

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

Before Commissioners: Mark Sievers, Chairman
Thomas E. Wright
Shari Feist Albrecht

In the Matter of Midwest Energy, Inc. Filing)
Natural Gas Tariff Revisions Related to)
Seasonal Billing and Bill Proration in) Docket No. 12-MDWG-754-TAR
Conjunction With the Installation of a New)
Customer Information and Billing System.)

ORDER APPROVING TARIFF REVISION

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission or KCC). Having examined its files and records, and being duly advised in the premises, the Commission finds as follows:

I. BACKGROUND

1. On April 16, 2012, Midwest Energy, Inc. (Midwest) filed its Application with supporting testimony and revised tariff sheets. The Application requested revisions to its natural gas rate schedules to redefine seasonal billing periods. Midwest stated that the proposed changes are being made in conjunction with implementation of a new customer information and billing system.
2. On April 18, 2012, the Citizens' Utility Ratepayer Board (CURB) filed a Petition to Intervene, which was granted by the Commission on May 11, 2012.
3. On May 10, 2012, the Application was suspended for 240 days pursuant to K.S.A. 66-117 to allow for sufficient time for a full investigation into this matter. Commission action on the Application is required by December 12, 2012.

4. On September 20, 2012, Midwest filed corrections to three of the tariff pages included with the Application. Midwest changed the start date for its proposed new winter period from December 15 to December 16. This change maintains the same number of days in the peak period as currently included in the calendar months of January, February and March.

II. DISCUSSION AND ANALYSIS

5. The Staff of the Commission (Staff) provided its Report and Recommendation (Report), which is attached hereto and made a part hereof. Staff stated that the proposed December 16 through March 15 winter period adequately covers the peak demand period of Midwest Energy's suppliers. Staff also confirmed that the manner in which Midwest will prorate bills according to the number of days in each period is appropriate. Finally, Staff stated that Midwest will inform its customers of the billing changes through its monthly "Current Comments" newsletter before the expected November 1, 2012 go-live date. Midwest will also follow up with another newsletter article, a bill insert, and an interactive bill mock-up placed on the Company's website to inform its customers of the billing changes. Staff recommended approval of the Application.

6. Counsel for CURB has indicated that CURB does not oppose Staff's recommendation.

III. FINDINGS AND CONCLUSION

7. The Commission concurs with Staff's analysis and recommendation and finds Midwest's Application is reasonable, in the public interest, and should be granted, subject to the corrections included in Midwest's September 20, 2012 filing in this docket. As a condition of approval, the Commission directs Midwest to comply with the customer education and communication efforts described in the testimony of Patrick Parke.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Application of Midwest Energy, Inc., as corrected, to make certain changes to its natural gas tariffs is hereby approved. The approved tariffs shall be effective on the go-live date of the new customer information and billing system as selected by the company, but no sooner than the date of this order.


B. A party may file a petition for reconsideration of this order within fifteen (15) days from the date of service of this Order. If service is by mail, service is complete upon mailing, and three (3) days shall be added to the above time frame.

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chmn.; Wright, Comm.; Feist Albrecht, Comm.

Dated: OCT 03 2012


ORDER MAILED OCT 03 2012
Patrice Petersen-Klein
Executive Director

aos

1500 SW Arrowhead Road
Topeka, KS 66604-4027



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Fax: 785-271-3354
<http://kcc.ks.gov/>

Mark Sievers, Chairman
Thomas E. Wright, Commissioner
Shari Feist Albrecht, Commissioner

Sam Brownback, Governor

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Chairman Mark Sievers
Commissioner Thomas E. Wright
Commissioner Shari Feist Albrecht

FROM: Pat Renner

DATE: September 17, 2012

DATE SUBMITTED TO EXECUTIVE DIRECTOR: 9/19/12

DATE SUBMITTED TO LEGAL: 9.21.12

DATE SUBMITTED TO COMMISSIONERS: 9-26-12

SUBJECT: 12-MDWG-754-TAR- In the Matter of Midwest Energy, Inc. Filing Natural Gas Tariff Revisions Related to Seasonal Billing and Bill Proration in Conjunction With the Installation of a New Customer Information and Billing System

EXECUTIVE SUMMARY:

Midwest Energy (Midwest) proposes to change the dates when seasonal rates are charged and prorate seasonal rates during the transitional seasonal months. Staff recommends approval.

