County, State of Missouri
My Commission Expires 8/6/2014
Commission Number 10430035

APPENDIX

Qualifications of Brian Kalcic

Mr. Kalcic graduated from Illinois Benedictine College with a Bachelor of Arts degree in Economics in December 1974. In May 1977 he received a Master of Arts degree in Economics from Washington University, St. Louis. In addition, he has completed all course requirements at Washington University for a Ph.D. in Economics.

From 1977 to 1982, Mr. Kalcic taught courses in economics at both Washington University and Webster University, including Microeconomic and Macroeconomic Theory, Labor Economics and Public Finance.

During 1980 and 1981, Mr. Kalcic was a consultant to the Equal Employment Opportunity Commission, St. Louis District Office. His responsibilities included data collection and organization, statistical analysis and trial testimony.

From 1982 to 1996, Mr. Kalcic was employed by the firm of Cook, Eisdorfer & Associates, Inc. During that time, he participated in the analysis of electric, gas and water utility rate case filings. His primary responsibilities included cost-of-service and economic analysis, model building, and statistical analysis.

In March 1996, Mr. Kalcic founded Excel Consulting, a consulting practice that offers business and regulatory analysis.

Mr. Kalcic has previously testified before the state regulatory commissions of Delaware, Kansas, Kentucky, Maine, Massachusetts, Minnesota, Missouri, New Jersey, New York, Ohio, Oregon, Pennsylvania, and Texas, and also before the Bonneville Power Administration.

SCHEDULES BK-1 THROUGH BK-3

MIDWEST ENERGY, INC. Schedule BK-1

Derivation of CURB's Recommended
Jurisdictional Revenue Requirement Adjustment

			Notes:
1	MEI Claimed Revenue Requirement	$137,012,890	Total System per Section 3, Sch. 1 line 9.
	less:		
2	M System Wholesale RR	$1,489,212	At 6.90% ROR, per Section 15, Sch. 2, pg. 2.
3	W System Wholesale RR	$485,000	At 6.90% ROR, per Section 15, Sch. 2, pg. 3.
4	Cost-Based **Retail** RR	$135,038,678	At 6.90% ROR
5	Proposed Retail Rate Revenue	$134,280,885	Per Section 17, Sch. 1, pg. 3.
6	Proposed Retail Other Revenue	$825,740	Per Section 17, Sch. 1, pg. 3.
7	Total Proposed Retail Revenue	$135,106,625	
8	Recommended Retail Adjustment	($67,947)	Line 4 minus Line 7.

MIDWEST ENERGY, INC.
Summary of Company Proposed Residential Base Rates

Line	Description	Proposed Rates /a (1)
	M System	
1	Customer Charge /b	$14.00
	Energy Charge	
	Summer - RES	
2	First 500 kWh	$0.098000
3	Next 600 kWh	$0.113000
4	All add'l kWh	$0.128000
	Winter - RES	
5	All kWh	$0.098000
	Summer - RTE	
6	First 500 kWh	$0.100400
7	Next 600 kWh	$0.100400
8	All add'l kWh	$0.130400
	Winter - RTE	
9	First 500 kWh	$0.100400
10	Next 600 kWh	$0.100400
11	All add'l kWh	$0.070400
	Demand Rate Service	
12	Customer Charge	$22.00
13	Demand- S&W ($/kW)	$6.39
14	Energy - All kWh	$0.070821
	W System	
15	Customer Charge - RES	$14.00
	Energy Charge	
	Summer - RES	
16	First 500 kWh	$0.086000
17	Next 600 kWh	$0.101000
18	All add'l kWh	$0.116000
	Winter - RES	
19	All kWh	$0.086000
	Peak Management Service	
20	Customer Charge	$15.00
21	Demand - S ($/kW)	$4.48
22	Demand - W ($/kW)	$4.48
23	Energy - All kWh	$0.050623

Notes:
a/ Includes TDC.
b/ Applicable to RES and RTE rate schedules.

MIDWEST ENERGY, INC.

