

APPENDIX A

List of Prior Testimonies

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Delmarva Power and Light Company	E	Delaware	09-414 and 09-276T	2/10	Cost of Capital Rate Design Policy Issues	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	09-385F	2/10	Gas Cost Rates	Division of the Public Advocate
Chesapeake Utilities Corporation	G	Delaware	09-398F	1/10	Gas Service Rates	Division of the Public Advocate
Public Service Electric and Gas Company	E	New Jersey	ER09020113	11/09	Societal Benefit Charge Non-Utility Generation Charge	Division of Rate Counsel
Delmarva Power and Light Company	G	Delaware	09-277T	11/09	Rate Design	Division of the Public Advocate
Public Service Electric and Gas Company	E/G	New Jersey	GR09050422	11/09	Revenue Requirements	Division of Rate Counsel
Mid-Kansas Electric Company	E	Kansas	09-MKEE-969-RTS	10/09	Revenue Requirements	Citizens' Utility Ratepayer Board
Westar Energy, Inc.	E	Kansas	09-WSEE-925-RTS	9/09	Revenue Requirements	Citizens' Utility Ratepayer Board
Jersey Central Power and Light Co.	E	New Jersey	EO08050326 EO08080542	8/09	Demand Response Programs	Division of Rate Counsel
Public Service Electric and Gas Company	E	New Jersey	EO09030249	7/09	Solar Loan II Program	Division of Rate Counsel
Midwest Energy, Inc.	E	Kansas	09-MDWE-792-RTS	7/09	Revenue Requirements	Citizens' Utility Ratepayer Board
Westar Energy and KG&E	E	Kansas	09-WSEE-641-GIE	6/09	Rate Consolidation	Citizens' Utility Ratepayer Board
United Water Delaware, Inc.	W	Delaware	09-60	6/09	Cost of Capital	Division of the Public Advocate
Rockland Electric Company	E	New Jersey	GO09020097	6/09	SREC-Based Financing Program	Division of Rate Counsel
Tidewater Utilities, Inc.	W	Delaware	09-29	6/09	Revenue Requirements Cost of Capital	Division of the Public Advocate
Chesapeake Utilities Corporation	G	Delaware	08-269F	3/09	Gas Service Rates	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	08-266F	2/09	Gas Cost Rates	Division of the Public Advocate
Kansas City Power & Light Company	E	Kansas	09-KCPE-246-RTS	2/09	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Jersey Central Power and Light Co.	E	New Jersey	EO08090840	1/09	Solar Financing Program	Division of Rate Counsel
Atlantic City Electric Company	E	New Jersey	EO06100744 EO08100875	1/09	Solar Financing Program	Division of Rate Counsel
West Virginia-American Water Company	W	West Virginia	08-0900-W-42T	11/08	Revenue Requirements	The Consumer Advocate Division of the PSC
Westar Energy, Inc.	E	Kansas	08-WSEE-1041-RTS	9/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board

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Artesian Water Company	W	Delaware	08-96	9/08	Cost of Capital, Revenue, New Headquarters	Division of the Public Advocate
Comcast Cable	C	New Jersey	CR08020113	9/08	Form 1205 Equipment & Installation Rates	Division of Rate Counsel
Pawtucket Water Supply Board	W	Rhode Island	3945	7/08	Revenue Requirements	Division of Public Utilities and Carriers
New Jersey American Water Co.	WWW	New Jersey	WR08010020	7/08	Consolidated Income Taxes	Division of Rate Counsel
New Jersey Natural Gas Company	G	New Jersey	GR07110889	5/08	Revenue Requirements	Division of Rate Counsel
Kansas Electric Power Cooperative, Inc.	E	Kansas	08-KEPE-597-RTS	5/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E	New Jersey	EX02060363 EA02060366	5/08	Deferred Balances Audit	Division of Rate Counsel
Cablevision Systems Corporation	C	New Jersey	CR07110894, et al.	5/08	Forms 1240 and 1205	Division of Rate Counsel
Midwest Energy, Inc.	E	Kansas	08-MDWE-594-RTS	5/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	07-246F	4/08	Gas Service Rates	Division of the Public Advocate
Comcast Cable	C	New Jersey	CR07100717-946	3/08	Form 1240	Division of Rate Counsel
Generic Commission Investigation	G	New Mexico	07-00340-UT	3/08	Weather Normalization	New Mexico Office of Attorney General
Southwestern Public Service Company	E	New Mexico	07-00319-UT	3/08	Revenue Requirements Cost of Capital	New Mexico Office of Attorney General
Delmarva Power and Light Company	G	Delaware	07-239F	2/08	Gas Cost Rates	Division of the Public Advocate
Atmos Energy Corp.	G	Kansas	08-ATMG-280-RTS	1/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Aquila /Black Hills / Kansas City Power & Light	G	Kansas	07-BHCG-1063-ACQ 07-KCPE-1064-ACQ	12/07	Utility Acquisitions	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	07-186	12/07	Cost of Capital Regulatory Policy	Division of the Public Advocate
Westar Energy, Inc.	E	Kansas	08-WSEE-309-PRE	11/07	Predetermination of Wind Generation	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E/G	New Jersey	ER07050303 GR07050304	11/07	Societal Benefits Charge	Division of Rate Counsel
Public Service Company of New Mexico	E	New Mexico	07-00077-UT	10/07	Revenue Requirements Cost of Capital	New Mexico Office of Attorney General
Public Service Electric and Gas Company	E	New Jersey	EO07040278	9/07	Solar Cost Recovery	Division of Rate Counsel
Comcast Cable	C	New Jersey	CR07030147	8/07	Form 1205	Division of Rate Counsel
Kansas City Power & Light Company	E	Kansas	07-KCPE-905-RTS	8/07	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board

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Cablevision Systems Corporation	C	New Jersey	CR06110781, et al.	5/07	Cable Rates - Forms 1205 and 1240	Division of Rate Counsel
Westar Energy, Inc.	E	Kansas	05-WSEE-981-RTS	4/07	Revenue Requirements Issues on Remand	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	06-285F	4/07	Gas Cost Rates	Division of the Public Advocate
Comcast of Jersey City, et al.	C	New Jersey	CR06070558	4/07	Cable Rates	Division of Rate Counsel
Westar Energy	E	Kansas	07-WSEE-616-PRE	3/07	Pre-Approval of Generation Facilities	Citizens' Utility Ratepayer Board
Woonsocket Water Division	W	Rhode Island	3800	3/07	Revenue Requirements	Division of Public Utilities and Carriers
Aquila - KGO	G	Kansas	07-AQLG-431-RTS	3/07	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	06-287F	3/07	Gas Service Rates	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	06-284	1/07	Revenue Requirements Cost of Capital	Division of the Public Advocate
El Paso Electric Company	E	New Mexico	06-00258 UT	11/06	Revenue Requirements	New Mexico Office of Attorney General
Aquila, Inc. / Mid-Kansas Electric Co.	E	Kansas	06-MKEE-524-ACQ	11/06	Proposed Acquisition	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	G	New Mexico	06-00210-UT	11/06	Revenue Requirements	New Mexico Office of Attorney General
Atlantic City Electric Company	E	New Jersey	EM06090638	11/06	Sale of B.L. England	Division of Rate Counsel
United Water Delaware, Inc.	W	Delaware	06-174	10/06	Revenue Requirements Cost of Capital	Division of the Public Advocate
Public Service Electric and Gas Company	G	New Jersey	GR05080686	10/06	Societal Benefits Charge	Division of Rate Counsel
Comcast (Avalon, Maple Shade, Gloucester)	C	New Jersey	CR06030136-139	10/06	Form 1205 and 1240 Cable Rates	Division of Rate Counsel
Kansas Gas Service	G	Kansas	06-KGSG-1209-RTS	9/06	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
New Jersey American Water Co. Elizabethtown Water Company Mount Holly Water Company	W	New Jersey	WR06030257	9/06	Regulatory Policy Taxes Cash Working Capital	Division of Rate Counsel
Tidewater Utilities, Inc.	W	Delaware	06-145	9/06	Revenue Requirements Cost of Capital	Division of the Public Advocate
Artesian Water Company	W	Delaware	06-158	9/06	Revenue Requirements Cost of Capital	Division of the Public Advocate
Kansas City Power & Light Company	E	Kansas	06-KCPE-828-RTS	8/06	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Midwest Energy, Inc.	G	Kansas	06-MDWG-1027-RTS	7/06	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board

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Chesapeake Utilities Corporation	G	Delaware	05-315F	6/06	Gas Service Rates	Division of the Public Advocate
Cablevision Systems Corporation	C	New Jersey	CR05110924, et al.	5/06	Cable Rates - Forms 1205 and 1240	Division of the Ratepayer Advocate
Montague Sewer Company	WW	New Jersey	WR05121056	5/06	Revenue Requirements	Division of the Ratepayer Advocate
Comcast of South Jersey	C	New Jersey	CR05119035, et al.	5/06	Cable Rates - Form 1240	Division of the Ratepayer Advocate
Comcast of New Jersey	C	New Jersey	CR05090826-827	4/06	Cable Rates - Form 1240	Division of the Ratepayer Advocate
Parkway Water Company	W	New Jersey	WR05070634	3/06	Revenue Requirements Cost of Capital	Division of the Ratepayer Advocate
Aqua Pennsylvania, Inc.	W	Pennsylvania	R-00051030	2/06	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	G	Delaware	05-312F	2/06	Gas Cost Rates	Division of the Public Advocate
Delmarva Power and Light Company	E	Delaware	05-304	12/05	Revenue Requirements Cost of Capital	Division of the Public Advocate
Artesian Water Company	W	Delaware	04-42	10/05	Revenue Requirements Cost of Capital (Remand)	Division of the Public Advocate
Utility Systems, Inc.	WW	Delaware	335-05	9/05	Regulatory Policy	Division of the Ratepayer Advocate
Westar Energy, Inc.	E	Kansas	05-WSEE-981-RTS	9/05	Revenue Requirements	Citizens' Utility Ratepayer Board
Empire District Electric Company	E	Kansas	05-EPDE-980-RTS	8/05	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Comcast Cable	C	New Jersey	CR05030186	8/05	Form 1205	Division of the Ratepayer Advocate
Pawtucket Water Supply Board	W	Rhode Island	3674	7/05	Revenue Requirements	Division of Public Utilities and Carriers
Delmarva Power and Light Company	E	Delaware	04-391	7/05	Standard Offer Service	Division of the Public Advocate
Patriot Media & Communications CNJ, LLC	C	New Jersey	CR04111453-455	6/05	Cable Rates	Division of the Ratepayer Advocate
Cablevision	C	New Jersey	CR04111379, et al.	6/05	Cable Rates	Division of the Ratepayer Advocate
Comcast of Mercer County, LLC	C	New Jersey	CR04111458	6/05	Cable Rates	Division of the Ratepayer Advocate
Comcast of South Jersey, LLC, et al.	C	New Jersey	CR04101356, et al.	5/05	Cable Rates	Division of the Ratepayer Advocate
Comcast of Central New Jersey LLC, et al.	C	New Jersey	CR04101077, et al.	4/05	Cable Rates	Division of the Ratepayer Advocate

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Kent County Water Authority	W	Rhode Island	3660	4/05	Revenue Requirements	Division of Public Utilities and Carriers
Aquila, Inc.	G	Kansas	05-AQLG-367-RTS	3/05	Revenue Requirements Cost of Capital Tariff Issues	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	04-334F	3/05	Gas Service Rates	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	04-301F	3/05	Gas Cost Rates	Division of the Public Advocate
Delaware Electric Cooperative, Inc.	E	Delaware	04-288	12/04	Revenue Requirements Cost of Capital	Division of the Public Advocate
Public Service Company of New Mexico	E	New Mexico	04-00311-UT	11/04	Renewable Energy Plans	Office of the New Mexico Attorney General
Woonsocket Water Division	W	Rhode Island	3626	10/04	Revenue Requirements	Division of Public Utilities and Carriers
Aquila, Inc.	E	Kansas	04-AQLE-1065-RTS	10/04	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
United Water Delaware, Inc.	W	Delaware	04-121	8/04	Conservation Rates (Affidavit)	Division of the Public Advocate
Atlantic City Electric Company	E	New Jersey	ER03020110 PUC 06061-2003S	8/04	Deferred Balance Phase II	Division of the Ratepayer Advocate
Kentucky American Water Company	W	Kentucky	2004-00103	8/04	Revenue Requirements	Office of Rate Intervention of the Attorney General
Shorelands Water Company	W	New Jersey	WR04040295	8/04	Revenue Requirements Cost of Capital	Division of the Ratepayer Advocate
Artesian Water Company	W	Delaware	04-42	8/04	Revenue Requirements Cost of Capital	Division of the Public Advocate
Long Neck Water Company	W	Delaware	04-31	7/04	Cost of Equity	Division of the Public Advocate
Tidewater Utilities, Inc.	W	Delaware	04-152	7/04	Cost of Capital	Division of the Public Advocate
Cablevision	C	New Jersey	CR03100850, et al.	6/04	Cable Rates	Division of the Ratepayer Advocate
Montague Water and Sewer Companies	W/WW	New Jersey	WR03121034 (W) WR03121035 (S)	5/04	Revenue Requirements	Division of the Ratepayer Advocate
Comcast of South Jersey, Inc.	C	New Jersey	CR03100876,77,79,80	5/04	Form 1240 Cable Rates	Division of the Ratepayer Advocate
Comcast of Central New Jersey, et al.	C	New Jersey	CR03100749-750 CR03100759-762	4/04	Cable Rates	Division of the Ratepayer Advocate
Time Warner	C	New Jersey	CR03100763-764	4/04	Cable Rates	Division of the Ratepayer Advocate
Interstate Navigation Company	N	Rhode Island	3573	3/04	Revenue Requirements	Division of Public Utilities and Carriers

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Aqua Pennsylvania, Inc.	W	Pennsylvania	R-00038805	2/04	Revenue Requirements	Pennsylvania Office of Consumer Advocate
Comcast of Jersey City, et al.	C	New Jersey	CR03080598-601	2/04	Cable Rates	Division of the Ratepayer Advocate
Delmarva Power and Light Company	G	Delaware	03-378F	2/04	Fuel Clause	Division of the Public Advocate
Atmos Energy Corp.	G	Kansas	03-ATMG-1036-RTS	11/03	Revenue Requirements	Citizens' Utility Ratepayer Board
Aquila, Inc. (UCU)	G	Kansas	02-UTCG-701-GIG	10/03	Using utility assets as collateral	Citizens' Utility Ratepayer Board
CenturyTel of Northwest Arkansas, LLC	T	Arkansas	03-041-U	10/03	Affiliated Interests	The Arkansas Public Service Commission General Staff
Borough of Butler Electric Utility	E	New Jersey	CR03010049/63	9/03	Revenue Requirements	Division of the Ratepayer Advocate
Comcast Cablevision of Avalon Comcast Cable Communications	C	New Jersey	CR03020131-132	9/03	Cable Rates	Division of the Ratepayer Advocate
Delmarva Power and Light Company d/b/a Conectiv Power Delivery	E	Delaware	03-127	8/03	Revenue Requirements	Division of the Public Advocate
Kansas Gas Service	G	Kansas	03-KGSG-602-RTS	7/03	Revenue Requirements	Citizens' Utility Ratepayer Board
Washington Gas Light Company	G	Maryland	8959	6/03	Cost of Capital Incentive Rate Plan	U.S. DOD/FEA
Pawtucket Water Supply Board	W	Rhode Island	3497	6/03	Revenue Requirements	Division of Public Utilities and Carriers
Atlantic City Electric Company	E	New Jersey	EO03020091	5/03	Stranded Costs	Division of the Ratepayer Advocate
Public Service Company of New Mexico	G	New Mexico	03-000-17 UT	5/03	Cost of Capital Cost Allocations	Office of the New Mexico Attorney General
Comcast - Hopewell, et al.	C	New Jersey	CR02110818 CR02110823-825	5/03	Cable Rates	Division of the Ratepayer Advocate
Cablevision Systems Corporation	C	New Jersey	CR02110838, 43-50	4/03	Cable Rates	Division of the Ratepayer Advocate
Comcast-Garden State / Northwest	C	New Jersey	CR02100715 CR02100719	4/03	Cable Rates	Division of the Ratepayer Advocate
Midwest Energy, Inc. and Westar Energy, Inc.	E	Kansas	03-MDWE-421-ACQ	4/03	Acquisition	Citizens' Utility Ratepayer Board
Time Warner Cable	C	New Jersey	CR02100722 CR02100723	4/03	Cable Rates	Division of the Ratepayer Advocate
Westar Energy, Inc.	E	Kansas	01-WSRE-949-GIE	3/03	Restructuring Plan	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E	New Jersey	ER02080604 PUC 7983-02	1/03	Deferred Balance	Division of the Ratepayer Advocate

