

BEFORE THE KANSAS CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Annual Filing of)
Southern Pioneer Electric Company for)
Approval to Make Certain Changes to Its)
Charges for Electric Services Pursuant to)
the Consolidated Formula Based)
Ratemaking Plan Approved in Docket No.) Docket No. 25-SPEE-395 -RTS
19-SPEE-240-MIS and Implementation of)
Rate Adjustment Pursuant to Docket No.)
20-SPEE-169-RTS.)

REVISED PREFILED DIRECT TESTIMONY OF

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VICE PRESIDENT, ECONOMICS, RATES, AND BUSINESS
PLANNING
POWER SYSTEM ENGINEERING, INC.

ON BEHALF OF

SOUTHERN PIONEER ELECTRIC COMPANY

May 1, 2025

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PART I - QUALIFICATIONS

Q. Please state your name and business address.

A. My name is Richard J. Macke. My business address is 6 Pine Tree Drive, Suite 350, Arden Hills, Minnesota 55112.

Q. What is your profession?

A. I am a Vice President and lead the Economics, Rates, and Business Planning Department at Power System Engineering, Inc. ("PSE"), which is headquartered at 1532 W. Broadway, Madison, Wisconsin 53713.

Q. Please describe the business activities of PSE.

A. PSE is a consulting firm serving electric utilities across the country, but primarily in the Midwest. Our headquarters is in Madison, Wisconsin with regional offices in Topeka, Kansas; Minneapolis, Minnesota; Marietta, Ohio; Cincinnati, Ohio, and Sioux Falls, South Dakota. PSE is involved in: power supply, transmission and distribution system planning; distribution, substation and transmission design; construction contracting and supervision; retail and wholesale rate and cost of service ("COS") studies; economic feasibility studies; merger and acquisition feasibility analysis; load forecasting; financial and operating consultation; telecommunication and network design, mapping/GIS; and system automation including Supervisory Control and Data Acquisition ("SCADA"), Demand Side Management ("DSM"), metering, and outage management systems.

Q. Please describe your responsibilities with PSE.

A. I lead and direct staff in Indiana, Minnesota, and Wisconsin who provide economic, financial, and rate-related consulting services to investor-owned, cooperative and municipal utilities as well as regulators and industry associations. These services include:

- Cost of Service Studies.
- Capital Credit Allocations.
- Demand Response.
- Distributed Generation Rates.
- Energy Efficiency.
- Financial Forecasting.
- Large Power Contract Rates/Proposals.
- Line Extension Policies/Charges.
- Load Management Analysis.
- Market and Load Research.
- Merger Analysis.
- Pole Attachment Charges.
- Policy and Board Audits.
- Power Cost Adjustments.
- Rate Consolidation.
- Retail Rate Design and Analysis.
- Special Fees and Charges.
- Load Forecasting.

Q. What is your educational background?

A. I graduated from Bethel University in St. Paul, Minnesota in 1996 with a Bachelor of Arts degree in Business, which included an emphasis in Finance and Marketing. In 2007, I received my Masters of Business Administration degree, with an emphasis in Finance and Strategic Management, from the University of Minnesota in Minneapolis, Minnesota. I have also attended numerous industry seminars/courses on cost of service, pricing, valuation, distributed generation, etc.

Q. What is your professional background?

A. From 1996 to 1998, I was employed by PSE in its Minneapolis, Minnesota office as a Financial Analyst in the Utility Planning and Rates Department. My work responsibilities primarily were focused on retail rate studies, including revenue requirements and bundled/unbundled COS studies. I also provided analyses used to support testimony, mergers and acquisitions analysis, and financial forecasting.

From 1998 to 1999, I was employed as a Senior Analyst by Energy & Resource Consulting Group, LLC in Denver, Colorado, a financial, engineering, and management consulting firm. I performed consulting services related to electric, gas, and water rate studies. As part of the Legend Consulting Advisor Team contracted to the City Council of the City of New Orleans,

1 Louisiana, I assisted in various electric and gas utility matters. I also provided general
2 financial, management, and public policy support to clients.