CURB Illustrative M-System Residential Rate Design and Proof of Revenue
Basis: MEI Proposed Class Revenue Levels

Line	M-System Description	Pro Forma Billing Determinants	Present Rates /a	Present Revenue	CURB Illustrative Rates	CURB Illustrative Revenue	Percentage Change in Revenues
		(1)	(2)	(3) = (1)*(2)	(4)	(5) = (1)*(4)	(6) = (5)/(3)
	Rate RES						
1	Customer Charge	268,255	$13.00	$3,487,315	$14.00	$3,755,570	7.69%
	Energy Charges						
	Summer - RES						
2	First 500 kWh	33,424,055	$0.106898	$3,572,961	$0.098000	$3,275,557	-8.32%
3	Next 600 kWh	26,964,175	$0.106898	$2,882,414	$0.113000	$3,046,952	5.71%
4	All add'l kWh	19,819,821	$0.106898	$2,118,697	$0.128000	$2,536,937	19.74%
	Subtotal Summer	80,208,051		$8,574,072		$8,859,446	3.33%
	Winter - RES						
5	First 300 kWh	46,643,415	$0.106898	$4,986,083	$0.098000	$4,571,055	-8.32%
6	Next 450 kWh	52,796,777	$0.099898	$5,274,287	$0.098000	$5,174,084	-1.90%
7	All add'l kWh	50,814,795	$0.093898	$4,771,403	$0.098000	$4,979,850	4.37%
8	Subtotal Winter	150,254,987		$15,031,773		$14,724,989	-2.04%
9	**Total Rate RES**	230,463,038		$27,093,160		$27,340,005	0.91%
	Rate RTE						
10	Customer Charge	10,202	$13.00	$132,626	$14.00	$142,828	7.69%
	Energy Charges						
	Summer - RTE						
11	First 500 kWh	1,091,221	$0.103976	$113,460	$0.098000	$106,940	-5.75%
12	Next 600 kWh	880,321	$0.103976	$91,532	$0.113000	$99,476	8.68%
13	All add'l kWh	646,928	$0.103976	$67,265	$0.128000	$82,807	23.11%
14	Subtotal Summer	2,618,470		$272,257		$289,223	6.23%
	Winter - RTE						
15	First 750 kWh	2,796,314	$0.103976	$290,749			
16	All add'l kWh	6,791,396	$0.080976	$549,938			
17	Subtotal Winter (Present)	9,587,710					
18	First 1,100 kWh	6,231,010			$0.098000	$610,639	
19	All add'l kWh	3,356,700			$0.072795	$244,351	
20	Subtotal Winter (Proposed)	9,587,710		$840,687		$854,990	1.70%
21	**Total Rate RTE**	12,206,180		$1,245,570		$1,287,041	3.33%
22	**Total RES & RTE**	242,669,218		$28,338,730		$28,627,046	1.02%
	Source:	CURB DR 70 & CURB DR 80			Target	$28,627,064	
					Rounding	($18)	

Notes:
a/ Includes MEI proposed TDC charges and PP costs.

CERTIFICATE OF SERVICE

11-MDWE-609-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was placed in the United States mail, postage prepaid, electronic service, or hand-delivered this 1st day of July, 2011, to the following:

DANA BRADBURY, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027

MATTHEW SPURGIN, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027

PATRICK PARKE, VP CUSTOMER SERVICE
MIDWEST ENERGY, INC.
1330 CANTERBURY ROAD
PO BOX 898
HAYS, KS 67601-0898

MICHAEL J VOLKER, DIR REGULATORY & ENERGY SERVICES
MIDWEST ENERGY, INC.
1330 CANTERBURY ROAD
PO BOX 898
HAYS, KS 67601-0898

FRANK A. CARO, ATTORNEY
ANNE E. CALLENBACH, ATTORNEY
POLSINELLI SHUGHART
6201 COLLEGE BLVD, SUITE 500
OVERLAND PARK, KS 66211

TIMOTHY E. MCKEE, ATTORNEY
TRIPLETT, WOOLF, & GARRETSON, LLC
2959 NORTH ROCK ROAD, STE 300
WICHITA, KS 67226

Della Smith
Administrative Specialist