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Atlantic City Electric Company d/b/a Conectiv Power Delivery	E	New Jersey	ER02080510 PUC 6917-02S	1/03	Deferred Balance	Division of the Ratepayer Advocate
Wallkill Sewer Company	WW	New Jersey	WR02030193 WR02030194	12/02	Revenue Requirements Purchased Sewage Treatment Adj. (PSTAC)	Division of the Ratepayer Advocate
Midwest Energy, Inc.	E	Kansas	03-MDWE-001-RTS	12/02	Revenue Requirements	Citizens' Utility Ratepayer Board
Comcast-LBI Crestwood	C	New Jersey	CR02050272 CR02050270	11/02	Cable Rates	Division of the Ratepayer Advocate
Reliant Energy Arkla	G	Oklahoma	PUD200200166	10/02	Affiliated Interest Transactions	Oklahoma Corporation Commission, Public Utility Division Staff
Midwest Energy, Inc.	G	Kansas	02-MDWG-922-RTS	10/02	Gas Rates	Citizens' Utility Ratepayer Board
Comcast Cablevision of Avalon	C	New Jersey	CR02030134 CR02030137	7/02	Cable Rates	Division of the Ratepayer Advocate
RCN Telecom Services, Inc., and Home Link Communications	C	New Jersey	CR02010044, CR02010047	7/02	Cable Rates	Division of the Ratepayer Advocate
Washington Gas Light Company	G	Maryland	8920	7/02	Rate of Return Rate Design (Rebuttal)	General Services Administration (GSA)
Chesapeake Utilities Corporation	G	Delaware	01-307, Phase II	7/02	Rate Design Tariff Issues	Division of the Public Advocate
Washington Gas Light Company	G	Maryland	8920	6/02	Rate of Return Rate Design	General Services Administration (GSA)
Tidewater Utilities, Inc.	W	Delaware	02-28	6/02	Revenue Requirements	Division of the Public Advocate
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	5/02	Financial Plan	Citizens' Utility Ratepayer Board
Empire District Electric Company	E	Kansas	02-EPDE-488-RTS	5/02	Revenue Requirements	Citizens' Utility Ratepayer Board
Southwestern Public Service Company	E	New Mexico	3709	4/02	Fuel Costs	Office of the New Mexico Attorney General
Cablevision Systems	C	New Jersey	CR01110706, et al	4/02	Cable Rates	Division of the Ratepayer Advocate
Potomac Electric Power Company	E	District of Columbia	945, Phase II	4/02	Divestiture Procedures	General Services Administration (GSA)
Vermont Yankee Nuclear Power Corp.	E	Vermont	6545	3/02	Sale of VY to Entergy Corp. (Supplemental)	Department of Public Service
Delmarva Power and Light Company	G	Delaware	01-348F	1/02	Gas Cost Adjustment	Division of the Public Advocate
Vermont Yankee Nuclear Power Corp.	E	Vermont	6545	1/02	Sale of VY to Entergy Corp.	Department of Public Service

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Pawtucket Water Supply Company	W	Rhode Island	3378	12/01	Revenue Requirements	Division of Public Utilities and Carriers
Chesapeake Utilities Corporation	G	Delaware	01-307, Phase I	12/01	Revenue Requirements	Division of the Public Advocate
Potomac Electric Power Company	E	Maryland	8796	12/01	Divestiture Procedures	General Services Administration (GSA)
Kansas Electric Power Cooperative	E	Kansas	01-KEPE-1106-RTS	11/01	Depreciation Methodology (Cross Answering)	Citizens' Utility Ratepayer Board
Wellsboro Electric Company	E	Pennsylvania	R-00016356	11/01	Revenue Requirements	Office of Consumer Advocate
Kent County Water Authority	W	Rhode Island	3311	10/01	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Pepco and New RC, Inc.	E	District of Columbia	1002	10/01	Merger Issues and Performance Standards	General Services Administration (GSA)
Potomac Electric Power Co. & Delmarva Power	E	Delaware	01-194	10/01	Merger Issues and Performance Standards	Division of the Public Advocate
Yankee Gas Company	G	Connecticut	01-05-19PH01	9/01	Affiliated Transactions	Office of Consumer Counsel
Hope Gas, Inc., d/b/a Dominion Hope	G	West Virginia	01-0330-G-42T 01-0331-G-30C 01-1842-GT-T 01-0685-G-PC	9/01	Revenue Requirements (Rebuttal)	The Consumer Advocate Division of the PSC
Pennsylvania-American Water Company	W	Pennsylvania	R-00016339	9/01	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Potomac Electric Power Co. & Delmarva Power	E	Maryland	8890	9/01	Merger Issues and Performance Standards	General Services Administration (GSA)
Comcast Cablevision of Long Beach Island, et al	C	New Jersey	CR01030149-50 CR01050285	9/01	Cable Rates	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	3311	8/01	Revenue Requirements	Division of Public Utilities and Carriers
Pennsylvania-American Water Company	W	Pennsylvania	R-00016339	8/01	Revenue Requirements	Office of Consumer Advocate
Roxiticus Water Company	W	New Jersey	WR01030194	8/01	Revenue Requirements Cost of Capital Rate Design	Division of the Ratepayer Advocate
Hope Gas, Inc., d/b/a Dominion Hope	G	West Virginia	01-0330-G-42T 01-0331-G-30C 01-1842-GT-T 01-0685-G-PC	8/01	Revenue Requirements	Consumer Advocate Division of the PSC
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	6/01	Restructuring Financial Integrity (Rebuttal)	Citizens' Utility Ratepayer Board
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	6/01	Restructuring Financial Integrity	Citizens' Utility Ratepayer Board

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Cablevision of Allamuchy, et al	C	New Jersey	CR00100824, etc.	4/01	Cable Rates	Division of the Ratepayer Advocate
Public Service Company of New Mexico	E	New Mexico	3137, Holding Co.	4/01	Holding Company	Office of the Attorney General
Keauhou Community Services, Inc.	W	Hawaii	00-0094	4/01	Rate Design	Division of Consumer Advocacy
Western Resources, Inc.	E	Kansas	01-WSRE-436-RTS	4/01	Revenue Requirements Affiliated Interests (Motion for Suppl. Changes)	Citizens' Utility Ratepayer Board
Western Resources, Inc.	E	Kansas	01-WSRE-436-RTS	4/01	Revenue Requirements Affiliated Interests	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	E	New Mexico	3137, Part III	4/01	Standard Offer Service (Additional Direct)	Office of the Attorney General
Chem-Nuclear Systems, LLC	SW	South Carolina	2000-366-A	3/01	Allowable Costs	Department of Consumer Affairs
Southern Connecticut Gas Company	G	Connecticut	00-12-08	3/01	Affiliated Interest Transactions	Office of Consumer Counsel
Atlantic City Sewerage Corporation	WW	New Jersey	WR00080575	3/01	Revenue Requirements Cost of Capital Rate Design	Division of the Ratepayer Advocate
Delmarva Power and Light Company d/b/a Conectiv Power Delivery	G	Delaware	00-314	3/01	Margin Sharing	Division of the Public Advocate
Senate Bill 190 Re: Performance Based Ratemaking	G	Kansas	Senate Bill 190	2/01	Performance-Based Ratemaking Mechanisms	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	00-463-F	2/01	Gas Cost Rates	Division of the Public Advocate
Waitsfield Fayston Telephone Company	T	Vermont	6417	12/00	Revenue Requirements	Department of Public Service
Delaware Electric Cooperative	E	Delaware	00-365	11/00	Code of Conduct Cost Allocation Manual	Division of the Public Advocate
Commission Inquiry into Performance-Based Ratemaking	G	Kansas	00-GIMG-425-GIG	10/00	Performance-Based Ratemaking Mechanisms	Citizens' Utility Ratepayer Board
Pawtucket Water Supply Board	W	Rhode Island	3164 Separation Plan	10/00	Revenue Requirements	Division of Public Utilities and Carriers
Comcast Cablevision of Philadelphia, L.P.	C	Pennsylvania	3756	10/00	Late Payment Fees (Affidavit)	Kaufman, Lankelis, et al.
Public Service Company of New Mexico	E	New Mexico	3137, Part III	9/00	Standard Offer Service	Office of the Attorney General
Laie Water Company	W	Hawaii	00-0017 Separation Plan	8/00	Rate Design	Division of Consumer Advocacy
EI Paso Electric Company	E	New Mexico	3170, Part II, Ph. 1	7/00	Electric Restructuring	Office of the Attorney General
Public Service Company of New Mexico	E	New Mexico	3137 - Part II Separation Plan	7/00	Electric Restructuring	Office of the Attorney General

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
PG Energy	G	Pennsylvania	R-00005119	6/00	Revenue Requirements	Office of Consumer Advocate
Consolidated Edison, Inc. and Northeast Utilities	E/G	Connecticut	00-01-11	4/00	Merger Issues (Additional Supplemental)	Office of Consumer Counsel
Sussex Shores Water Company	W	Delaware	99-576	4/00	Revenue Requirements	Division of the Public Advocate
Utilicorp United, Inc.	G	Kansas	00-UTCG-336-RTS	4/00	Revenue Requirements	Citizens' Utility Ratepayer Board
TCI Cablevision	C	Missouri	9972-9146	4/00	Late Fees (Affidavit)	Honora Eppert, et al
Oklahoma Natural Gas Company	G	Oklahoma	PUD 990000166 PUD 980000683 PUD 990000570	3/00	Pro Forma Revenue Affiliated Transactions (Rebuttal)	Oklahoma Corporation Commission, Public Utility Division Staff
Tidewater Utilities, Inc. Public Water Supply Co.	W	Delaware	99-466	3/00	Revenue Requirements	Division of the Public Advocate
Delmarva Power and Light Company	G/E	Delaware	99-582	3/00	Cost Accounting Manual Code of Conduct	Division of the Public Advocate
Philadelphia Suburban Water Company	W	Pennsylvania	R-00994868 R-00994877 R-00994878 R-00994879	3/00	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Philadelphia Suburban Water Company	W	Pennsylvania	R-00994868 R-00994877 R-00994878 R-00994879	2/00	Revenue Requirements	Office of Consumer Advocate
Consolidated Edison, Inc. and Northeast Utilities	E/G	Connecticut	00-01-11	2/00	Merger Issues	Office of Consumer Counsel
Oklahoma Natural Gas Company	G	Oklahoma	PUD 990000166 PUD 980000683 PUD 990000570	1/00	Pro Forma Revenue Affiliated Transactions	Oklahoma Corporation Commission, Public Utility Division Staff
Connecticut Natural Gas Company	G	Connecticut	99-09-03	1/00	Affiliated Transactions	Office of Consumer Counsel
Time Warner Entertainment Company, L.P.	C	Indiana	48D06-9803-CP-423	1999	Late Fees (Affidavit)	Kelly J. Whiteman, et al
TCI Communications, Inc., et al	C	Indiana	55D01-9709-CP-00415	1999	Late Fees (Affidavit)	Franklin E. Littell, et al
Southwestern Public Service Company	E	New Mexico	3116	12/99	Merger Approval	Office of the Attorney General
New England Electric System Eastern Utility Associates	E	Rhode Island	2930	11/99	Merger Policy	Department of Attorney General
Delaware Electric Cooperative	E	Delaware	99-457	11/99	Electric Restructuring	Division of the Public Advocate
Jones Intercable, Inc.	C	Maryland	CAL98-00283	10/99	Cable Rates (Affidavit)	Cynthia Maisonette and Ola Renee Chatman, et al

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Texas-New Mexico Power Company	E	New Mexico	3103	10/99	Acquisition Issues	Office of Attorney General
Southern Connecticut Gas Company	G	Connecticut	99-04-18	9/99	Affiliated Interest	Office of Consumer Counsel
TCI Cable Company	C	New Jersey	CR99020079 et al	9/99	Cable Rates Forms 1240/1205	Division of the Ratepayer Advocate
All Regulated Companies	E/G/W	Delaware	Reg. No. 4	8/99	Filing Requirements (Position Statement)	Division of the Public Advocate
Mile High Cable Partners	C	Colorado	95-CV-5195	7/99	Cable Rates (Affidavit)	Brett Marshall, an individual, et al
Electric Restructuring Comments	E	Delaware	Reg. 49	7/99	Regulatory Policy (Supplemental)	Division of the Public Advocate
Long Neck Water Company	W	Delaware	99-31	6/99	Revenue Requirements	Division of the Public Advocate
Delmarva Power and Light Company	E	Delaware	99-163	6/99	Electric Restructuring	Division of the Public Advocate
Potomac Electric Power Company	E	District of Columbia	945	6/99	Divestiture of Generation Assets	U.S. GSA - Public Utilities
Comcast	C	Indiana	49C01-9802-CP-000386	6/99	Late Fees (Affidavit)	Ken Hecht, et al
Petitions of BA-NJ and NJPA re: Payphone Ops	T	New Jersey	TO97100792 PUCOT 11269-97N	6/99	Economic Subsidy Issues (Surrebuttal)	Division of the Ratepayer Advocate
Montague Water and Sewer Companies	W/WW	New Jersey	WR98101161 WR98101162 PUCRS 11514-98N	5/99	Revenue Requirements Rate Design (Supplemental)	Division of the Ratepayer Advocate
Cablevision of Bergen, Bayonne, Newark	C	New Jersey	CR98111197-199 CR98111190	5/99	Cable Rates Forms 1240/1205	Division of the Ratepayer Advocate
Cablevision of Bergen, Hudson, Monmouth	C	New Jersey	CR97090624-626 CTV 1697-98N	5/99	Cable Rates - Form 1235 (Rebuttal)	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2860	4/99	Revenue Requirements	Division of Public Utilities & Carriers
Montague Water and Sewer Companies	W/WW	New Jersey	WR98101161 WR98101162	4/99	Revenue Requirements Rate Design	Division of the Ratepayer Advocate
PEPCO	E	District of Columbia	945	4/99	Divestiture of Assets	U.S. GSA - Public Utilities
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	4/99	Merger Approval (Surrebuttal)	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	98-479F	3/99	Fuel Costs	Division of the Public Advocate
Lenfest Atlantic d/b/a Suburban Cable	C	New Jersey	CR97070479 et al	3/99	Cable Rates	Division of the Ratepayer Advocate
Electric Restructuring Comments	E	District of Columbia	945	3/99	Regulatory Policy	U.S. GSA - Public Utilities

