

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of a Joint Application of Mid- )  
Kansas Electric Company, LLC, Prairie )  
Land Electric Cooperative, Inc., Southern )  
Pioneer Electric Company, The Victory )  
Electric Cooperative Association, Inc., and )  
Western Cooperative Electric Association, )  
Inc., for Approval of Individual 34.5 kV )  
Formula Based Rates. )

Docket No. 16-MKEE-023-TAR

**THE WESTERN KANSAS INDUSTRIAL CONSUMERS' GROUP ("WKIEC") REPLY  
TO THE OBJECTION OF MID-KANSAS ELECTRIC COMPANY, LLC, PRAIRIE  
LAND ELECTRIC COOPERATIVE, INC. AND SOUTHERN PIONEER ELECTRIC  
COMPANY TO THE PETITION TO INTERVENE OF WESTERN KANSAS  
INDUSTRIAL ELECTRIC CONSUMERS' GROUP**

COMES NOW the Western Kansas Industrial Electric Consumers Group ("WKIEC") and hereby files this reply to the objections of MKEC, Prairie Land and Southern Pioneer Electric Company ("Joint Applicants"). In support of this reply, WKIEC alleges and states as follows:

1. WKIEC filed a Petition to Intervene in the above-captioned matter on August 8, 2015.
2. An objection to WKIEC's Petition to Intervene was filed by the Joint Applicants on August 21, 2015.
3. Joint Applicant's principal objections are:
  - a) WKIEC members' legal rights, duties, privileges, immunities and/or other legal interests will not be substantially affected by the proceedings. However, a clear reading of the statutes reflects that the standard is not based on "must state facts," but rather in K.S.A. 77-521, Vol. 6, 2014 Cumulative Supplement to the Kansas Statutes Annotated, the standard is actually:

"K.S.A. 77-521. . . . A petition states facts demonstrating that the petitioner's legal rights, duties, privileges, immunities or other

legal interests may be substantially affected by the proceeding, or that the petitioner qualifies as an intervenor under any provision of the law.” (Emphasis added.)

K.S.A. 82-1-225, Intervention, follows much the same language. K.S.A. 82-1-225(2):

“The petition states facts demonstrating the petitioner’s legal rights, duties, privileges, immunities or other legal interests may be substantially affected by the proceeding, or that the petitioner qualifies as an intervenor under any provision of the law.” (Emphasis added.)

The standard appears to be “may be,” not “must.”

b) Air Products (“API”) and DCP Midstream, LLC (“DCP”) are customers of one of the Joint Applicants, Southern Pioneer. They may be affected by the filing because the design of the 34.5 kV formula rate will determine what portion of Southern Pioneer’s costs that are recovered through a Local Access Charge (LAC). By definition, any costs not recovered in the proposed LAC will be recovered from Southern Pioneer’s retail customers, including API and DCP. These other costs are subject to another formula rate, which is referred to as a Debt Service Coverage Formula Based Ratemaking Plan (DSC-FBR) formula rate.<sup>1</sup> The DSC-FBR adjusts retail rates when Southern Pioneer does not achieve a DSC of 1.75 times during an historical period. Any authorized change in retail rates under the DSC-FBR are spread to all retail customers, including API and DCP. Thus, if the Commission approves any changes made to the proposed 34.5 kV formula rate (i.e., a lower 34.5 kV allocation factor or lower cost recovered from 34.5 kV customers) it would impact the magnitude of Southern Pioneer’s other costs, which are subject to the DSC-FBR. For that reason, API and DCP may be affected by this filing.

c) Regarding Prairie Land’s specific objection, the Application requests approval of 34.5 kV Formula-Based Rates proposed by each of the Joint Applicants. We

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<sup>1</sup> In the Matter of the Application of Mid-Kansas Electric Company, LLC for Approval of a Debt Service Coverage Formula Based Ratemaking Pilot Plan for the Geographic Territory Served by its Member-Owner Southern Pioneer Electric Company, Docket No.13-MKEE-452-MIS.

presume that the Commission will issue one final order accepting, modifying or rejecting each of the proposed Rates. Although WKIEC members will not be directly impacted by the outcome of Prairie Land's proposal per se, each of the proposed formula rates utilize similar cost allocations methodologies and processes for review and implementation. The application of formula based rates also raises important policy issues. The factual and policy issues raised by this Application are inseparable. Accordingly, denying WKIEC an opportunity to fully participate in a review of the design of Prairie Land's proposed Rate would be prejudicial.

