

August 11, 2025

1 **Q: Please state your name and business address.**

2 A: My name is Kirk Girard. My business address is 14935 U.S. Highway 36,
3 Norton, Kansas.

4 **Q: What is your profession?**

5 A: I am a Chief Executive Officer of Prairie Land Electric Cooperative, Inc.
6 ("Prairie Land" or "Cooperative").

7 **Q: What is your educational background?**

8 A: I graduated from Bethany College in Lindsborg, Kansas in 1987 with a
9 Bachelor of Arts degree with a concentration in Business
10 Management/Economics.

11 **Q: Please summarize your work experience.**

12 A: Beginning in October 1988, I worked as an Office Specialist and later as
13 an Accountant for the State of Kansas Department of Corrections in
14 Norton, Kansas. I started my electric industry career in May 1993 as an
15 Accountant with Norton-Decatur Cooperative Electric Company, Inc., the
16 predecessor company of Prairie Land. In June 2002, I was promoted to
17 the Office Manager and held that position until October 2005, when I was
18 promoted to Director of Finance. In October 2013, I assumed the
19 responsibility of Director of Finance and Administration overseeing
20 accounting, consumer billing, human resources, purchasing, and
21 investment activities. In January 2019, I became the Assistant CEO. In
22 January 2021, I was promoted to Prairie Land's Chief Executive Officer.
23 As Chief Executive Officer of Prairie Land, I serve on the Board of

1 Directors for Sunflower Electric Power Corporation (“Sunflower”),
2 generation and transmission (“G&T”) entity, of which Prairie Land is a
3 member-owner of.

4 **Q: Have you previously presented testimony before the Commission?**

5 A: Yes. I have provided testimony in Docket Nos. 21-SEPE-049-TAR, 21-
6 PLCE-406-TAR, 22-PLCE-496-TAR, 23-PLCE-789-TAR, 24-PLCE-684-
7 TAR, and 25-PLCE-388-TAR.

8 **Q: What is the purpose of your testimony today?**

9 A: The purpose of my testimony is to provide a background of Prairie Land
10 and to confirm Prairie Land’s support for continuation of its 34.5kV
11 formula-based rate plan (“34.5kV FBR Plan”).

12 **Q: Please provide a brief overview of Prairie Land.**

13 A: Prairie Land is an electric cooperative formed under the Kansas Electric
14 Cooperative Act K.S.A. 17-4601 et seq. It was organized for the purpose
15 of supplying and promoting the use of electric energy in rural areas of
16 northwest Kansas. Prairie Land is the successor cooperative of the 1997
17 merger of two other electric cooperatives: Norton-Decatur Cooperative
18 Electric Company, Inc., founded in 1938, and Northwest Kansas Electric
19 Cooperative Association, Inc. In 2007, Prairie Land also acquired portions
20 of Aquila, Inc., extending its service territory further east. Prairie Land,
21 therefore, has been providing electric retail service in northwest Kansas
22 for over 80 years. Today, Prairie Land serves approximately 14,000 retail
23 member-customers (over 24,000 meters) in 18 Kansas counties,

1 maintains nearly 7,000 miles of line, and employs over 80 full-time
2 employees in its service areas.

3 **Q: What is Prairie Land's opinion concerning the proposed 34.5kV FBR**
4 **Plan?**

5 A: Prairie Land supports the continuation of its 34.5kV FBR, as detailed in
6 the Joint Application and the Prefiled Direct Testimony of Richard J.
7 Macke submitted in support of this Joint Application.

8 **Q. Have you been directly involved in Prairie Land's annual update**
9 **filings for its 34.5kV FBR Plan?**

10 A Yes.

11 **Q: What are the reasons for Prairie Land's request to continue its**
12 **34.5kV FBR Plan?**

13 A: In Prairie Land's opinion, the FBR approach has reduced the costs and
14 regulatory lag of a traditional rate case with respect to determining the
15 annual local access charge ("LAC") while ensuring the Commission and
16 interested parties are afforded a comprehensive and systematic review of
17 the resultant rates (which, by the inherent design of the proposed 34.5kV
18 FBR Plan, remain cost-based). Prefiled Direct Testimony of Richard J.
19 Macke further highlights the advantages that a formula-based rate
20 approach offers to the Commission, affected utilities, and customers when
21 compared to a traditional rate application.

1 **Q: Are you of the opinion that Prairie Land's 34.5kV FBR Plan has**
2 **captured the general advantages and benefits of formula-based**
3 **rates?**

4 A: Yes. In my view, the general arguments in favor of a formula-based rate
5 have been realized by Prairie Land's 34.5kV FBR Plan.

6 **Q. In your opinion, have the annual updates each year provided a**
7 **streamlined and efficient process to determine an annual LAC?**

8 A. Yes. Typically, Commission Staff and interveners issue various data
9 requests as part of the review process, and Prairie Land provides
10 responses. Outside of that light discovery, there has been little action in
11 each year of Prairie Land's annual update filings. In most years, no
12 questions were presented by the interveners during the technical
13 conference, and in some years, Commission Staff and interveners agreed
14 to cancel the technical conference altogether. No annual update filing of
15 Prairie Land has ever resulted in the need for an evidentiary hearing, and
16 each annual update filing's applied-for rate has been approved.