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Petitions of BA-NJ and NJPA re: Payphone Ops	T	New Jersey	TO97100792 PUCOT 11269-97N	3/99	Tariff Revision Payphone Subsidies FCC Services Test (Rebuttal)	Division of the Ratepayer Advocate
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	3/99	Merger Approval (Answering)	Citizens' Utility Ratepayer Board
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	2/99	Merger Approval	Citizens' Utility Ratepayer Board
Adelphia Cable Communications	C	Vermont	6117-6119	1/99	Late Fees (Additional Direct Supplemental)	Department of Public Service
Adelphia Cable Communications	C	Vermont	6117-6119	12/98	Cable Rates (Forms 1240, 1205, 1235) and Late Fees (Direct Supplemental)	Department of Public Service
Adelphia Cable Communications	C	Vermont	6117-6119	12/98	Cable Rates (Forms 1240, 1205, 1235) and Late Fees	Department of Public Service
Orange and Rockland/ Consolidated Edison	E	New Jersey	EM98070433	11/98	Merger Approval	Division of the Ratepayer Advocate
Cablevision	C	New Jersey	CR97090624 CR97090625 CR97090626	11/98	Cable Rates - Form 1235	Division of the Ratepayer Advocate
Petitions of BA-NJ and NJPA re: Payphone Ops.	T	New Jersey	TO97100792 PUCOT 11269-97N	10/98	Payphone Subsidies FCC New Services Test	Division of the Ratepayer Advocate
United Water Delaware	W	Delaware	98-98	8/98	Revenue Requirements	Division of the Public Advocate
Cablevision	C	New Jersey	CR97100719, 726 730, 732	8/98	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Potomac Electric Power Company	E	Maryland	Case No. 8791	8/98	Revenue Requirements Rate Design	U.S. GSA - Public Utilities
Investigation of BA-NJ IntraLATA Calling Plans	T	New Jersey	TO97100808 PUCOT 11326-97N	8/98	Anti-Competitive Practices (Rebuttal)	Division of the Ratepayer Advocate
Investigation of BA-NJ IntraLATA Calling Plans	T	New Jersey	TO97100808 PUCOT 11326-97N	7/98	Anti-Competitive Practices	Division of the Ratepayer Advocate
TCI Cable Company/ Cablevision	C	New Jersey	CTV 03264-03268 and CTV 05061	7/98	Cable Rates	Division of the Ratepayer Advocate
Mount Holly Water Company	W	New Jersey	WR98020058 PUC 03131-98N	7/98	Revenue Requirements	Division of the Ratepayer Advocate
Pawtucket Water Supply Board	W	Rhode Island	2674	5/98	Revenue Requirements (Surrebuttal)	Division of Public Utilities & Carriers
Pawtucket Water Supply Board	W	Rhode Island	2674	4/98	Revenue Requirements	Division of Public Utilities and Carriers
Energy Master Plan Phase II Proceeding - Restructuring	E	New Jersey	EX94120585U, EO97070457,60,63,66	4/98	Electric Restructuring Issues (Supplemental Surrebuttal)	Division of the Ratepayer Advocate

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Energy Master Plan Phase I Proceeding - Restructuring	E	New Jersey	EX94120585U, EO97070457,60,63,66	3/98	Electric Restructuring Issues	Division of the Ratepayer Advocate
Shorelands Water Company	W	New Jersey	WR97110835 PUC 11324-97	2/98	Revenue Requirements	Division of the Ratepayer Advocate
TCI Communications, Inc.	C	New Jersey	CR97030141 and others	11/97	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Citizens Telephone Co. of Kecksburg	T	Pennsylvania	R-00971229	11/97	Alternative Regulation Network Modernization	Office of Consumer Advocate
Consumers Pennsylvania Water Co. - Shenango Valley Division	W	Pennsylvania	R-00973972	10/97	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Universal Service Funding	T	New Jersey	TX95120631	10/97	Schools and Libraries Funding (Rebuttal)	Division of the Ratepayer Advocate
Universal Service Funding	T	New Jersey	TX95120631	9/97	Low Income Fund High Cost Fund	Division of the Ratepayer Advocate
Consumers Pennsylvania Water Co. - Shenango Valley Division	W	Pennsylvania	R-00973972	9/97	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	G/E	Delaware	97-65	9/97	Cost Accounting Manual Code of Conduct	Office of the Public Advocate
Western Resources, Oneok, and WAI	G	Kansas	WSRG-486-MER	9/97	Transfer of Gas Assets	Citizens' Utility Ratepayer Board
Universal Service Funding	T	New Jersey	TX95120631	9/97	Schools and Libraries Funding (Rebuttal)	Division of the Ratepayer Advocate
Universal Service Funding	T	New Jersey	TX95120631	8/97	Schools and Libraries Funding	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2555	8/97	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Ironton Telephone Company	T	Pennsylvania	R-00971182	8/97	Alternative Regulation Network Modernization (Surrebuttal)	Office of Consumer Advocate
Ironton Telephone Company	T	Pennsylvania	R-00971182	7/97	Alternative Regulation Network Modernization	Office of Consumer Advocate
Comcast Cablevision	C	New Jersey	Various	7/97	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Maxim Sewerage Corporation	WW	New Jersey	WR97010052 PUCRA 3154-97N	7/97	Revenue Requirements	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2555	6/97	Revenue Requirements	Division of Public Utilities and Carriers
Consumers Pennsylvania Water Co. - Roaring Creek	W	Pennsylvania	R-00973869	6/97	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Consumers Pennsylvania Water Co. - Roaring Creek	W	Pennsylvania	R-00973869	5/97	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	E	Delaware	97-58	5/97	Merger Policy	Office of the Public Advocate

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Middlesex Water Company	W	New Jersey	WR96110818 PUCRL 11663-96N	4/97	Revenue Requirements	Division of the Ratepayer Advocate
Maxim Sewerage Corporation	WW	New Jersey	WR96080628 PUCRA 09374-96N	3/97	Purchased Sewerage Adjustment	Division of the Ratepayer Advocate
Interstate Navigation Company	N	Rhode Island	2484	3/97	Revenue Requirements Cost of Capital (Surrebuttal)	Division of Public Utilities & Carriers
Interstate Navigation Company	N	Rhode Island	2484	2/97	Revenue Requirements Cost of Capital	Division of Public Utilities & Carriers
Electric Restructuring Comments	E	District of Columbia	945	1/97	Regulatory Policy	U.S. GSA - Public Utilities
United Water Delaware	W	Delaware	96-194	1/97	Revenue Requirements	Office of the Public Advocate
PEPCO/ BGE/ Merger Application	E/G	District of Columbia	951	10/96	Regulatory Policy Cost of Capital (Rebuttal)	GSA
Western Resources, Inc.	E	Kansas	193,306-U 193,307-U	10/96	Revenue Requirements Cost of Capital (Supplemental)	Citizens' Utility Ratepayer Board
PEPCO and BGE Merger Application	E/G	District of Columbia	951	9/96	Regulatory Policy, Cost of Capital	U.S. GSA - Public Utilities
Utilicorp United, Inc.	G	Kansas	193,787-U	8/96	Revenue Requirements	Citizens' Utility Ratepayer Board
TKR Cable Company of Gloucester	C	New Jersey	CTV07030-95N	7/96	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
TKR Cable Company of Warwick	C	New Jersey	CTV057537-95N	7/96	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Delmarva Power and Light Company	E	Delaware	95-196F	5/96	Fuel Cost Recovery	Office of the Public Advocate
Western Resources, Inc.	E	Kansas	193,306-U 193,307-U	5/96	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Princeville Utilities Company, Inc.	W/WW	Hawaii	95-0172 95-0168	1/96	Revenue Requirements Rate Design	Princeville at Hanalei Community Association
Western Resources, Inc.	G	Kansas	193,305-U	1/96	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Environmental Disposal Corporation	WW	New Jersey	WR94070319 (Remand Hearing)	11/95	Revenue Requirements Rate Design (Supplemental)	Division of the Ratepayer Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319 (Remand Hearing)	11/95	Revenue Requirements	Division of the Ratepayer Advocate
Lanai Water Company	W	Hawaii	94-0366	10/95	Revenue Requirements Rate Design	Division of Consumer Advocacy
Cablevision of New Jersey, Inc.	C	New Jersey	CTV01382-95N	8/95	Basic Service Rates (Oral Testimony)	Division of the Ratepayer Advocate

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Cablevision of New Jersey, Inc.	C	New Jersey	CTV01381-95N	8/95	Basic Service Rates (Oral Testimony)	Division of the Ratepayer Advocate
Chesapeake Utilities Corporation	G	Delaware	95-73	7/95	Revenue Requirements	Office of the Public Advocate
East Honolulu Community Services, Inc.	WW	Hawaii	7718	6/95	Revenue Requirements	Division of Consumer Advocacy
Wilmington Suburban Water Corporation	W	Delaware	94-149	3/95	Revenue Requirements	Office of the Public Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319	1/95	Revenue Requirements (Supplemental)	Division of the Ratepayer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00943177	1/95	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00943177	12/94	Revenue Requirements	Office of Consumer Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319	12/94	Revenue Requirements	Division of the Ratepayer Advocate
Delmarva Power and Light Company	E	Delaware	94-84	11/94	Revenue Requirements	Office of the Public Advocate
Delmarva Power and Light Company	G	Delaware	94-22	8/94	Revenue Requirements	Office of the Public Advocate
Empire District Electric Company	E	Kansas	190,360-U	8/94	Revenue Requirements	Citizens' Utility Ratepayer Board
Morris County Municipal Utility Authority	SW	New Jersey	MM10930027 ESW 1426-94	6/94	Revenue Requirements	Rate Counsel
US West Communications	T	Arizona	E-1051-93-183	5/94	Revenue Requirements (Surrebuttal)	Residential Utility Consumer Office
Pawtucket Water Supply Board	W	Rhode Island	2158	5/94	Revenue Requirements (Surrebuttal)	Division of Public Utilities & Carriers
US West Communications	T	Arizona	E-1051-93-183	3/94	Revenue Requirements	Residential Utility Consumer Office
Pawtucket Water Supply Board	W	Rhode Island	2158	3/94	Revenue Requirements	Division of Public Utilities & Carriers
Pollution Control Financing Authority of Camden County	SW	New Jersey	SR91111718J	2/94	Revenue Requirements (Supplemental)	Rate Counsel
Roaring Creek Water Company	W	Pennsylvania	R-00932665	9/93	Revenue Requirements (Supplemental)	Office of Consumer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00932665	9/93	Revenue Requirements	Office of Consumer Advocate
Kent County Water Authority	W	Rhode Island	2098	8/93	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Wilmington Suburban Water Company	W	Delaware	93-28	7/93	Revenue Requirements	Office of Public Advocate
Kent County Water Authority	W	Rhode Island	2098	7/93	Revenue Requirements	Division of Public Utilities & Carriers

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Camden County Energy Recovery Associates, Inc.	SW	New Jersey	SR9111718J ESW1263-92	4/93	Revenue Requirements	Rate Counsel
Pollution Control Financing Authority of Camden County	SW	New Jersey	SR9111718J ESW 1263-92	4/93	Revenue Requirements	Rate Counsel
Jamaica Water Supply Company	W	New York	92-W-0583	3/93	Revenue Requirements	County of Nassau Town of Hempstead
New Jersey-American Water Company	W/WW	New Jersey	WR92090908J PUC 7266-92S	2/93	Revenue Requirements	Rate Counsel
Passaic County Utilities Authority	SW	New Jersey	SR91121816J ESW0671-92N	9/92	Revenue Requirements	Rate Counsel
East Honolulu Community Services, Inc.	WW	Hawaii	7064	8/92	Revenue Requirements	Division of Consumer Advocacy
The Jersey Central Power and Light Company	E	New Jersey	PUC00661-92 ER91121820J	7/92	Revenue Requirements	Rate Counsel
Mercer County Improvement Authority	SW	New Jersey	EWS11261-91S SR91111682J	5/92	Revenue Requirements	Rate Counsel
Garden State Water Company	W	New Jersey	WR9109-1483 PUC 09118-91S	2/92	Revenue Requirements	Rate Counsel
Elizabethtown Water Company	W	New Jersey	WR9108-1293J PUC 08057-91N	1/92	Revenue Requirements	Rate Counsel
New-Jersey American Water Company	W/WW	New Jersey	WR9108-1399J PUC 8246-91	12/91	Revenue Requirements	Rate Counsel
Pennsylvania-American Water Company	W	Pennsylvania	R-911909	10/91	Revenue Requirements	Office of Consumer Advocate
Mercer County Improvement Authority	SW	New Jersey	SR9004-0264J PUC 3389-90	10/90	Revenue Requirements	Rate Counsel
Kent County Water Authority	W	Rhode Island	1952	8/90	Revenue Requirements Regulatory Policy (Surrebuttal)	Division of Public Utilities & Carriers
New York Telephone	T	New York	90-C-0191	7/90	Revenue Requirements Affiliated Interests (Supplemental)	NY State Consumer Protection Board
New York Telephone	T	New York	90-C-0191	7/90	Revenue Requirements Affiliated Interests	NY State Consumer Protection Board
Kent County Water Authority	W	Rhode Island	1952	6/90	Revenue Requirements Regulatory Policy	Division of Public Utilities & Carriers
Ellesor Transfer Station	SW	New Jersey	SO8712-1407 PUC 1768-88	11/89	Regulatory Policy	Rate Counsel
Interstate Navigation Co.	N	Rhode Island	D-89-7	8/89	Revenue Requirements Regulatory Policy	Division of Public Utilities & Carriers
Automated Modular Systems, inc.	SW	New Jersey	PUC1769-88	5/89	Revenue Requirements Schedules	Rate Counsel
SNET Cellular, Inc.	T	Connecticut	-	2/89	Regulatory Policy	First Selectman Town of Redding

APPENDIX B

Supporting Schedules

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****REVENUE REQUIREMENT SUMMARY**

	Company Claim (A)	Recommended Adjustment	Recommended Position	
1. Pro Forma Rate Base	\$69,181,819	(\$4,324,535)	\$64,857,284	(B)
2. Required Cost of Capital	8.80%	-0.49%	8.32%	(C)
3. Required Return	\$6,090,598	(\$695,766)	\$5,394,832	
4. Operating Income @ Present Rates	2,956,930	543,717	3,500,647	(D)
5. Operating Income Deficiency	\$3,133,668	(\$1,239,483)	\$1,894,185	
6. Revenue Multiplier	1.6605		1.6702	(E)
7. Revenue Requirement Increase	<u>\$5,203,487</u>	<u>(\$2,039,826)</u>	<u>\$3,163,661</u>	

Sources:

(A) Company Filing, Section 3.

(B) Schedule ACC-9.

(C) Schedule ACC-2.

(D) Schedule ACC-15.

(E) Schedule ACC-37.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****REQUIRED COST OF CAPITAL**

	Amount	Capital Structure	Cost Rate		Weighted Cost
	(A)	(A)			
1. Common Equity	\$600,149,912	47.43%	9.72%	(B)	4.61%
2. Long Term Debt	616,407,746	48.72%	6.79%	(A)	3.31%
3. Trust Preferred Securitie	48,669,888	3.85%	8.86%	(A)	0.34%
4. Short Term Debt	50,500,000	3.99%	1.45%	(A)	0.06%
5. Total Cost of Capital	\$1,265,227,546				<u>8.32%</u>

Sources:

(A) Response to CURB-119.

(B) Schedule ACC-3.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

RECOMMENDED COST OF EQUITY

1. Discounted Cash Flow Result (A)	10.07%	
2. Discounted Cash Flow Weighting (B)	<u>75.00%</u>	7.56%
3. CAPM Result (C)	8.66%	
4. CAPM Weighting (B)	<u>25.00%</u>	<u>2.17%</u>
5. Recommended Return on Equity		<u>9.72%</u>

Sources:

(A) Schedule ACC-4.

(B) Based on Commission's reliance primarily upon the DCF method.

(C) Schedule ACC-7.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

DISCOUNTED CASH FLOW RESULT

1. Dividend Yield	4.95%	(A)
2. Growth in Dividend Yield	0.12%	(B)
3. Growth Rate	<u>5.00%</u>	(C)
4. Total Cost of Equity	<u>10.07%</u>	

Sources:

(A) Derived from Schedule ACC-5.

(B) Line 1 X (50% of Line 3).