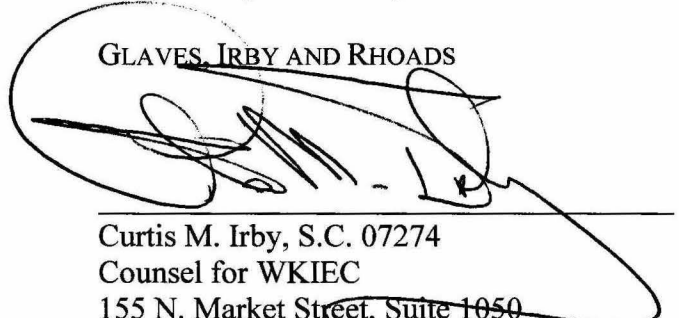
4. We note that there is apparently no dispute that WKIEC members Cargill served by Victory, and Linde, Inc. served by Western should be parties. Both Cargill and Linde take service at 34.5 kV. The 34.5 kV costs are recovered by the same LAC that is the subject of this Application.

5. For all of these reasons, WKIEC respectfully requests that the Commission consider its reply and deny the objections to WKIEC's Intervention.

WHEREFORE, WKIEC respectfully requests that this Commission grant its request to Intervene in full and allow it to participate in this docket.

Respectfully submitted,

GLAVES, IRBY AND RHOADS

A large, stylized handwritten signature in black ink, likely belonging to Curtis M. Irby, is written over the firm name and extends across the contact information below.

Curtis M. Irby, S.C. 07274

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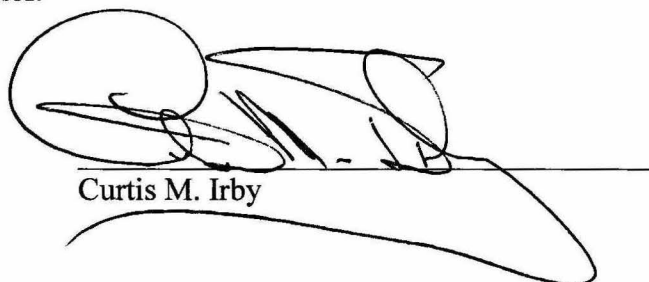
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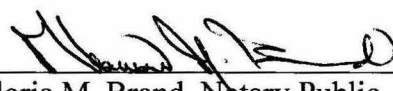
VERIFICATION

STATE OF KANSAS            )  
  ) ss.  
COUNTY OF SEDGWICK    )

I, Curtis M. Irby, of lawful age, being first duly sworn on his oath deposes and states that he is the attorney for the above named Petitioner; that he read the above and foregoing Western Kansas Industrial Consumers' Group ("WKIEC") Reply to the Objection of Mid-Kansas Electric Company, LLLC, Prairie Land Electric Cooperative, Inc. and Southern Pioneer Electric Company to the Petition to Intervene of Western Kansas Industrial Electric Consumers' Group, and upon information and belief, states that the matters therein appearing are true and correct to the best of his knowledge, information and belief.

  
Curtis M. Irby

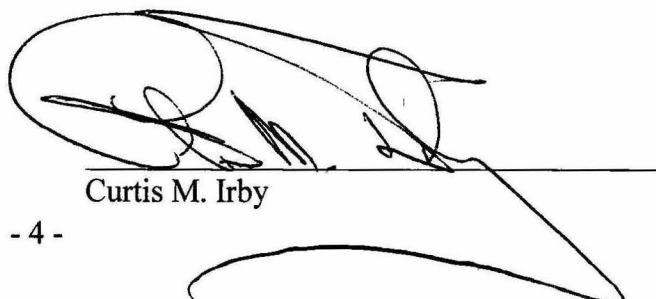
Subscribed and sworn to before me  
this 28th day of August, 2015.

  
\_\_\_\_\_  
Gloria M. Brand, Notary Public  
My Commission Expires: December 17, 2016



CERTIFICATE OF SERVICE

Curtis M. Irby, the undersigned, hereby certifies that the original of the above and foregoing was e-filed with the Kansas Corporation Commission via their official website this 28th day of August, 2015, and by such website served on the parties stated on the Commission's official service list.

  
Curtis M. Irby