17 **Q: What is the basic approach utilized in the proposed Prairie Land**
18 **34.5kV FBR?**

19 A: Prairie Land's proposed 34.5kV FBR calculates the annual revenue
20 requirement based upon pertinent operating expenses and margin
21 requirements. Ultimately, the formula determines the LAC in each year's
22 annual update filing.

1 **Q: What type and level of margin requirement is Prairie Land requesting**
2 **to be used as the basis for the return requirement incorporated into**
3 **its 34.5k V FBR?**

4 A: Prairie Land requests to maintain the current margin target based on a
5 greater of a 1.8 Operating Times Interest Earned Ratio (“OTIER”) or a 1.8
6 Modified Debt Service Coverage Ratio (“MDSC”) for determining the
7 return requirement. That is the Commission-approved margin requirement
8 associated with the original implementation and subsequent continuation
9 of Prairie Land’s 34.5kV FBR. The testimony of Richard J. Macke further
10 details the appropriateness of these levels of margins on pages 11-12.

11 **Q: Now please address the requirements of the 34.5kV FBR Plan**
12 **Protocols, Section G. Equity Test, which directs the Cooperative to**
13 **make an appropriate filing with the Commission to retain or modify**
14 **the OTIER/MDSC in the event its distribution equity reaches the**
15 **stated cap.**

16 A: Prairie Land is utilizing the instant filing to satisfy this requirement
17 following the instance where its Distribution Equity Ratio in the most
18 recent annual 34.5kV FBR filing, submitted in the 25-PLCE-388-TAR
19 Docket, slightly exceeded the established cap.
20 The Distribution Equity Ratio for Prairie Land, calculated as part of each
21 annual 34.5kV FBR filing, reflects the performance of Prairie Land’s total
22 rates, including retail rates not subject to Commission jurisdiction, which
23 recover the cost of the Prairie Land’s distribution system, as well as the

retail share of the 34.5kV system costs.¹ The FBR-calculated LAC rate is reflective of only a subset of the Prairie Land's system (34.5kV sub-transmission only) and is collected only from a subset of the customers (wholesale). The revenues from the Third-Party LAC rates constitute only 3 percent of Prairie Land's (Mid-Kansas) total rate revenues, with the remainder of 97 percent coming from the retail rates. Additionally, Table 1 below shows that Third Party LAC contribution to the total distribution margins for Prairie Land's Mid-Kansas division is also small. These examples underscore that the Commission-jurisdictional FBR-calculated LAC rate is not the primary driver for the growth in Prairie Land's Distribution Equity ratio. Furthermore, as already noted in Richard J. Macke's testimony on pages 11-12, the 1.8 OTIER or MDSC ratios used do not exceed those used by the Cooperative when setting its retail member-rates and are still within the reasonable range given the most recent national and state metrics. Accordingly, Prairie Land stands by its request to retain the existing margin target.

Table 1 - Wholesale LAC Portion of Prairie Land (Mid-Kansas) Distribution Margins

	FY 2022	FY 2023	FY 2024
Patronage Capital or Margins	5,270,540	4,794,096	4,706,123
<i>Less G&T Capital Credits</i>	1,203,431	905,744	1,061,352
Total Distribution Margin	4,067,109	3,888,352	3,644,771
Total FBR Margins* (retail + wholesale)	777,570	659,115	584,203
Percent of Total Distribution Margins	19%	17%	16%
Third Party's portion (wholesale only)*-based on LRS	285,553	239,232	196,166
Percent of Total Distribution Margins	7%	6%	5%

**Includes property tax portion (ie Gross LAC)*

¹ Reference to Prairie Land's distribution and 34.5kV system in this paragraph are meant to imply Mid-Kansas division portion, as 34.5kV FBR is applicable to Cooperative's Mid-Kansas division only.

1 **Q. In conclusion, is the 34.5kV FBR requested in this proceeding the**
2 **same 34.5kV FBR and mechanics that were approved in Prairie**
3 **Land's last request for continuation?**

4 **A.** Yes. We have made no modifications to the 34.5kV FBR as previously
5 approved in Docket No. 21-SEPE-049-TAR. We are simply asking for a
6 continuation of the same 34.5kV FBR for another five years.

7 **Q:** **Does this conclude your testimony?**

8 **A:** Yes, it does.

VERIFICATION OF KIRK GIRARD

Kirk Girard, being first duly sworn, deposes and says that he is the Kirk Girard referred to in the foregoing document entitled "Direct Testimony of Kirk Girard" before the State Corporation Commission of the State of Kansas and that the statements therein were prepared by him or under his direction and are true and correct to the best of his information, knowledge and belief.


Kirk Girard