(C) Derived from Schedule ACC-6.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****DIVIDEND YIELDS - COMPARABLE GROUP**

Company	Dividend	Closing Price	Dividend Yield	3 Month High	3 Month Low	Average	Dividend Yield
1. American Electric Power (AEP)	1.64	33.97	4.83%	36.86	30.78	33.82	4.85%
2. ALLETE Inc. (NYSE-ALE)	1.76	32.64	5.39%	35.29	29.99	32.64	5.39%
3. Alliant Energy Co. (NYSE-LNT)	1.58	32.42	4.87%	33.32	27.10	30.21	5.23%
4. CMS Energy Corp. (NYSE CMS)	0.60	15.58	3.85%	16.13	13.85	14.99	4.00%
5. Consolidated Edison (NYSE-ED)	2.38	43.13	5.52%	46.45	41.67	44.06	5.40%
6. Dominion Resources, Inc. (NYSE-D)	1.83	39.17	4.67%	39.79	35.81	37.80	4.84%
7. DPL, Inc. (NYSE-DPL)	1.21	27.28	4.44%	28.86	26.09	27.48	4.40%
8. Duke Energy Corp. (NYSE-DUK)	0.96	16.61	5.78%	17.94	16.02	16.98	5.65%
9. Entergy Corp. (NYSE-ETR)	3.00	78.75	3.81%	84.44	75.52	79.98	3.75%
10. FPL Group, Inc. (NYSE-FPL)	2.00	46.88	4.27%	56.57	45.29	50.93	3.93%
11. FirstEnergy Corp. (NYSE-FE)	2.20	39.70	5.54%	47.77	38.41	43.09	5.11%
12. Hawaiian Electric (NYSE-HE)	1.24	19.92	6.22%	21.87	18.63	20.25	6.12%
13. Northeast Utilities (NYSE-NU)	1.03	26.67	3.86%	26.72	23.61	25.17	4.09%
14. NSTAR (NYSE-NST)	1.60	34.58	4.63%	37.75	31.80	34.78	4.60%
15. Pepco Holdings, Inc. (NSE-POM)	1.08	17.12	6.31%	17.57	15.41	16.49	6.55%
16. PG&E Corp. (NYSE-PCG)	1.68	42.61	3.94%	45.79	40.58	43.19	3.89%
17. Pinnacle West Capital (NYSE-PNW)	2.10	37.37	5.62%	37.96	33.99	35.98	5.84%
18. Portland General (NYSE-POR)	1.02	19.29	5.29%	21.39	18.55	19.97	5.11%
19. Progress Energy (NYSE-PGN)	2.48	38.52	6.44%	42.20	37.04	39.62	6.26%
20. Public Service Enterprise (NYSE-PEG)	1.37	31.18	4.39%	34.14	29.01	31.58	4.34%
21. SCANA Corp. (NYSE-SCG)	1.90	36.25	5.24%	38.64	34.23	36.44	5.21%
22. Sempra Energy (NYSE-SRE)	1.56	48.95	3.19%	57.18	47.55	52.37	2.98%
23. Southern Co. (NYSE-SO)	1.75	32.29	5.42%	34.47	30.85	32.66	5.36%
24. UIL Holdings (NYSE-UIL)	1.73	27.36	6.32%	29.00	25.30	27.15	6.37%
25. Vectren Corp. (NYSE-VVC)	1.36	23.48	5.79%	25.50	22.14	23.82	5.71%
26. Westar Energy (NYSE-WR)	1.20	22.18	5.41%	22.78	19.95	21.37	5.62%
27. Wisconsin Energy (NYSE-WEC)	1.60	49.80	3.21%	50.89	44.22	47.56	3.36%
28. Xcel Energy Inc. (NYSE-XEL)	0.98	21.08	4.65%	21.94	19.82	20.88	4.69%
29. AVERAGE			4.96%				4.95%

Source: Yahoo Finance - February 22, 2010

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

GROWTH RATES - COMPARABLE GROUP

	Past 5 Years Earnings	Past 5 Years Dividends	Past 5 Years Book Value	Past 10 Years Earnings	Past 10 Years Dividends	Past 10 Years Book Value	Projected 5 Years Earnings	Projected 5 Years Dividends	Projected 5 Years Book Value
1. American Electric Power (AEP)	-	(6.0%)	2.5%	(0.5%)	(4.0%)	-	3.0%	3.0%	5.0%
2. ALLETE Inc. (NYSE-ALE)	-	-	-	-	-	-	(1.0%)	3.0%	3.0%
3. Alliant Energy Co. (NYSE-LNT)	7.0%	(5.0%)	3.0%	3.0%	(4.5%)	2.0%	4.0%	7.0%	4.0%
4. CMS Energy Corp. (NYSE-CMS)	-	(26.0%)	(1.0%)	(10.0%)	(16.5%)	(6.5%)	10.0%	27.5%	6.0%
5. Consolidated Edison (NYSE-ED)	1.5%	1.0%	3.5%	1.0%	1.0%	3.0%	3.0%	1.0%	3.5%
6. Dominion Resources, Inc. (NYSE-D)	5.5%	2.5%	1.5%	7.5%	1.5%	2.5%	8.0%	7.0%	7.0%
7. DPL, Inc. (NYSE-DPL)	7.0%	2.0%	2.5%	3.5%	1.5%	(1.0%)	9.0%	3.5%	5.5%
8. Duke Energy Corp. (NYSE-DUK)	-	-	-	-	-	-	5.0%	NMF	(0.5%)
9. Entergy Corp. (NYSE-ETR)	10.5%	13.0%	3.0%	9.5%	4.5%	4.0%	6.0%	5.5%	6.0%
10. FPL Group, Inc. (NYSE-FPL)	9.5%	7.0%	8.0%	7.0%	5.5%	7.0%	8.0%	6.0%	8.0%
11. FirstEnergy Corp. (NYSE-FE)	12.5%	6.5%	3.0%	7.5%	3.0%	5.0%	3.0%	4.0%	4.0%
12. Hawaiian Electric (NYSE-HE)	(6.0%)	-	1.0%	(1.5%)	-	1.5%	7.0%	Nil	2.0%
13. Northeast Utilities (NYSE-NU)	3.0%	8.5%	2.0%	-	3.5%	1.0%	8.0%	7.0%	4.5%
14. NSTAR (NYSE-NST)	4.0%	6.0%	5.0%	4.5%	4.0%	4.0%	8.0%	5.5%	5.5%
15. Pepco Holdings, Inc. (NSE-POM)	(2.0%)	17.5%	1.5%	-	-	-	NMF	NMF	1.0%
16. PG&E Corp. (NYSE-PCG)	NMF	-	18.0%	4.5%	0.5%	1.5%	6.5%	7.5%	6.5%
17. Pinnacle West Capital (NYSE-PNW)	(1.0%)	5.0%	3.0%	-	6.5%	3.5%	3.0%	1.0%	1.0%
18. Portland General (NYSE-POR)	-	-	-	-	-	-	3.5%	5.5%	2.5%
19. Progress Energy (NYSE-PGN)	(6.5%)	2.0%	2.5%	(0.5%)	2.5%	5.5%	6.0%	1.0%	2.0%
20. Public Service Enterprise (NYSE-PEG)	5.5%	2.0%	7.0%	6.5%	1.0%	2.5%	7.5%	6.0%	9.0%
21. SCANA Corp. (NYSE-SCG)	3.5%	6.5%	4.0%	3.0%	1.5%	4.5%	4.0%	3.0%	5.0%
22. Sempra Energy (NYSE-SRE)	9.0%	5.0%	16.0%	9.0%	(2.0%)	9.0%	5.5%	8.5%	8.5%
23. Southern Co. (NYSE-SO)	4.0%	3.0%	5.5%	3.0%	2.0%	1.5%	4.5%	4.0%	5.0%
24. UIL Holdings (NYSE-UIL)	-	-	(2.0%)	-	-	-	3.5%	Nil	2.5%
25. Vectren Corp. (NYSE-VVC)	2.5%	3.5%	4.0%	-	-	-	5.0%	3.0%	4.0%
26. Westar Energy (NYSE-WR)	21.5%	(0.5%)	1.0%	1.5%	(6.5%)	(4.0%)	4.0%	4.5%	6.0%
27. Wisconsin Energy (NYSE-WEC)	6.0%	4.5%	7.5%	7.5%	(4.0%)	4.5%	8.0%	13.5%	6.0%
28. Xcel Energy Inc. (NYSE-XEL)	1.0%	(4.0%)	1.0%	(2.5%)	(4.0%)	(0.5%)	6.5%	3.0%	4.5%
29. AVERAGE	4.7%	2.5%	4.1%	3.2%	(0.1%)	2.4%	5.5%	5.9%	4.5%

Source: Value Line - Nov. 27, and Dec. 25, 2009, and February 5, 2010.

NMF = no meaningful figure

Notes:

A) Projected 5-Year Earnings, Dividends and Book Values are noted in Value Line as "Est'd '06-'08 to '12-'14".

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

CAPITAL ASSET PRICING MODEL RESULT

Risk Free Rate + (Beta X Market Premium)

$$4.44\% + (.71 \times 5.95\%) = 8.66\%$$

(A) (B) (C)

Sources:

(A) Rate per Federal Reserve at March 22, 2010.

(B) Schedule ACC-8.

(C) Market Premium is average of large and small company premiums, per Ibbotson SBBI: 2008 Valuation Yearbook, Market Results for Stocks, Bonds, Bills and Inflation, 1926-2007, Table 2-1, Morningstar.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****COMPARABLE GROUP BETAS**

	(A)
1. American Electric Power (AEP)	0.70
2. ALLETE Inc. (NYSE-ALE)	0.70
3. Alliant Energy Co. (NYSE-LNT)	0.70
4. CMS Energy Corp. (NYSE CMS)	0.80
5. Consolidated Edison (NYSE-ED)	0.85
6. Dominion Resources, Inc. (NYSE-D)	0.70
7. DPL, Inc. (NYSE-DPL)	0.60
8. Duke Energy Corp. (NYSE-DUK)	0.65
9. Entergy Corp. (NYSE-ETR)	0.70
10. FPL Group, Inc. (NYSE-FPL)	0.75
11. FirstEnergy Corp. (NYSE-FE)	0.80
12. Hawaiian Electric (NYSE-HE)	0.70
13. Northeast Utilities (NYSE-NU)	0.70
14. NSTAR (NYSE-NST)	0.65
15. Pepco Holdings, Inc. (NSE-POM)	0.80
16. PG&E Corp. (NYSE-PCG)	0.55
17. Pinnacle West Capital (NYSE-PNW)	0.75
18. Portland General (NYSE-POR)	0.75
19. Progress Energy (NYSE-PGN)	0.65
20. Public Service Enterprise (NYSE-PEG)	0.80
21. SCANA Corp. (NYSE-SCG)	0.65
22. Sempra Energy (NYSE-SRE)	0.85
23. Southern Co. (NYSE-SO)	0.55
24. UIL Holdings (NYSE-UIL)	0.70
25. Vectren Corp. (NYSE-VVC)	0.75
26. Westar Energy (NYSE-WR)	0.75
27. Wisconsin Energy (NYSE-WEC)	0.65
28. Xcel Energy Inc. (NYSE-XEL)	0.65
29. Average	0.71

Source:
(A) Value Line Investment Survey.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****RATE BASE SUMMARY**

	Company Claim (A)	Recommended Adjustment		Recommended Position
1. Total Utility Plant in Service	\$105,518,887	(\$3,303,880)	(B)	\$102,215,007
Less:				
2. Accumulated Depreciation	(29,552,808)	13,575	(C)	(29,539,233)
3. Net Utility Plant	\$75,966,079	(\$3,290,305)		\$72,675,774
Plus:				
4. Materials and Supplies	2,293,405	(143,307)	(D)	2,150,098
5. Prepayments	177,669	0		177,669
6. Cash Working Capital	890,923	(890,923)	(E)	0
Less:				
7. FAS 87 Pension	(327,867)	0		(327,867)
8. Deferred Taxes	(8,967,143)	0		(8,967,143)
9. Pre 1971 ITC	(11)	0		(11)
10. Customer Deposits	(352,549)	0		(352,549)
11. Customer Advances	(498,687)	0		(498,687)
12. Total Rate Base	<u>\$69,181,819</u>	<u>(\$4,324,535)</u>		<u>\$64,857,284</u>

Sources:

(A) Company Filing, Section 3.

(B) Schedule ACC-10 and ACC-11.

(C) Schedule ACC-11.

(D) Schedule ACC-12 and Schedule ACC-13.

(E) Schedule ACC-14.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****UTILITY PLANT IN SERVICE - PLANT ADDITIONS**

	Company Claim (A)	Balance @ 1/31/10 (B)	Recommended Adjustment	
1. Iatan Unit 1 Environmental	\$48,472,731	\$44,235,484	(\$4,237,247)	
2. Iatan Common Facilities	46,229,920	46,269,374	\$39,454	
3. Iatan Unit 2	226,297,947	178,936,960	(\$47,360,987)	
4. Plum Point	104,232,988	97,920,718	(\$6,312,270)	
5. Total Adjustment			(\$57,871,050)	
6. Allocation to Kansas (%)			5.65%	(C)
7. Allocation to Kansas (\$)			<u>(\$3,269,714)</u>	

Sources:

(A) Testimony of Mr. Mertens, Schedule BAM-6.

(B) Response to CURB-122.

(C) Based on allocations per the response to CURB-122.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****UTILITY PLANT IN SERVICE - COTTAGES**

1. Utility Plant in Service-Cottages	(\$677,760)	(A)
2. Allocation to Kansas (%)	<u>5.04%</u>	(B)
3. Allocation to Kansas (\$)	<u>(\$34,166)</u>	
4 Accumulated Depreciation	\$269,291	(A)
5. Allocation to Kansas (%)	<u>5.04%</u>	(B)
6. Allocation to Kansas (\$)	<u>\$13,575</u>	

Sources:

(A) Response to KCC-197.

(B) Allocation Based on General Plant Allocation per
Company Filing, Section 12, Schedule B, page 1.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

MATERIALS AND SUPPLIES - FUEL

1. Plum Point	(\$552,048)	(A)
2. Iatan Unit 2	<u>(721,076)</u>	(A)
3. Recommended Adjustment	(\$1,273,124)	
4. Allocation to Kansas	<u>4.74%</u>	(B)
5. Kansas Adjustment	<u>(\$60,374)</u>	

Sources:

(A) Company Workpapers.

(B) Company Filing, Section 6, Schedule A, page 1.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

MATERIALS AND SUPPLIES - OTHER MATERIALS

1. Recommended Adjustment	(\$1,468,570)	(A)
2. Allocation to Kansas	<u>5.65%</u>	(B)
3. Kansas Adjustment	<u>(\$82,933)</u>	

Sources:

(A) Company Workpapers.

(B) Company Filing, Section 6, Schedule A, page 1.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

CASH WORKING CAPITAL

1. Company Claim	\$890,923	(A)
2. Recommended Adjustment	<u>(\$890,923)</u>	

Sources:

(A) Company Filing, Section 3.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****OPERATING INCOME SUMMARY**

		Schedule No.
1. Company Claim	\$2,956,930	1
2. Recommended Adjustments:		
3. Pro Forma Revenue	32,657	16
4. Salaries and Wage Expense - Increases	28,638	17
5. Salaries and Wage Expense - Vacant Positi	13,787	18
6. Incentive Compensation Expense	41,418	19
7. Payroll Tax Expense	6,414	20
8. SERP Expense	8,567	21
9. Medical Benefits Expense	12,590	22
10. Bad Debt Expense	18,175	23
11. O&M Expense - New Facilities	225,894	24
12. Distribution Maintenance Expense	85,164	25
13. Storm Damage Amortization Expense	2,049	26
14. Regulatory Commission Expense	34,126	27
15. Software Contract Payment	2,540	28
16. Gain on Sale of Property	5,037	29
17. Miscellaneous Expense	2,665	30
18. Property Tax Expense - Tax Rate	80,095	31
19. Property Tax Expense - Plant Additions	15,140	32
20. Interest on Customer Deposits	1,061	33
21. Depreciation Expense	40,112	34
22. Interest Synchronization	<u>(112,413)</u>	35
23. Operating Income	<u>\$3,500,647</u>	

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

PRO FORMA REVENUE

1. Company Adjustment		\$54,227	(A)
2. Income Taxes @	39.78%	<u>21,570</u>	
3. Operating Income Impact		<u>\$32,657</u>	

Sources:

(A) Testimony of Ms. Long, page 4.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

SALARIES AND WAGE EXPENSE - INCREASES

1. Pro Forma Increases		\$1,209,950	(A)
2. Average Allocation to Kansas		<u>4.98%</u>	(B)
3. Amount Allocated to Kansas		\$60,256	
4. Expense Ratio		<u>78.92%</u>	(C)
5. Pro Forma Expense Adjustment		\$47,554	
6. Income Taxes @	39.78%	<u>18,916</u>	
7. Operating Income Impact		<u>\$28,638</u>	

Sources:

(A) Response to CURB-78.