BACKGROUND:

Midwest proposes to change the dates when seasonal rates are charged. Winter rates currently are charged on billing dates from January 1 through March 31. Midwest proposes to change the winter rate period to December 16 through March 15. Non winter rates that are currently charged on billing dates from April 1 through December 31 would be changed to March 16 through December 15.

Midwest proposes to prorate its seasonal rates during the seasonal transition months. Currently, if the billing date to an Industrial, Irrigation or Grain Drying customer (customer classes with seasonal rates) on Midwest's K system is on the first day of the winter billing period, all of the customer's usage that month is billed at the winter rate, even though most of the customer's usage probably occurred before the winter period. Under this proposal, customer usage would be allocated on the ratio of billing period days falling in each season.

Midwest expects to implement these changes synchronous with the go-live date of its new Cayenta customer information and billing system on November 1, 2012.

ANALYSIS:

The proposed December 16 through March 15 winter period adequately covers the peak demand period of Midwest Energy's suppliers.

Proration will be calculated on the number of days in each period. Proration more accurately reflects the seasonal cost differences to customers than Midwest's current "billing date" method. A copy of Midwest's current and proposed Master Tariff is attached.

Midwest will inform its customers of these billing changes through its monthly "Current Comments" newsletter before the go-live billing system date. Later, Midwest will follow up with another newsletter article, a bill insert, and an interactive bill mock-up placed on the Company's website to inform its customers of these billing changes.

RECOMMENDATION:

Staff Recommends Approval

Cc: Patrice Petersen-Klein, Executive Director
Jeff McClanahan, Director of Utilities
Michael Wegner, Chief of Energy Operations
Robert Glass, Chief of Economic Policy and Planning
Kathleen Vinlove, Utility Rate Analyst
Andrew Schulte, Litigation Counsel

THE STATE CORPORATION COMMISSION OF KANSAS

Index No. 10

SCHEDULE Master Tariff

MIDWEST ENERGY, INC.

(Name of Issuing Utility)

Replacing Schedule Master Tariff Sheet 1

Company Wide

(Territory to which schedule is applicable)

which was filed February 23, 2011

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 2 Sheets

NATURAL GAS RATES
RATE SCHEDULE SUMMATION SHEET

Type of Charge	System	Billing Units	Delivery Rate	Restructuring Charges	Other Schedules
<u>Residential Sales - RS-1</u>					
Customer Charge	M, K, T	\$/Month	\$13.00	RGS	GSCA, AVG, GSRS
Commodity Charge*		\$/Therm	\$0.148248		
<u>Commercial Sales - COM-1</u>					
Customer Charge	M, K, T	\$/Month	\$20.00	RGS	GSCA, AVG, GSRS
Commodity Charge*		\$/Therm	\$0.127748		
<u>Oil Field Sales - OFS-1</u>					
Customer Charge	M	\$/Month	\$50.00		GSCA, AVG, GSRS
Commodity Charge*		\$/Therm	\$0.094248		
<u>Grain Dryer Sales - GR-1</u>					
Customer Charge	K	\$/Month	\$20.00	RGS	GSCA, AVG, GSRS
Commodity Charge*		\$/Therm	\$0.094248		
<u>Irrigation Sales - IRR-1</u>					
Customer Charge	K	\$/Month	\$35.00	RGS	GSCA, AVG, GSRS
Commodity Charge* - Non-Winter		\$/Therm	\$0.094248		
Commodity Charge* - Winter		\$/Therm	\$0.148248		
<u>Industrial Services Sales - IND-1</u>					
Customer Charge	K	\$/Month	\$145.00	RGS	GSCA, AVG, GSRS
Commodity Charge*		\$/Therm	\$0.088248		
<u>Commercial Transport - COMT-1</u>					
Customer Charge	K	\$/Month	\$35.00	RGS	AVG, GSRS
Commodity Charge*		\$/Therm	\$0.093248		
<u>Commercial Transport - COMT-2</u>					
Customer Charge	M, T	\$/Month	\$52.00		AVG, GSRS
Commodity Charge*		\$/Therm	\$0.085248		
<u>Oil Field Transport - OFT-1</u>					
Customer Charge	M	\$/Month	\$60.00		AVG, GSRS
Commodity Charge*		\$/Therm	\$0.094248		

*Commodity Charge includes Ad Valorem Schedule AVG equal to \$0.004248

Issued _____
 Month Day Year
 Effective Upon Commission Approval
 Month Day Year
 By Ernest A. Lehman President
 Earnest Lehman Signature of Officer Title

12-MDWG-544-TAR WEB
 Approved
 Kansas Corporation Commission
 February 16, 2012
 /S/ Patrice Petersen-Klein

THE STATE CORPORATION COMMISSION OF KANSAS

Index No. 11

SCHEDULE Master Tariff

MIDWEST ENERGY, INC.

