

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the Application of Midwest)
Energy, Inc. Seeking Commission Approval of a)
Settlement to Update Attachment H of its Open)
Access Transmission Tariff.)

Docket No. 17-MDWE-495-TFR

RESPONSE TO REPORT AND RECOMMENDATION

COMES NOW, Midwest Energy, Inc. ("Midwest Energy" or "Company") and, pursuant to K.A.R. 82-1-218, hereby files its response to the Report and Recommendation of the Staff of the Corporation Commission of the State of Kansas ("Commission Staff" and "Commission," respectively).

Background

1. Midwest Energy is a customer-owned Kansas corporation, operating on a not-for-profit cooperative basis, in good standing in all respects, and is engaged, among other things, in the business of an electric utility in certain areas in Central and Western Kansas. Midwest Energy has elected to deregulate pursuant to K.S.A 66-104d, but is subject to regulation by the Commission in matters relating to transmission service, pursuant to K.S.A. 66-104d(f). Midwest Energy is a member of the Southwest Power Pool ("SPP"), which administers open access transmission service over the regional transmission grid. Midwest Energy's Transmission Formula Rate ("TFR") and related Protocols are included in Attachment H of the SPP Open Access Transmission Tariff ("OATT"). The Federal Energy Regulatory Commission ("FERC") does not have jurisdiction over Midwest Energy's transmission service, but it does have jurisdiction over SPP's OATT.

2. The Commission originally approved Midwest Energy's TFR and related Protocols in Docket No. 12-MDWE-489-GIE. The Commission approved modifications to

Midwest Energy's TFR and Protocols in Docket No. 16-MDWE-324-TFR. In order to incorporate the modified TFR and Protocols into SPP's OATT, SPP requested approval of the modifications in FERC Docket No. ER17-469 ("FERC Docket"). The FERC Docket is currently pending.

3. Each year, Midwest Energy updates its Annual Transmission Revenue Requirement ("ATRR") pursuant to the TFR and Protocols. On May 10, 2017, Midwest Energy filed its 2017 Update to its ATRR, based upon 2016 financial data. On November 20, 2017, Commission Staff filed a Report and Recommendation, stating that the ATRR of \$18,793,344 accurately reflects Midwest Energy's cost of transmission system and will result in just and reasonable transmission rates. Staff also recommended that any changes to the TFR and Protocols that result from the FERC Docket be filed in Docket No. 16-MDWE-324-TFR. Staff further recommended that, if the Commission approves any changes to the TFR and Protocols that affect the results of the 2017 Update to the ATRR, Midwest should file an updated ATRR in this Docket. Finally, Staff recommended that this Docket should serve as the compliance docket for the administration of Annual Updates going forward.

Response

4. Midwest Energy agrees with all of the Commission Staff's recommendations. Midwest Energy will file any changes to the TFR and Protocols that result from the FERC Docket in Docket No. 16-MDWE-324-TFR. If the Commission approves such changes, and those changes affect the results of the 2017 Update, Midwest will file an updated ATRR in this Docket. Midwest also agrees with Commission Staff's recommendation to use this Docket as the compliance docket for the administration of Annual Updates going forward. Midwest notes

that the Commission already designated this docket as the compliance docket for future Annual Updates in its order issued on August 22, 2017.

Respectfully submitted,



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VERIFICATION

STATE OF _____)
) ss.
COUNTY OF _____)

I, Anne E. Callenbach, being duly sworn, on oath state that I am counsel to Midwest Energy, Inc., that I have read the foregoing pleading and know the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge and belief.

By: 
Anne E. Callenbach

The foregoing pleading was subscribed and sworn to before me this November 30, 2017.


Notary Public

My Commission Expires:

BRENDA L. LEE
NOTARY PUBLIC-NOTARY SEAL
STATE OF MISSOURI
CLAY COUNTY
MY COMMISSION EXPIRES 9/29/2018
COMMISSION # 14428629

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing pleading has been ✓ emailed, faxed, hand-delivered and/or mailed, First Class, postage prepaid, this November 30 2017, to:

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