(B) Based on Total Allocation of Salary and Wage
Adjustment per Company Workpapers.

(C) Company Workpapers.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****SALARIES AND WAGE EXPENSE - VACANCIES**

1. Current Vacant Positions		\$582,515	(A)
2. Average Allocation to Kansas		<u>4.98%</u>	(B)
3. Amount Allocated to Kansas		\$29,009	
4. Expense Ratio		<u>78.92%</u>	(C)
5. Pro Forma Expense Adjustment		\$22,894	
6. Income Taxes @	39.78%	<u>9,107</u>	
7. Operating Income Impact		<u>\$13,787</u>	

Sources:

(A) Response to CURB-78.

(B) Based on Total Allocation of Salary and Wage
Adjustment per Company Workpapers.

(C) Company Workpapers.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****INCENTIVE COMPENSATION EXPENSE**

1. Current Vacant Positions		\$1,749,914	(A)
2. Average Allocation to Kansas		<u>4.98%</u>	(B)
3. Amount Allocated to Kansas		\$87,146	
4. Expense Ratio		<u>78.92%</u>	(C)
5. Pro Forma Expense Adjustment		\$68,775	
6. Income Taxes @	39.78%	<u>27,357</u>	
7. Operating Income Impact		<u>\$41,418</u>	

Sources:

(A) Response to CURB-78.

(B) Based on Total Allocation of Salary and Wage
Adjustment per Company Workpapers.

(C) Company Workpapers.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****PAYROLL TAX EXPENSE**

1. Total Salary and Wage Adjustments		\$70,448	(A)
2. Incentive Compensation Adjustments		<u>68,775</u>	(B)
3. Total Adjustments		\$139,223	
4. Statutory Tax Rate		<u>7.65%</u>	(C)
5. Total Recommended Adjustment		\$10,651	
6. Income Taxes @	39.78%	<u>4,237</u>	
7. Operating Income		<u>\$6,414</u>	

Sources:

(A) Schedule ACC-17 and ACC-18.

(B) Schedule ACC-19.

(C) Based on Statutory Tax Rate.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****SUPPLEMENTAL EXECUTIVE RETIREMENT PROGRAM EXPENSE**

1. Expense Included in Filing		\$328,194	(A)
2. Average Allocation to Kansas		<u>5.57%</u>	(B)
3. Amount Allocated to Kansas		\$18,280	
4. Expense Ratio		<u>77.82%</u>	(A)
5. Pro Forma Expense Adjustment		\$14,226	
6. Income Taxes @	39.78%	<u>5,659</u>	
7. Operating Income Impact		<u>\$8,567</u>	

Sources:

(A) Response to CURB-18.

(B) Based on Total Allocation of Salary and Wage
Adjustment per Company Workpapers.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

MEDICAL BENEFITS EXPENSE

1. Medical Benefits Expense Adjustment		\$20,905	(A)
2. Income Taxes @	39.78%	<u>8,315</u>	
3. Operating Income Impact		<u>\$12,590</u>	

Sources:

(A) Company Filing, Section 9, Schedule B, page 1.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

BAD DEBT EXPENSE

1. Company Claim		\$30,180	(A)
2. Income Taxes @	39.78%	<u>12,005</u>	
3. Operating Income Impact		<u>\$18,175</u>	

Sources:

(A) Company Filing, Section 9, Schedule B, page 2.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****O&M EXPENSE - NEW FACILITIES**

1. Iatan Unit 2		\$3,858,276	(A)
2. Plum Point		<u>2,783,975</u>	(A)
3. Total Recommended Adjustments		\$6,642,251	
4. Allocation to Kansas (%)		<u>5.65%</u>	(B)
5. Allocation to Kansas (\$)		\$375,100	
6. Income Taxes @	39.78%	<u>149,205</u>	
7. Operating Income Impact		<u>\$225,894</u>	

Sources:

(A) Response to CURB-80.

(B) Based on allocation of Maintenance Expense per
Company Filing, Section 9, Section B, page 1.

EMPIRE DISTRICT ELECTRIC COMPANY
TEST YEAR ENDED JUNE 30, 2009
DISTRIBUTION MAINTENANCE EXPENSE

1. Three Year Average		\$12,430,269	(A)
2. Company Claim		<u>14,920,988</u>	(B)
3. Recommended Adjustment		2,490,719	
4. Kansas Jurisdictional Adjustment (%)		<u>5.68%</u>	(C)
5. Kansas Jurisdictional Adjustment (\$)		\$141,415	
6. Income Taxes @	39.78%	<u>56,251</u>	
7. Operating Income Impact		<u>\$85,164</u>	

Sources:

- (A) 2006-2008 Average per Company Filing, Section 8, Schedule C, page 2.
- (B) Company Filing, Section 8, Schedule C, page 2.
- (C) Based on allocation of Distribution Expense per Company Filing, Section 12, Section B, page 5.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****STORM DAMAGE AMORTIZATION EXPENSE**

1. Total Deferred Costs-2009 Storm	\$670,795	(A)
2. Recommended Amortization Period	<u>10</u>	(B)
3. Annual Amortization	\$67,080	
4. Company Claim	<u>134,159</u>	(C)
5. Recommended Adjustment	\$67,080	
6. Percent to Kansas (%)	<u>5.07%</u>	(D)
7. Amount to Kansas (\$)	\$3,403	
8. Income Taxes @ 39.78%	<u>1,353</u>	
9. Operating Income Impact	<u>\$2,049</u>	

Sources:

(A) Testimony of Mr. Palmer, page 8.

(B) Testimony of Ms. Crane.

(C) Company Filing, Section 9, Schedule B, Page 1.

(D) Based on allocation per Company Filing, Section 9, Schedule B, page 1.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****REGULATORY COMMISSION EXPENSE**

1 CURB Recommendation		\$250,000	(A)
2. Recommended Amortization Period		<u>3</u>	(B)
3. Pro Forma Annual Cost		83,333	
4. Company Claim		<u>140,000</u>	(B)
5. Recommended Kansas Adjustment (\$)		\$56,667	
5. Income Taxes @	39.78%	<u>22,541</u>	
7. Operating Income Impact		<u>\$34,126</u>	

Sources:

(A) Testimony of Ms. Crane.

(B) Response to CURB-84.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****SOFTWARE CONTRACT PAYMENT**

1. Amount Received	\$254,247	(A)
2. Proposed Amortization Period	<u>3</u>	(B)
3. Proposed Annual Amortization	\$84,749	
4. Kansas Jurisdictional Adjustment (%)	<u>4.98%</u>	(C)
5. Kansas Jurisdictional Adjustment (\$)	\$4,218	
6. Income Taxes @	39.78% <u>1,678</u>	
7. Operating Income Impact	<u>\$2,540</u>	

Sources:

(A) Company Filing, Section 9, Schedule B, Page 1.

(B) Testimony of Ms. Crane.

(C) Based on allocation per Company Filing, Section 9, Schedule B, Page 1.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****GAIN ON SALE OF PROPERTY**

1. Net Gain on Sale	\$504,086	(A)
2. Proposed Amortization Period	<u>3</u>	(B)
3. Proposed Annual Amortization	168,029	
4. Kansas Jurisdictional Adjustment (%)	<u>4.98%</u>	(C)
5. Kansas Jurisdictional Adjustment (\$)	\$8,363	
6. Income Taxes @ 39.78%	<u>3,327</u>	
7. Operating Income Impact	<u>\$5,037</u>	

Sources:

(A) Response to CURB-60.

(B) Period used for Rate Case Costs.

(C) Based on allocation per Company of Riverton, per the response to CURB-12.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****MISCELLANEOUS EXPENSE**

1. Employee Membership Dues		\$15,721	(A)
2. Meals and Entertainment		<u>73,000</u>	(B)
3. Recommended Adjustment		\$88,721	
4. Allocation to Kansas (%)		<u>4.99%</u>	(C)
5. Allocation to Kansas (\$)		\$4,426	
6. Income Taxes @	39.78%	<u>1,760</u>	
7. Operating Income Impact		<u>\$2,665</u>	

Sources:

(A) Response to CURB-48, represents 15% of total dues.

(B) Response to CURB-51.

(C) Allocation based on Other Administrative and General Allocation, per Company Filing, Section 12, Schedule B, Page 6.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****PROPERTY TAX EXPENSE-TAX RATE**

1. Utility Plant @ Dec. 31, 2008	\$1,482,823,176	(A)
2. Actual Test Year Property Taxes	<u>11,283,299</u>	(B)
3. Pro Forma Property Tax Rate	0.7609%	(C)
4. Company Claimed Plant	<u>1,936,833,062</u>	(B)
5. Pro Forma Taxes	\$14,738,013	(D)
6. Company Claim	<u>17,199,078</u>	(B)
7. Recommended Adjustment	\$2,461,065	
8. Allocation to Kansas (%)	<u>5.40%</u>	(E)
9. Allocation to Kansas (\$)	132,998	
10. Income Taxes @	39.78%	<u>52,903</u>
11. Operating Income Impact	<u>\$80,095</u>	

Sources:

(A) Company Filing, Section 4, Schedule B.

(B) Company Filing, Section 9, Schedule B, page 2.

(C) Line 2 / Line 1.

(D) Line 3 X Line 4.

(E) Derived from Company Filing, Section 9, Schedule B, Page 2.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

PROPERTY TAX EXPENSE-PLANT ADDITIONS

1. Pro Forma Property Tax Rate		0.7609%	(A)
2. Recommended Plant Adjustment		<u>3,303,880</u>	(B)
3. Pro Forma Tax Adjustment - Plant		\$25,140	
4. Income Taxes @	39.78%	<u>10,000</u>	
5. Operating Income Impact		<u>\$15,140</u>	

Sources:

(A) Schedule ACC-31.

(B) Schedule ACC-9.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****INTEREST ON CUSTOMER DEPOSITS**

1. Customer Deposits		\$352,549	(A)
2. Interest Rate		<u>0.50%</u>	(B)
3. Pro Forma Interest Expense		\$1,763	
4. Company Claim		<u>3,525</u>	(C)
5. Recommended Adjustment		\$1,762	
6. Income Taxes @	39.78%	<u>701</u>	
7. Operating Income Impact		<u>\$1,061</u>	

Sources:

(A) Company Filing, Section 3.

(B) KCC Website, reflects rate for 2010.

(C) Company Filing, Section 9, Schedule B, Page 2.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

DEPRECIATION EXPENSE

1. Recommended Plant Adjustment		\$ 3,303,880	(A)
2. Composite Depreciation Rate		<u>2.02%</u>	(B)
3. Depreciation Adjustment		66,607	
4. Income Taxes @	39.78%	<u>26,495</u>	
5. Operating Income Impact		<u>\$40,112</u>	

Sources:

(A) Schedule ACC-9.

(B) Based on composite production rate per Company Filing,
Section 10, Schedule B, page 2.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****INTEREST SYNCHRONIZATION**

1. Pro Forma Rate Base	\$64,857,284	(A)
2. Weighted Cost of Debt	<u>3.37%</u>	(B)
3. Pro Forma Interest Expense	\$2,183,033	
4. Company Claim	<u>2,465,639</u>	(C)
5. Adjustment to Interest Expense	(\$282,606)	
6. Income Taxes @ 39.78%	<u>(\$112,413)</u>	

Sources:

(A) Schedule ACC-9.

(B) Weighted costs of long-term debt and short-term debt, per Schedule ACC-2.

(C) Company Filing, Section 11, Schedule B, Page 3.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

INCOME TAX FACTOR

1. Revenue	100.00%	
2. State Income Tax Rate	<u>7.35%</u>	(A)
3. Federal Taxable Income	92.65%	
4. Income Taxes @ 35%	<u>32.43%</u>	(A)
5. Operating Income	60.22%	
6. Total Tax Rate	<u>39.78%</u>	(B)

Sources:

(A) Rates per Company Filing, Section 11, Schedule B, Page 1.

(B) Line 2 + Line 4.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****REVENUE MULTIPLIER**

1. Revenue	100.00%	
2. Uncollectible Expense	<u>0.58%</u>	(A)
3. Taxable Income	99.42%	
4. State Income Tax @ 7.35%	<u>7.31%</u>	(B)
5. Federal Taxable Income	92.11%	
6. Income Taxes @ 35%	<u>32.24%</u>	(B)
7. Operating Income	59.87%	
8. Revenue Multiplier	<u>1.67020</u>	(C)

Sources:

(A) Company Filing, Section 9, Schedule B, page 2.

(B) Rates per Company Filing, Section 11, Schedule B, Page 1.

(C) Line 1 + Line 7.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2009

PRO FORMA INCOME STATEMENT

	Per Company	Recommended Adjustments	Pro Forma Present Rates	Recommended Rate Adjustment	Pro Forma Proposed Rates
1. Operating Revenues	\$13,885,436	\$54,227	\$13,939,663	\$3,163,661	\$17,103,324
2. Operating Expenses	6,424,427	(799,887)	5,624,540	18,349	5,642,889
3. Depreciation and Amortization	2,764,426	(66,607)	2,697,819	0	2,697,819
4. Taxes Other Than Income	1,463,813	(168,789)	1,295,024	0	1,295,024
5. Taxable Income Before Interest Expenses	\$3,232,770	\$1,089,510	\$4,322,280	\$3,145,312	\$7,467,591
6. Interest Expense	2,465,639	(282,606)	2,183,033		2,183,033
7. Taxable Income	\$767,131	\$1,372,115	\$2,139,246	\$3,145,312	\$5,284,558
8. Income Taxes (39.78%)	275,840	545,793	821,633	1,251,126	2,072,760
9. Operating Income	\$2,956,930	\$543,717	\$3,500,647	\$1,894,185	\$5,394,832
10. Rate Base	\$69,181,819		\$64,857,284		\$64,857,284
11. Rate of Return	<u>4.27%</u>		<u>5.40%</u>		<u>8.32%</u>

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2009****REVENUE REQUIREMENT IMPACT OF ADJUSTMENTS**

1. Rate of Return	(\$558,016)
Rate Base Adjustments:	
2. Utility Plant in Service	(451,617)
3. Cottages	(2,844)
4. Materials and Supplies	(19,794)
5. Cash Working Capital	(123,055)
Operating Income Adjustments	
6. Pro Forma Revenue	(54,227)
7. Salaries and Wage Expense - Increases	(47,554)
8. Salaries and Wage Expense - Vacant Positions	(22,894)
9. Incentive Compensation Expense	(68,775)
10. Payroll Tax Expense	(10,651)
11. SERP Expense	(14,226)
12. Medical Benefits Expense	(20,905)
13. Bad Debt Expense	(30,180)
14. O&M Expense - New Facilities	(375,100)
15. Distribution Maintenance Expense	(141,415)
16. Storm Damage Amortization Expense	(3,403)
17. Regulatory Commission Expense	(56,667)
18. Software Contract Payment	(4,218)
19. Gain on Sale of Property	(8,363)
20. Miscellaneous Expense	(4,426)
21. Property Tax Expense - Tax Rate	(132,998)
22. Property Tax Expense - Plant Additions	(25,140)
23. Interest on Customer Deposits	(1,762)
24. Depreciation Expense	(66,607)
25. Interest Synchronization	186,664
26. Revenue Multiplier	18,347
27. Total Recommended Adjustments	(2,039,826)
28. Company Claim	5,203,487
29. Recommended Revenue Requirement Deficiency	<u>\$3,163,661</u>

APPENDIX C

Documents Filed in Docket No. 07-GIMX-1041-GIV

Initial Comments, April 17, 2009

Reply Comments, December 10, 2009

Joint Motion to Approve Stipulation and Agreement, January 12, 2010

BEFORE THE STATE CORPORATION COMMISSION
STATE OF KANSAS

STATE CORPORATION COMMISSION

APR 17 2009

In the Matter of the General Investigation)
into Commission Policy Regarding) 07-GIMX-1041-GIV
Pension and Retirement Costs for)
Investor-Owned Utilities.)