(Name of Issuing Utility)

Replacing Schedule Master Tariff Sheet 2

Company Wide

(Territory to which schedule is applicable)

which was filed February 23, 2011

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Sheet 2 of 2 Sheets

**NATURAL GAS RATES
RATE SCHEDULE SUMMATION SHEET - Cont.**

Type of Charge	System	Billing Units	Delivery Rate	Restructuring Charges	Other Schedules
<u>Grain Dryers Transport - GRT-1</u>					
Customer Charge	K	\$/Month	\$30.00	RGS	AVG, GSRS
Commodity Charge*		\$/Therm	\$0.094248		
<u>Industrial Transport- INDT-1</u>					
Customer Charge	K	\$/Month	\$215.00	RGS	AVG, GSRS
Commodity Charge*		\$/Therm	\$0.088248		
<u>Livestock Transport - LYST-1</u>					
Customer Charge	K	\$/Month	\$225.00	RGS	AVG, GSRS
Commodity Charge*		\$/Therm	\$0.045248		
<u>Irrigation Transport</u>					
Customer Charge	K	\$/Month	\$45.00	RGS	AVG, GSRS
Commodity Charge* - Non-Winter		\$/Therm	\$0.094248		
Commodity Charge* - Winter		\$/Therm	\$0.148248		

*Commodity Charge includes Ad Valorem Schedule AVG equal to \$0.004248

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 By Earnest A. Lehman President
 Earnest Lehman Signature of Officer Title

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 /S/ Patrice Petersen-Klein

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Commodity Charge		\$/Therm	\$0.148248		
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Customer Charge	M, K, T	\$/Month	\$20.00	RGS	GSCA, AVG, GSRS
Commodity Charge		\$/Therm	\$0.127748		
<u>Oil Field Sales - OFS-1</u>					
Customer Charge	M	\$/Month	\$50.00		GSCA, AVG, GSRS
Commodity Charge		\$/Therm	\$0.094248		
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Customer Charge	K	\$/Month	\$20.00	RGS	GSCA, AVG, GSRS
Commodity Charge		\$/Therm	\$0.094248		
<u>Irrigation Sales - IRR-1</u>					
Customer Charge	K	\$/Month	\$35.00	RGS	GSCA, AVG, GSRS
Commodity Charge - Non-Winter ²		\$/Therm	\$0.094248		
Commodity Charge - Winter ³		\$/Therm	\$0.148248		
<u>Industrial Services Sales - IND-1</u>					
Customer Charge	K	\$/Month	\$145.00	RGS	GSCA, AVG, GSRS
Commodity Charge*		\$/Therm	\$0.088248		

¹ Commodity Charge in the Delivery Rate includes Ad Valorem Schedule AVG equal to \$0.004248.

² Non-Winter months include dates from March 16 through December 15.

³ Winter months include dates from December 16 through March 15.

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Commodity Charge		\$/Therm	\$0.045248		
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³ Winter months include dates from December 16 through March 15.

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 By Ernest A. Lehman President
 Ernest Lehman Signature of Officer Title

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
NIKI CHRISTOPHER, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 ***Hand Delivered***		
C. STEVEN RARRICK, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 ***Hand Delivered***		
DELLA SMITH CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 ***Hand Delivered***		
SHONDA SMITH CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 ***Hand Delivered***		
DAVID SPRINGE, CONSUMER COUNSEL CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 ***Hand Delivered***		
ANDREW SCHULTE, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604-4027 ***Hand Delivered***		
PATRICK PARKE, VP CUSTOMER SERVICE MIDWEST ENERGY, INC. 1330 CANTERBURY ROAD PO BOX 898 HAYS, KS 67601-0898		

ORDER MAILED **OCT 03 2012**

The Docket Room hereby certified that on this _____ day of _____, 20____, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.