 Docket Room

Comments of CURB

The Citizens' Utility Ratepayer Board submits its Comments in response to the Report and Recommendation ("Report") filed by the Staff of the Kansas Corporation Commission ("KCC") in the above-referenced docket on March 18, 2009.

1. Introduction

The KCC opened this generic investigation on March 29, 2007 to examine two requests made collectively by several utility companies in a previous docket that relate to the treatment of pension, postretirement and post-employment costs for regulatory purposes.¹ Specifically, the companies requested KCC authorization to:

Establish a regulatory asset or regulatory liability to track the difference between the amounts recognized in rates and the pension, postretirement and post employment expenses recorded according to Generally Accepted Accounting Principles ("GAAP") as defined in the Statements of Financial Accounting Standards ("SFAS") Nos. 87, 88, 106, 112, 132(R).

Recognize for rate making purposes the companies' contributions to their pension, postretirement, and post employment plans in excess of pension, postretirement, and post employment plan expense recorded in compliance with SFAS Nos. 87, 88, 106, 112, 132(R), 158.

¹ The companies filing the original Application (Docket No. 07-ATMG-387-ACT) were Atmos Energy Corporation, Aquila, Inc. d/b/a Aquila Networks KGO, Aquila Networks, The Empire District Electric Company, Kansas City Power & Light Company, Westar Energy, Inc., and Kansas Gas and Electric Company.

The KCC had previously approved a request by the companies to recognize, for rate making purposes, any charges recorded against equity in compliance with SFAS No. 158 and SFAS Nos. 87, 88, 106, and 132(R) as amended through either the establishment of a regulatory asset or an adjustment to the equity percentage in the utility's capital structure. The KCC approved that request on January 24, 2007.

2. Staff Report and Recommendations

Staff filed its Report and Recommendations on March 18, 2009. The Staff Report recommended that the KCC permit the companies to establish a regulatory asset or regulatory liability to track the difference between the amounts recognized in rates and the pension, postretirement and post employment expenses recorded according to GAAP as defined in SFAS Nos. 87, 88, 106, 112, 132(R). However, the Report also recommended that if the Commission approves this request, then the companies should be required to fund these costs, based on the pension, postretirement and post employment expenses recovered annually in utility rates.

The Report recommended that the KCC deny the companies' request to recognize, for rate making purposes, their contributions to their pension, postretirement, and post employment plans in excess of pension, postretirement, and post employment plan expense recorded in compliance with SFAS Nos. 87, 88, 106, 112, 132(R), 158.

CURB recommends that the KCC decline to adopt these recommendations, for the reasons detailed below. However, in the event that the KCC accepts the Report's recommendation to permit the companies to establish a regulatory asset or regulatory liability to track the difference between the amounts recognized in rates and pension,

postretirement, and post employment costs booked pursuant to GAAP, then CURB recommends that the Commission require funding for the amounts recovered in rates, consistent with Staff's recommendation.

3. The KCC should reject all further requests for reimbursement ratemaking

Staff's Report recommends that the KCC approve a request of the companies to record a regulatory asset or regulatory liability for the difference between pension, postretirement, and postemployment costs included in rates and the amounts booked by the companies for financial reporting purposes pursuant to GAAP. CURB disagrees with the Report's recommendation and recommends instead that the Commission decline to adopt this method of reimbursement ratemaking for these costs.

The Report's proposal effectively provides a true-up between amounts collected in rates and actual costs that are incurred between base rate cases pursuant to GAAP. Since base rates are only changed periodically, but pension, postretirement and postemployment costs fluctuate each year, usually there are annual differences between the amounts collected in rates and the costs booked for financial reporting purposes. The Report's recommendation would result in a true-up of these differences, with amortization of the regulatory asset or regulatory liability over a period of five years.

Adoption of this recommendation would establish yet another milestone in the continuing (and very successful) campaign of the utilities to transform the regulatory process into a system of dollar-for-dollar reimbursement of their costs. The Commission has approved numerous surcharges and true-up mechanisms. CURB also notes that the legislature has been instrumental in this process as well, depriving the KCC of its discretion to deny the utilities' requests for certain types of surcharge mechanisms so

long as they meet the statutory application requirements. Each time another surcharge or true-up mechanism is approved, the approval represents a distinct, deliberate action to eliminate regulatory risk for the utilities and to eliminate the protections from monopolies that the regulatory process was supposed to provide ratepayers.

The regulatory process is *supposed* to provide a substitute for competition in a monopolistic regime, not ensure that utility companies are made whole every year for cost differences that occur between base rate cases. Utility rates are *supposed* to be established in a base rate case based on *pro forma* levels of investment, revenues, and expenses. Regulators are *supposed* to keep this regulatory triad in balance to protect the interests of the utilities and the ratepayers. The rates are *supposed* to be set at a level that provides the utility an opportunity to earn an appropriate level of profit, not a guarantee. This system is *supposed* to provide the utility an incentive to operate more efficiently and reduce its costs. The system, when it works right, is *supposed* to produce a balanced result of fair earnings to the utility—especially if it is efficient and good at cutting costs—and fair rates for the ratepayers, who can't choose to do business with a competing utility if their current utility's rates aren't fair.

But single-issue ratemaking undoes all that. It provides the utility reimbursement whenever one type of cost exceeds expectations. (While it can be argued that it also provides credit to ratepayers when costs turn out to be lower than expected, utilities generally don't seek true-up mechanisms for costs they anticipate will decrease, as discussed further below.) Single-issue ratemaking destroys the utility's incentive to be efficient and prudent. It destroys the protection from monopoly that regulation is supposed to provide the ratepayers.

Furthermore, the introduction of true-up clauses without regard for overall earnings can result in increased costs to ratepayers, even if a utility is still earning its authorized rate of return. Between base rate cases, all components of the regulatory triad will change, *i.e.*, some costs will go up, some will go down, but it is generally up to the utility to decide whether, given these variations, it's time to file a request for a rate increase. It is a fact of life that utilities don't seek accounting orders and surcharges for expenses that they expect to decrease. The balance of the regulatory triad is upset when the utility is granted regular true-ups of the types of costs that are likely to increase, but there is no corresponding true-up of the types of costs that are likely to remain stable or decrease during the same period since these costs are often left in base rates. As a result, even if the utility's overall costs haven't increased enough to deprive the utility of its authorized rate of return, the ratepayers are nevertheless forced to provide the utility additional periodic bumps in rates. That is the primary reason, but not the only one, for why surcharges, accounting orders and other true-up mechanisms are bad for ratepayers.

Another reason for rejecting these mechanisms is that the proliferation of true-up clauses has weakened the regulatory process. While providing less incentive for the utilities to control costs, true-up clauses also make it more difficult for the KCC to scrutinize the costs being recovered from ratepayers. One reason is that there are likely to be fewer parties in these cases, and the participating parties generally have more limited resources than in a base rate case. Thus, discrepancies in the company's filing are less likely to be challenged. Even if the Commission Staff's review is relatively thorough, the practical fact is that the data isn't given the level of scrutiny (such as on-site audits) that is usually given to expense components that are reviewed as part of the

base rate case process, and no one but the ratepayers have incentive to protest.

Furthermore, with deadlines for decisions being imposed by the legislature in some circumstances, the KCC simply has less time for review of the rates resulting from true-up clauses than they do for review in a base rate case. All of these factors contribute to the fact that the Commission rarely orders disallowances in proceedings involving true-up mechanisms.

4. Staff's recommendation is not supported by facts or sound reasoning.

The Staff Report's recommendation to adopt this mechanism is not supported by facts or a rational explanation for adopting it. The Report states that "[a]ny change in the utilities' pension, postretirement and post employment expenses between rate cases is absorbed by the utilities."² This statement fails to acknowledge that these changes can be decreases in costs between rate cases, which the utility also "absorbs", a situation that actually benefits utilities under the current regulatory scheme. At least the Report acknowledges that approving this request would absolve the utilities "of any risk in recovering the pension, postretirement, and postemployment costs. The company will have shifted all risk onto the consumer who will bear the entire responsibility of the pension, postretirement, and post employment costs."³ Thus, the Report acknowledges that approval of this request will shift the entire risk of these costs onto ratepayers, but fails to provide a rationale for approving this shift.

What is also missing in the Report is an explanation of why pension, postretirement, and post employment costs deserve this treatment, and why they should

² Staff Report, pages 2-3.

³ Staff Report, page 3.

be treated differently from all the other costs that are currently recovered in base rates. There's no discussion of the impact on the utilities' cost of capital of shifting this risk. There's no provision for reducing the utilities' cost of capital to reflect this lower risk. In fact, the Report provides no rationale whatsoever for why the Commission should adopt this proposal to establish a regulatory asset/liability. There is no discussion of the full impact on ratepayers, no discussion of why ratepayers should bear these risks, and no discussion of why ratepayers should guarantee recovery of these costs while continuing to provide the utilities the same return as before. In recommending approval of this true-up mechanism without addressing these issues, the Report provides insufficient evidence to support a Commission finding that this proposal is the interest of "the public generally."

Given the fact that the proposed accounting treatment would constitute single-issue ratemaking, would provide a disincentive for the companies to control these costs, would weaken regulatory oversight, would shift risk from the companies completely to ratepayers, and has not been justified by Staff, CURB recommends that the KCC deny the companies' request to establish a regulatory asset or regulatory liability for the difference between the amounts collected in rates and the amounts booked pursuant to GAAP.

5. If the KCC adopts the recommendation to establish a regulatory asset/liability, then it should also impose the funding conditions recommended by Staff .

If, in spite of CURB's recommendation, the KCC adopts the policy of allowing utilities to establish a regulatory asset or regulatory liability for the difference between

the amounts collected in rates and the amounts booked pursuant to GAAP, then CURB supports Staff's recommendation that the Commission require the companies to fund these costs. Specifically, Staff's proposal in its Report would require funding of the amount included in rates. As the Report noted, "...the inclusion of pension, postretirement and post employment costs in the company's cost of service does not automatically result in a cash outlay."⁴ It goes on to note that, "[i]n the past, it has been a common occurrence for a company to have no cash outlay for pension, postretirement, and post employment costs but experience a cash inflow from ratepayers for recovery through the cost of service."⁵

Thus, in order to ensure that amounts collected from ratepayers will be used for the purposes intended, the Report recommends "minimum mandatory funding with third party trustees of all monies collected from rate payers for pension, postretirement and post employment benefits."⁶ CURB supports this requirement.

While CURB opposes establishing yet another regulatory asset or regulatory liability, for the reasons stated above, if the KCC approves the companies' request to establish a regulatory asset/liability, then it should at least ensure that the amounts collected from ratepayers are used for the purpose intended. This can be accomplished by requiring funding of these costs, based on the amounts included in utility rates. Moreover, these amounts should be contributed to a third-party trust fund, to ensure that the funds will be available when needed. Otherwise, there is no assurance that the funds collected from ratepayers will be used for their intended purpose and ratepayers could be required to pay twice for these employee benefit costs.

⁴ Staff Report, page 3.

⁵ Id.

⁶ Id.

Accordingly, if the KCC approves the companies' request to establish a regulatory asset/ liability, then the KCC should also require them to place the money collected from ratepayers in the appropriate trust fund, as recommended in Staff's Report.

In addition, it is CURB's understanding that under Staff's proposal, the resulting regulatory asset or regulatory liability will not be included in a company's rate base during the period over which it is being amortized. Since the funding of the pension trust will match amounts collected in cost of service, the establishment of a regulatory asset or regulatory liability will not impact the company's funding requirement for ratemaking purposes. Therefore, there would be no rationale for including any unamortized balances in rate base.

6. CURB supports Staff's recommendation to deny a return on excess contributions.

In the previous docket, the companies had requested that the KCC permit them to establish a mechanism to track, between rate cases, contributions in excess of pension, postretirement, and post employment expenses calculated and recorded pursuant to GAAP, and also requested authorization to include these excess contributions in rate base claims as part of their base rate cases. Staff recommended in its Report that the Commission deny these requests. CURB concurs with the Report's recommendation.

As noted by Staff in its Report, the utilities have significant discretion in determining the annual contributions to the retirement trust funds. Funding decisions can be influenced by many factors that have no direct relationship to regulated cost of

service, such as tax considerations and the availability of alternative investments. While the companies have discretion regarding these funding decisions, there is no rationale for making ratepayers pay a return on excess contributions. As discussed above, Staff's recommendation is that the companies be required to fund pension, postretirement, and post employment costs based on the amounts collected from ratepayers. To the extent that the companies decide to make additional contributions to a trust fund, ratepayers should not be required to provide a return to shareholders. Thus, CURB supports Staff's position on this issue.

7. Summary of Recommendations

CURB recommends that the KCC decline to adopt the recommendations contained in the Staff Report and not establish a regulatory asset or regulatory liability for the difference between the amounts collected in rates and the amounts booked pursuant to GAAP. Permitting the establishment of a regulatory asset or regulatory liability would constitute single-issue ratemaking, would provide a disincentive for the companies to control these costs, would weaken regulatory oversight, would shift risk from the companies completely to ratepayers, and has not been justified by Staff.

If, in spite of CURB's recommendation, the KCC accepts the Staff Report and permits the companies to establish a regulatory asset or regulatory liability for the difference between the amounts collected in rates and the amounts booked pursuant to GAAP, then CURB supports Staff's recommendation that the companies be required to fund these costs. CURB also supports Staff's position that the unamortized regulatory asset or regulatory liability would not be included in rate base.

Finally, CURB supports Staff's recommendation that the KCC deny the companies' request to establish a mechanism to track, between rate cases, contributions in excess of pension, postretirement, and post employment expenses calculated and recorded pursuant to GAAP. Funding decisions can be influenced by many factors that have no direct relationship to regulated cost of service. To the extent that the companies decide to make additional contributions to a trust fund, ratepayers should not be required to provide a return to shareholders.

Respectfully submitted,



Niki Christopher #19311
Citizens' Utility Ratepayer Board
1500 SW Arrowhead Road
Topeka, KS 66604
Telephone: (785) 271-3200
Facsimile: (785) 271-3116

VERIFICATION

STATE OF KANSAS)
COUNTY OF SHAWNEE) ss:

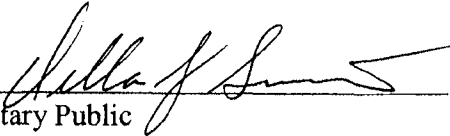
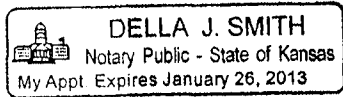
I, Niki Christopher, of lawful age, being first duly sworn upon her oath states:

That she is an attorney for the Citizens' Utility Ratepayer Board, that she has read the above and foregoing document, and, upon information and belief, states that the matters therein appearing are true and correct.



Niki Christopher

SUBSCRIBED AND SWORN to before me this 17th day of April, 2009.



Notary Public

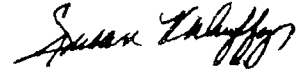
My Commission expires: 01-26-2013.

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

STATE CORPORATION COMMISSION

Before Commissioners: Thomas E. Wright, Chairman
Michael C. Moffet
Joseph F. Harkins

DEC 10 2009



In the Matter of the General Investigation)
into Commission Policy Regarding) Docket No. 07-GIMX-1041-GIV
Pension and Retirement Costs for)
Investor-Owned Utilities.)

CURB's REPLY COMMENTS

The Citizens' Utility Ratepayer Board ("CURB") hereby submits its Reply Comments pursuant to the procedural schedule that was established in the above-referenced docket. On April 17, 2009, CURB submitted its Comments regarding the Report and Recommendation ("Report") filed on March 18, 2009 by the Staff of the Kansas Corporation Commission ("KCC") in this proceeding.¹

I. Introduction

1. On April 17, 2009, CURB filed its Comments in response to Staff's Report. Staff's Report addressed two requests that had been jointly made by several utility companies relating to the treatment of pension, postretirement and post-employment costs for regulatory purposes.²

Specifically, the companies requested KCC authorization to:

Establish a regulatory asset or regulatory liability to track the difference between the amounts recognized in rates and the pension, postretirement and post employment benefit expenses recorded according to Generally Accepted Accounting Principles ("GAAP") as defined in the Statements of Financial Accounting Standards ("SFAS") Nos. 87, 88, 106, 112, 132(R).

¹ CURB notes that while its Comments were filed on April 17, 2009, no party, including Staff, has acknowledged CURB's filing or otherwise made any reference to CURB's filing in subsequent filings.

² The companies filing the original Application (Docket No. 07-ATMG-387-ACT) were Atmos Energy Corporation, Aquila, Inc. d/b/a Aquila Networks KGO, Aquila Networks, The Empire District Electric Company, Kansas City Power & Light Company, Westar Energy, Inc., and Kansas Gas and Electric Company.

Recognize for rate making purposes the companies' contributions to their pension, postretirement, and post employment plans in excess of pension, postretirement, and post employment plan expense recorded in compliance with SFAS Nos. 87, 88, 106, 112, 132(R), 158.

2. In its Report, Staff recommended that the companies be permitted to establish a regulatory asset or regulatory liability to track the difference between the amounts recognized in rates and the pension, postretirement and post employment expenses recorded according to Generally Accepted Accounting Principles ("GAAP") as defined in the Statements of Financial Accounting Standards ("SFAS") Nos. 87, 88, 106, 112, 132(R). However, Staff also recommended that if this request is approved, then the companies should be required to fund these costs, based on the pension, postretirement and post employment expenses recovered annually in utility rates. Staff also recommended that no carrying charges should be applied to any deferral under this provision.

3. In its Report, Staff also recommended that the KCC deny the companies' request to recognize for rate making purposes, their contributions to their pension, postretirement, and post employment plans in excess of pension, postretirement, and post employment plan expense recorded in compliance with SFAS Nos. 87, 88, 106, 112, 132(R), 158.

4. In its Comments, CURB recommended that the KCC deny both of these requests. If, in the alternative, the KCC accepted Staff's recommendation to permit the companies to establish a regulatory asset or regulatory liability to track the difference between the amounts recognized in rates and pension, postretirement, and post employment costs booked pursuant to GAAP, then CURB supported Staff's recommendation that the KCC should also require funding for the amounts recovered in rates and also Staff's recommendation that no carrying costs should apply.

II. Activity in this proceeding since CURB's comments were filed.

5. Since CURB filed its Comments on April 17, 2009, Comments have been filed by several other parties. In addition, two of the Kansas utilities have also filed Applications for Accounting Orders "(A/Os)" that address the issues raised in this proceeding. Finally, the parties have engaged in settlement negotiations. While no unanimous settlement has been reached, several of the parties have refined their initial recommendations in an effort to reach a consensus in this docket.

6. On April 21, 2009, Westar Energy, Inc. and Kansas Gas and Electric Company (collectively "Westar"), filed Comments in response to Staff's Report. Westar generally agreed with Staff's recommendation relating to a tracker ("Tracker 1") for the difference between the companies' pension, postretirement, and post employment benefit costs and the amounts included in rates, but recommended that the minimum funding requirement be based on the GAAP pension expense instead of on the amount collected in rates. In addition, Westar requested that the KCC approve another tracker ("Tracker 2"), to track contributions that are greater than those required under GAAP under three circumstances:

- Contributions are necessary to avoid Pension Benefit Guaranty Corporation ("PBGC") variable premiums;
- Contributions are necessary to avoid benefit restrictions as defined by the Pension Protection Act of 2006 ("PPA"); and
- Contributions are necessary to avoid shortfall amortization charges as defined in the PPA.

7. Westar also recommended that it be permitted to fund less than the minimum funding target if the entire amount was not tax deductible. In that case, Westar recommended the

establishment of a regulatory liability. Westar proposed that any regulatory assets or liabilities established pursuant to its recommendations accrue carrying charges.

8. On July 23, 2009, Kansas City Power & Light Company (“KCP&L”) filed Comments. KCP&L received authorization as part of its Regulatory Plan in KCC Docket No. 04-KCPE-1025-GIE (“1025 Docket”) to record a regulatory asset or regulatory liability for the difference between the pension costs recovered in rates and the pension costs booked pursuant to GAAP. As part of its Regulatory Plan, the Company is permitted to include carrying costs on this deferral. As noted in its Comments, the GAAP method utilized for ratemaking purposes differs from the GAAP method used for financial reporting purposes. Therefore, KCP&L is also permitted to defer, without carrying costs, annual differences between the two GAAP methodologies. KCP&L does not currently track the difference between other postretirement and post employment benefit costs and the associated amounts collected in rates.

9. In the 1025 Docket, KCP&L was also permitted to record certain regulatory assets or liabilities, with rate base recognition, for certain differences between pension contributions and amounts collected in rates. In its Comments, KCP&L requests that it be permitted to continue its existing policies in lieu of any determination made by the KCC in this generic proceeding.

10. On August 13, 2009, an Application for an Accounting Order was filed by Kansas Gas Service (“KGS”). A similar Application was filed on August 14, 2009 by Westar. These Applications were filed after consultation with Staff and CURB. The Accounting Orders requested authority to establish two trackers. Tracker 1 would track regulatory assets or liabilities relating to the differences between the annual GAAP pension, postretirement and post employment benefit costs and the associated expenses included in rates. These regulatory assets or liabilities would be

deferred, without carrying costs, and amortized over a period not to exceed five years in each company's next base rate case. KGS and Westar also proposed that the Required Funding Level be based on each company's GAAP expenses.

11. KGS and Westar also proposed to implement Tracker 2, which would track the difference between contributions to the pension, postretirement and post employment benefit funds and each company's GAAP costs. These amounts could be utilized in future years to satisfy the Required Funding Level. This tracker would not receive rate base treatment or carrying costs. Hence, neither Tracker 1 nor Tracker 2 would include carrying costs.

12. On August 21, 2009, Black Hills Energy ("Black Hills") filed its Comments in this proceeding. Black Hills noted that since it is a multi-state utility, the funding requirement recommended by Staff in its Report would "create some undue complexity and increase administrative cost for utilities like Black Hills, which operates in multiple states and jurisdictions."³

Therefore, Black Hills proposed that it be exempt from the funding requirement recommended by Staff. Black Hills stated that it supported the modifications to Tracker 2 as outlined by Westar in its Response to the Staff Report filed on April 21, 2009. If the KCC adopted Staff's recommendation to require a minimum funding level, then Black Hills requested that "the Commission provide the utilities with the option to maintain their current regulatory treatment and recovery of pension and retirement costs...."⁴

13. On August 31, 2009, Staff filed Comments recommending that the KCC approve the Accounting Orders requested by KGS and Westar. Staff noted that the Required Funding Limit proposed by KGS and Westar differed from Staff's original proposal in that it was tied to the

³ Comments of Black Hills Energy, August 21, 2009, page 1.

⁴ Id., page 4.

Company's GAAP expense and not the amount collected in rates as originally recommended by Staff. Nevertheless, Staff stated that under the KGS/Westar proposal, "the annual entries and cumulative balances are more readily transparent and the ability to audit the account is greatly enhanced." Thus, Staff supported the change proposed by KGS and Westar to base the Required Funding Level on the annual GAAP expense.

14. Staff also noted that the establishment of Tracker 2 was consistent with Staff's recommendation that any tracker that tracks actual contributions relative to GAAP expenses should not receive rate base treatment. Thus, Staff supported the Applications for Accounting Orders filed by KGS and Westar. These Applications were approved by the KCC on September 11, 2009.

15. On August 31, 2009, Atmos Energy filed its Comments. Atmos echoed the Comments of Black Hills that the funding requirement would "create some undue complexity and increase administrative cost...".⁵ Atmos joined in Black Hills' request that if funding was required, then utilities should have the option of maintaining their current regulatory treatment.

16. On September 2, 2009, Empire District Electric Company ("Empire") filed Comments in this docket. Empire noted that in Docket No. 05-EPDE-980-RTS ("980 Docket"), it received regulatory approval to record a regulatory asset or liability for the difference in pension costs pursuant to GAAP and pension costs recovered in rates, with rate base recognition of the associated regulatory asset or liability. In addition, Empire noted that the 980 Docket "provided for regulatory treatment of contributions made to the pension trust in excess of FAS 87 costs and

⁵ Comments of Atmos Energy, August 31, 2009, page 1.

allowed for this amount to be included in rate base.”⁶ Empire requested that it be permitted to retain its current tracker mechanism.

17. On October 5, 2009, pursuant to the procedural schedule in this case, Staff filed a Status Report in this case.

18. On November 19, 2009, KGS filed Comments stating that it believes that the mechanism approved for KGS and Westar in their respective Accounting Orders “represents a reasonable mechanism to address concerns of utilities and their customers....Kansas Gas Service would support an Order in this Docket that...would continue...the regulatory treatment...” approved by the KCC in the Accounting Orders, subject to modification if there were material changes in GAAP, tax or pension law affecting the deductibility of contributions to a Pension or OPEB trust or affecting the contribution requirements of such benefit programs.”⁷

III. CURB continues to oppose tracking mechanisms.

19. CURB continues to recommend against the establishment of any tracking mechanism for pension, postretirement and post employment benefit plan costs. As noted in our initial Comments, such mechanisms result in single-issue ratemaking. Moreover, providing for dollar-for-dollar true-ups of additional expenses such as pension, postretirement and post employment benefit costs further diminishes the incentives for the companies to control costs. While providing less incentive for the utilities to control costs, true-up clauses also make it difficult for the KCC to scrutinize the costs being recovered from ratepayers. The impact of less regulatory oversight and removing important incentives for management expense control generally work to the detriment of ratepayers when costs are moved into a clause mechanism. In addition, tracker mechanisms shift risk

⁶ Comments of Empire District Electric Company, September 2, 2009, page 3.

⁷ Comments of Kansas Gas Service, November 19, 2009, pages 7-8.

from shareholders to ratepayers, without any attendant reduction in return on equity being passed on to ratepayers. Although Staff supports a tracking mechanism, Staff noted in its initial Comments that approving this request would absolve the utilities “of any risk in recovering the pension, postretirement, and postemployment costs. The company will have shifted all risk onto the consumer who will bear the entire responsibility of the pension, postretirement, and post employment costs.”⁸

20. Given the fact that the utilities’ proposed accounting treatment would constitute single-issue ratemaking, would provide a disincentive for the companies to control these costs, would weaken regulatory oversight, would shift risk from the companies completely to ratepayers, and has not been justified by Staff, CURB recommends that the KCC deny the companies request to establish a regulatory asset or regulatory liability for the difference between the amounts collected in rates and the amounts booked pursuant to GAAP.

IV. If the KCC approves a tracking mechanism, then the mechanism approved for KGS and Westar is reasonable.

21. If, in spite of CURB’s recommendation, the KCC permits the companies to establish a tracking mechanism, then CURB recommends that the KCC adopt the mechanism approved in the recent Accounting Orders for KGS and Westar. This mechanism permits the utilities to track regulatory assets and liabilities for the difference between the amounts collected in rates and the amounts booked pursuant to GAAP, provided that the GAAP pension, postretirement and post employment benefit plan expenses are funded by the utilities. Such a mechanism would provide significant stability to Kansas utilities and would insulate them, to a large degree, from the earnings

⁸ Staff Report and Recommendation, March 18, 2009, page 3.

risk from annual fluctuations in these costs. Deferred amounts would be amortized over five years. Moreover, there would be no carrying costs on the deferral and the unamortized balances would not be included in rate base.

22. The KGS and Westar mechanism also permits the utilities to track the difference between the GAAP pension, postretirement and post employment benefit expenses and the amounts contributed to associated funds, and to utilize excess contributions from earlier years to meet the funding requirements in later years. However, this regulatory asset or liability would not earn any carrying costs. This treatment is consistent with both the position of Staff and of CURB that carrying costs should not be included in any tracking mechanism that is ultimately approved by the KCC.

23. Thus, CURB could support the mechanism as proposed by KGS and Westar. CURB would oppose, however, any change to that mechanism to include carryings costs or to further limit the minimum funding requirement.

V. A tracking mechanism should be uniform for all utilities.

24. Pension, postretirement and post employment benefit plan costs are normal, customary costs of doing business. Like other components of the cost of service, recovery of these costs has traditionally been determined in a base rate case and the amounts recovered from ratepayers has remained unchanged between base rate cases. Although tracking mechanisms have been approved in the past for certain companies, these mechanisms have been approved for different reasons and in some cases have been applied differently.

25. If the KCC decides in this generic proceeding to approve a tracking mechanism for pension, postretirement, and post employment benefit plan costs, then it should require all utilities

that wish to use trackers to adopt a uniform mechanism in their next base rate cases. There is no justification for approving different tracking mechanisms for each utility. This piecemeal approach would create confusion, treat ratepayers of one utility differently from ratepayers of another, and add complexity to the regulatory process. Hence, CURB recommends that the KGS and Westar mechanism be approved as the generic tracking mechanism for all utilities. Moreover, CURB recommends that all utilities adopt this mechanism no later than their next base rate case if they decide they want to utilize a tracking mechanism.

26. Because of the multi-jurisdictional nature of some utilities, CURB understands that there may be utilities that prefer not to utilize any tracking mechanism. In those cases, CURB recommends that pension, postretirement and post employment benefit plan costs be established in a base rate case and remain unchanged between base rate cases, similar to the regulatory treatment for most other elements of the cost of service. Therefore, the KCC should require utilities to either a) adopt the tracking mechanism approved in the Accounting Orders for KGS and Westar or b) use a traditional ratemaking approach for pension, postretirement and post employment benefit plan costs.

VI. Summary of recommendations

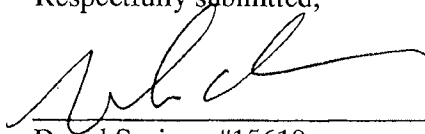
27. CURB recommends that the KCC deny the utilities' request to establish a tracking mechanism for pension and OBEP costs. However, if the KCC decides to approve such a tracker, then CURB recommends:

- that the KCC approve the tracking mechanism authorized for KGS and Westar in their recent Accounting Orders;
- approve the use of the same mechanism for other Kansas utilities that choose to utilize a tracker;
- require utilities that chose to utilize a tracker to adopt the KGS/Westar methodology no later than the next base rate case;

- require companies that choose not to utilize the tracker to establish recovery for pension, postretirement and post employment benefit plan costs only in a base rate case.

28. The KGS and Westar approach provides some balance between shareholders and ratepayers. It requires funding of the GAAP expense but protects ratepayers from paying for any excess amounts that the utilities may decide to fund. On balance, this tracking mechanism could be supported by CURB. Accordingly, if the KCC decides to adopt a generic tracker, CURB respectfully requests that the KCC adopt the mechanism approved in the KGS/Westar Accounting Orders.

Respectfully submitted,



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VERIFICATION

STATE OF KANSAS)
)
COUNTY OF SHAWNEE) ss:

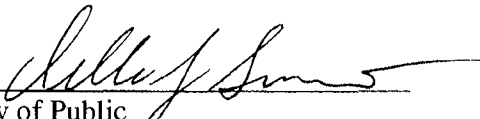
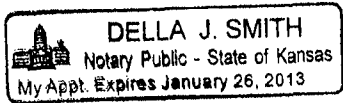
I, Niki Christopher, of lawful age, being first duly sworn upon her oath states:

That she is an attorney for the Citizens' Utility Ratepayer Board; that she has read the above, and foregoing document and upon information and belief, states that the matters therein appearing are true and correct.



Niki Christopher

SUBSCRIBED AND SWORN to before me this 10th day of December, 2009.




Notary of Public

My Commission expires: 01-26-2013.

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

JAN 12 2010



In the Matter of the General Investigation)
Into Commission Policy Regarding) Docket No. 07-GIMX-1041-GIV
Pension and Retirement Costs for)
Investor-Owned Utilities.)

**JOINT MOTION TO APPROVE
STIPULATION AND AGREEMENT**

COME NOW the Staff of the State Corporation Commission of the State of Kansas ("Staff"), the Citizens' Utility Ratepayer Board ("CURB"), Westar Energy, Inc. and Kansas Gas and Electric Company ("Westar"), and Kansas Gas Service, a Division of ONEOK, Inc. ("Kansas Gas Service") (referred to collectively as the "Parties"), and request the Commission issue an Order approving the Stipulation and Agreement as filed in this case. In support of this Motion, Staff, CURB, Westar and Kansas Gas Service state and allege as follows:

1. On October 17, 2006, the investor owned utilities, filed an application in Docket No. 07-ATMG-387-ACT (the "387 Docket") requesting that the Commission issue an accounting authority order ("AAO") authorizing the utilities to:

- 1. Establish a regulatory asset or regulatory liability to track the difference between the amounts recognized in rates and the pension, post-retirement and post-employment expenses recorded according to Generally Accepted Accounting Principles ("GAAP") as defined in the Statement of Financial Accounting Standards ("SFAS") 87, 88, 106, 112, and 132(R) ("Expense Tracker).
- 2. Recognize for ratemaking purposes any charges recorded against equity in compliance with SFAS No. 158 and SFAS Nos. 87, 88, 106, and 132(R) as amended through either the establishment of a regulatory asset or an adjustment to the equity percentage in their utility's capital structure.

3. Recognize for ratemaking purposes the companies' contributions to their pension, post-retirement, and post-employment plans in excess of pension, post-retirement, and post-employment plan expense recorded in compliance with SFAS Nos. 87, 88, 106, 112, 132(R), or 158 ("Contribution Tracker").

2. In the 387 Docket, Staff recommended that the Commission approve Request No. 2 and open a generic docket to further consider Requests No. 1 and 3. On January 24, 2007, the Commission issued an Order in the 387 Docket approving Request No. 2 and indicating its intent to open a generic docket with respect to Request Nos. 1 and 3. On March 29, 2007, the Commission opened the above-captioned generic docket to further consider Request Nos. 1 and 3.

3. On March 18, 2009, Staff filed its Report and Recommendation in the above-captioned generic docket. Staff did not address Request No. 2 in its Report and Recommendation because the Commission had previously ruled on it in the 387 Docket.

4. With respect to Request No. 1, Staff recommended that the Commission approve implementation of an Expense Tracker, provided that the affected utility meets a mandatory minimum funding level equal to pension, post-retirement, and post-employment costs included in the utility's cost of service.

5. Staff recommended that the Commission deny Request No. 3 because of concerns it had that the Contribution Tracker would be asymmetrical or could possibly lead to manipulation of the timing of contributions by the utilities.

6. On August 13, and August 14, 2009, Kansas Gas Service and Westar, respectively, filed Applications for Accounting Authority Orders regarding Pension, post-retirement and post-employment costs, in Docket Nos. 10-KGSG-130-ACT and 10-

WSEE-135-ACT respectively. Their applications were virtually identical and were filed with the Commission following consultations with Staff and CURB.

7. On September 11, 2009, the Commission issued Orders in the 130 and 135 Dockets for Kansas Gas Service and Westar respectively, approving each Company's Application.

8. The Staff, CURB, Kansas Gas Service and Westar have met and discussed a settlement and a Stipulation and Agreement ("Agreement") was prepared and executed by Staff, CURB, Westar and Kansas Gas Service as a result of those discussions. Essentially the Agreement requests the Commission adopt in this docket the terms and conditions it approved in the 130 and 135 Dockets for Kansas Gas Service and Westar and apply them on a permanent basis, subject to the provisions set forth in paragraph 14 of the Agreement. The Agreement is attached to this Joint Motion as Attachment A. The signatories are agreed that the terms and conditions contained in the 130 and 135 Dockets adequately address the needs of both the companies and their customers to ensure that the Companies recover their Pension and OPEB costs as they are incurred and also protect consumers with the assurance that those amounts recovered in rates for Pension/OPEB costs will be placed into separate trusts and used only for their authorized purpose.

WHEREFORE, for the reasons set forth herein, Staff, CURB, Westar and Kansas Gas Service request this Motion be granted and the Agreement be approved.

Respectfully submitted,

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ATTORNEYS FOR CURB

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF JOHNSON)

John P. DeCoursey of lawful age, being first duly sworn upon oath, deposes and states: That he is an attorney for Kansas Gas Service, a Division of ONEOK, Inc.; that he has read the above and foregoing *Joint Motion to Approve Stipulation and Agreement* and that the statements therein contained are true according to his knowledge, information and belief.



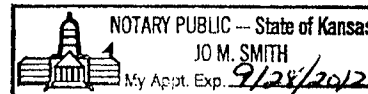
John P. DeCoursey

Subscribed and sworn before me this 12th day of January 2010.



Notary Public

My Appointment Expires: 9/28/2012



CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of January, 2010, a true and correct copy of the foregoing *Joint Motion to Approve Stipulation and Agreement* was deposited in the United States mail, first-class postage prepaid, properly addressed to:

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John P. DeCoursey

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the General Investigation)
Into Commission Policy Regarding) Docket No. 07-GIMX-1041-GIV
Pension and Retirement Costs for)
Investor-Owned Utilities.)

STIPULATION AND AGREEMENT

The Staff of the State Corporation Commission of the State of Kansas (“Staff”), the Citizens’ Utility Ratepayer Board (“CURB”), Westar Energy, Inc. and Kansas Gas and Electric Company (“Westar”), and Kansas Gas Service, a Division of ONEOK, Inc. (“Kansas Gas Service”) (referred to collectively as the “Parties”), met to discuss the Staff’s Memorandum issued on March 18, 2009, Westar’s Reply comments, and issues related to this docket. As a result of that discussion the parties hereby submit to the Kansas Corporation Commission (“Commission”) for its consideration and approval the following Stipulation and Agreement (“Stipulation”):

I. BACKGROUND

1. On October 17, 2006, the investor owned utilities, filed an application in Docket No. 07-ATMG-387-ACT (the “387 Docket”) requesting that the Commission issue an accounting authority order (“AAO”) authorizing the utilities to :

1. Establish a regulatory asset or regulatory liability to track the difference between the amounts recognized in rates and the pension, post-retirement and post-employment expenses recorded according to Generally Accepted Accounting Principles (“GAAP”) as defined in the Statement of Financial Accounting Standards (“SFAS”) 87, 88, 106, 112, and 132(R) (“Expense Tracker”).
2. Recognize for ratemaking purposes any charges recorded against equity in compliance with SFAS No. 158 and SFAS Nos. 87, 88, 106, and 132(R) as amended through either the establishment of a

regulatory asset or an adjustment to the equity percentage in their utility's capital structure.

3. Recognize for ratemaking purposes the companies' contributions to their pension, post-retirement, and post-employment plans in excess of pension, post-retirement, and post-employment plan expense recorded in compliance with SFAS Nos. 87, 88, 106, 112, 132(R), or 158 ("Contribution Tracker").

2. In the 387 Docket, Staff recommended that the Commission approve Request No. 2 and open a generic docket to further consider Requests No. 1 and 3. On January 24, 2007, the Commission issued an Order in the 387 Docket approving Request No. 2 and indicating its intent to open a generic docket with respect to Request Nos. 1 and 3. On March 29, 2007, the Commission opened the above-captioned generic docket to further consider Request Nos. 1 and 3.

II. STAFF'S REPORT AND RECOMMENDATION

3. On March 18, 2009, Staff filed its Report and Recommendation in the above-captioned generic docket. Staff did not address Request No. 2 in its Report and Recommendation because the Commission had previously ruled on it in the 387 Docket.

4. With respect to Request No. 1, Staff recommended that the Commission approve implementation of an Expense Tracker, provided that the affected utility meets a mandatory minimum funding level equal to pension, post-retirement, and post-employment costs included in the utility's cost of service.

5. Staff recommended that the Commission deny Request No. 3 because of concerns it had that the Contribution Tracker would be asymmetrical or could possibly lead to manipulation of the timing of contributions by the utilities.

**III. APPLICATIONS FOR ACCOUNTING ORDERS REGARDING
PENSION AND RETIREMENT COSTS FILED BY WESTAR AND KANSAS
GAS SERVICE.**

6. On August 13, and August 14, 2009, Kansas Gas Service and Westar, respectively, filed Applications for Accounting Authority Orders regarding Pension, post-retirement and post-employment costs, Docket Nos. 10-KGSG-130-ACT and 10-WSEE-135-ACT respectively. Their applications were virtually identical and were filed with the Commission following consultations with Staff and CURB.

7. Each Applicant requested the establishment of two trackers: one addressing Pension/OPEB expense deferrals; the other tracking the regulatory funding associated with the regulatory asset/liability deferral. Each Applicant would be required to establish funding vehicles and required funding levels for its pension and post-employment costs. Under Tracker 1, KGS and Westar would establish a regulatory asset or regulatory liability to record the differences between current year GAAP Pension/OPEB Expenses and Pension/OPEB Expenses in Rates. These regulatory liabilities and assets would be amortized in rates on a straight-line basis over a reasonable period of time, not to exceed five years, beginning with the effective date of new rates in each Applicant's next general rate proceeding. The regulatory accounts established with Tracker 1 would not be included in rate base in the company's next general rate proceeding, nor would deferred balances receive carrying charges in the proceeding or during the interim period. Both utilities' applications provided that if the company's Pension/OPEB expense is negative during a test year, the Pension/OPEB expense included in the Company's rates for that rate case would be set at zero. The Pension and

OPEB funding would also be accounted for and recognized separately so that negative expense in one does not reduce a Required Funding Level of the other.

8. The Applicants each agreed to make separate annual contributions to their Pension/OPEB trusts equal to the Required Funding Level as defined in their applications. The annual minimum funding requirement is limited to those contributions that are deductible for federal income tax purposes. To the extent that there is a limitation due to federal income tax deductibility, the companies agreed to create a regulatory liability equal to the difference between the amount actually funded and the Required Funding Level. Both Applicants also requested permission, in extraordinary circumstances, to apply to the Commission for temporary relief from the requirement to fund at the Required Funding Level.

9. The Applicants also requested authority to establish a second tracker (Tracker 2) to account for when, in the years between rate cases, the companies fund their Pension/OPEB trusts in excess of their GAAP costs for Pension and OPEBs. Likewise, any funding shortage, due to tax deductibility limitations would be recorded as a regulatory liability. To the extent that there is a positive balance in Tracker 2, then such positive balance could be used in subsequent years to meet the Required Funding Level. This tracking amount would not be included in rate base in the Company's next general rate proceeding, nor would these deferrals be subject to carrying charges.

10. Each Applicant requested that the Commission approve an Accounting Authority Order for Pension and OPEB expenses incurred in calendar year 2009 and that the amounts recorded in Tracker 1 be amortized in rates on a straight-line basis over a reasonable period of time, not to exceed five years, beginning with the effective date of

new rates in its next rate case. Each Application included provisions for addressing the interrelationship between Orders issued in the Accounting Authority Order Applications and any Order that might be issued in the 1041 Docket.

11. On September 11, 2009, the Commission issued Orders in the 130 and 135 Dockets for Kansas Gas Service and Westar respectively, approving each Company's Application.

IV. TERMS OF THE STIPULATION.

12. The Staff, CURB, Kansas Gas Service and Westar have met and agreed to request the Commission adopt in this docket the terms and conditions it approved in the 130 and 135 Dockets for Kansas Gas Service and Westar and apply them on a permanent basis, subject to the provisions set forth in paragraph 14 below. The signatories are agreed that the terms and conditions contained in the 130 and 135 Dockets adequately address the needs of both the companies and their customers to ensure that the companies recover their Pension and OPEB costs as they are incurred and also protect consumers with the assurance that those amounts recovered in rates for Pension/OPEB costs will be placed into separate trusts and used only for their authorized purpose.

13. As provided for in each Application in the 130 and 135 dockets, both utilities will work with Staff to establish guidelines for an annual report that will be provided to Staff and CURB to substantiate the changes in the general ledger accounts for both trackers. Both utilities also agree to provide sample accounting entries to Staff and CURB upon request.

14. The Parties agree that both Kansas Gas Service and Westar will continue to track their Pension/OPEB expenses and costs for ratemaking purposes as set out in

their respective applications in the 130 and 135 Dockets. The Parties agree that both companies will continue to account for their Pension/OPEB costs in the manner approved by the Commission in those Dockets and will not request any changes in such tracking mechanisms, with the proviso that to the extent that extraordinary circumstances arise, KGS or Westar may apply to the Commission for temporary relief of the requirement to fund at the Required Funding Level. The Parties further agree that in the event that a material change affecting the terms of this Stipulation occurs, any signatory to the Stipulation will have the right to request that the Commission modify all or part of the Stipulation. A material change for the purposes of this agreement includes, but is not limited to, a change in GAAP, tax or pension law affecting the deductibility of contributions to the Pension Trust or OPEB trusts or affecting the contribution requirements of the companies.

15. With this Agreement, when each utility files a rate application, a new level of costs associated with Pension and OPEB will be established by the Commission's Order in the rate case. The tracking mechanisms will then be reset to track costs incurred between rate cases to the extent that they are different from the levels approved in the rate case.

V. NONSIGNATORY PARTIES

16. This Stipulation and Agreement applies only to the accounting and regulatory treatment of the Pension and OPEB benefits of Kansas Gas Service and Westar. The terms and conditions of this Stipulation do not apply to the other utility companies that are parties to this Docket, which include Atmos Energy Corporation ("Atmos") Black Hills/Kansas Gas Utility Company, LLC d/b/a Black Hills Energy

("Black Hills") The Empire District Electric Company ("Empire") and Kansas City Power & Light Company ("KCPL"). These parties are not bound by this Stipulation, nor are CURB and Staff bound by this Stipulation as to any position they may take in regard to the regulatory treatment of Pension and OPEB benefits for such other utilities.

VI. RESERVATIONS

17. Except as provided above, this Agreement fully resolves all issues among Staff, CURB, Kansas Gas Service and Westar regarding the regulatory treatment of Pension and OPEB benefits. The terms of this Agreement constitute a fair and reasonable resolution of the issues addressed herein.

18. The terms and provisions of this Agreement have resulted from negotiations between the signatories and are interdependent.

19. Unless (and only to the extent) otherwise specified in this Agreement, the signatories to this Agreement shall not be prejudiced, bound by, or affected in any way by the terms of the Agreement: (1) in any future Commission or court proceeding; (2) in any proceeding currently pending under a separate docket; and/or (3) in this proceeding, if the Commission decides not to approve this Agreement in its entirety or in any way conditions its approval of the same.

20. This Agreement does not prejudice or waive any party's legal rights, positions, claims, assertions or arguments in any proceedings in this docket, or any other proceeding before this Commission or in any court.

21. If the Commission accepts this Agreement in its entirety and incorporates the same into its order in this docket, the parties intend to be bound by its terms and the

Commission's Order incorporating its terms as to all issues addressed herein, and agree not to appeal the Commission's Order on those issues.

22. Staff, CURB, Kansas Gas Service and Westar each shall have the right to submit to the Commission testimony that supports its rationale for entering into this Agreement and provide to the Commission whatever further explanation the Commission requests. Any rationales advanced by each party in such testimony are its own and not acquiesced in or otherwise adopted by the other parties.

IN WITNESS WHEREOF, the parties have executed and approved this Agreement effective as of the 12th day of January, 2010, by subscribing their signatures below.

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