3 I rejoined PSE in 1999; and from 1999 to 2002, I held the position of Rate and Financial
4 Analyst in the Rates and Financial Planning Department. From 2002 to March 2008, I held
5 the position of Senior Rate and Financial Analyst in the Utility Planning and Rate Division.
6 My responsibilities have included performing complex financial analyses, such as rate studies
7 consisting of determination of revenue requirements, bundled and unbundled COS analysis,
8 and rate design. Other responsibilities included performing analysis of special rates and
9 programs, key account analyses, financial forecasting, merger and acquisition analysis,
10 activity-based costing, policy development and evaluation, and other financial analyses for
11 various PSE clients. Additional responsibilities included strategic planning, litigation support,
12 regulatory compliance, capital expenditure and operational assessments, and advisement.
13 From April 2008 to June 2010, I held the position of Leader, Rates and Financial Planning. In
14 July 2010, my title changed to Vice President, Rates and Financial Planning. Since June 2011,
15 I have held the position of Vice President, Economics, Rates, and Business Planning. In this
16 capacity, I continue to provide, amongst other things: 1) rate, financial, and economic
17 consulting services to clients, 2) management and leadership to the Economics, Rates, and
18 Business Planning Department, and 3) management and leadership at the corporate level to
19 PSE through participation on the Executive Committee and Board of Directors.

20 **Q. Have you previously presented testimony before the Kansas Corporation Commission**
21 **(“KCC” or “Commission”)?**

22 A. Yes. For a full list of my testimony experience before the Commission, and elsewhere please
23 reference my curriculum vitae attached.

24 **Q. Do you have any other relevant experience?**

25 A. Yes. I have directed over 200 rate and COS studies and numerous other rate and financial

1 related projects. Many times these projects were conducted for self-regulated electric utilities.

2 I have also performed such analysis which was filed in regulated rate cases on behalf of
3 cooperatives in Iowa, Kansas, Kentucky, Michigan, Minnesota, New Hampshire, and Texas.

4 I have also conducted seminars and made presentations to utilities, consumers, and industry
5 groups on a variety of topics including: COS, rate design, rate change communications, line
6 extension policies, mergers and acquisitions, DSM pilot programs, conservation and energy
7 efficiency, distributed generation rates, and industry trends.

8
9 **PART II - SUMMARY OF DIRECT TESTIMONY**

10 **Q. What is the purpose of your testimony in this proceeding?**

11 A. The purpose of my testimony is to support the Application of Southern Pioneer for its 2025
12 annual update under its Consolidated FBR Plan approved by Order dated August 11, 2020 in
13 Docket No. 19-SPEE-240-MIS (“19-240 Order” and “19-240 Docket”). My testimony
14 provides the FBR Plan calculations which establish the annual adjustment to Southern
15 Pioneer’s retail rates and its wholesale Local Access Delivery Service (“LADS”) rates for
16 service over Southern Pioneer’s 34.5kV sub-transmission system. My testimony also provides
17 rate design to implement the established revenue adjustments in alignment with the provisions
18 of the Order in the 19-240 Docket and protocols included therein.

19 **Q. Are there particular Exhibits to Southern Pioneer’s Application that you will be**
20 **describing and explaining?**

21 A. Yes. My testimony concerns, and is supported by, the following Exhibits to the Application
22 filed by Southern in this Docket:

23 Exhibit 3 - FBR Calculation for Test Year
24 Exhibit 13 - Proposed Tariffs
25

1 **Q. Have the exhibits been prepared by you or under your supervision?**

2 A. Yes.

3
4 **PART III –FBR CALCULATIONS**

5 **1. SUMMARY OF THE FBR PLAN RESULTS**

6 **Q. Please briefly recap the FBR Plan.**

7 A. The FBR Plan, as approved by the Commission in the 19-240 Docket, provides a method
8 for periodic adjustments to retail and LADS rates, as might be necessary, to achieve a debt
9 service coverage (“DSC”) ratio of 1.60. The FBR Plan includes a calculation of any revenue
10 adjustment (a.k.a. net operating income adjustment) necessary for providing service over
11 Southern Pioneer’s 34.5kV sub-transmission system and its distribution system. Prior to the
12 19-240 Docket, Southern Pioneer had two separate FBRs, one for the 34.5kV System and
13 one for the Distribution System. The 19-240 Docket combined these into one FBR Plan
14 which continues to separately establish any revenue adjustments for each system. If the
15 result of the calculation for either system is a DSC that is less than 1.60, then a rate increase
16 would be implemented, so long as such an increase does not cause the equity ratio to exceed
17 15 percent.¹ If the DSC is above 1.60, then a rate decrease would be implemented. If the
18 resultant DSC equals 1.60, there would be no change in rates. The details of the calculations
19 for the DSC and any corresponding rate adjustments are outlined in Section F of the FBR
20 Plan Protocols (Protocols), which are attached to Southern Pioneer’s Application as **Exhibit**
21 **1.**

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25 ¹ Unless such an increase was necessary for Southern Pioneer to avoid violating its debt covenants with its lender, FBR Plan Protocols, Page 4, Section E.

1 **Q. What data formed the basis for the 2025 FBR Plan calculation?**

2 A. Consistent with the Protocols, the calculation was based upon a 2024 Historical Test Year. As
3 such, it utilizes historical figures from Southern Pioneer's December 2024 Financial and
4 Statistical Report ("Form 7"), Trial Balance, and Payroll Journal.²

5 **Q. Please summarize the results of the 2025 FBR Plan calculation for the 34.5kV System and**
6 **Distribution System.**

7 A. The FBR Plan calculation for the Test Year is contained in **Exhibit 3**. Completing the FBR
8 Plan template calculation consistent with the Protocols approved by the Commission in the 19-
9 240 Docket results in the need for the following 34.5kv System and Distribution net operating
10 income adjustments:

11 **34.5kV System:** The calculation shows that a DSC of 1.34 was achieved for the
12 Test Year. To bring the revenue in line with the Commission authorized 1.60 DSC,
13 an increase of \$694,812 is required, representing an average 18.2% increase.

14
15 **Distribution System:** The calculation shows that a DSC of 1.38 was achieved for
16 the Test Year. To bring the revenue in line with the Commission authorized 1.60
17 DSC, a revenue increase of \$2,211,945 is required, representing an average 3.4%
18 increase.

19 Note both amounts already reflect the True-Up also applicable in this year's filing.

20 **Q. Please summarize how the adjustment for 34.5kV service will be implemented.**

21 A. In accordance with Section F.3.c of the Protocols, the change for the 34.5kV System is
22 converted to a \$/kW adjustment by dividing it by the 34.5kV Total Billing Demand (retail and
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25 ² Included in Southern Pioneer's Application as part of Exhibits 2 (Form 7), 4 (Trial Balance), and 5 (Payroll Journal).

1 wholesale). The resultant per unit adjustment, multiplied by the respective retail and wholesale
2 34.5kV billing demand, yields the corresponding retail and wholesale shares of the total
3 34.5kV adjustment. For the retail share of the 34.5kV adjustment, the dollar amount is
4 included with the Distribution System adjustment and allocated to the rate classes as described
5 below, which is on the basis of Test Year base revenue (i.e., gross revenue less purchased
6 power expense).

7 **Q. Please summarize how the revenue change for distribution service will be implemented.**

8 A. In accordance with Section F.4.a. of the Protocols, the increase is to be spread amongst the
9 retail rate schedules of Southern Pioneer based upon the Test Year base revenue (i.e., gross
10 revenue less purchased power expense).

11 **Q. Please provide a summary of the retail adjustment by rate schedule for both the 34.5kV**
12 **and Distribution system adjustment.**

13 A. Table 1 summarizes the revenue adjustment for both the 34.5kV and distribution system to
14 each of the retail rate schedules.

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Table 1

SOUTHERN PIONEER ELECTRIC COMPANY Allocation of FBR Rate Adjustment to Retail Rate Schedules						
Line No.	Rate Schedule	Rate Schedule Revenue	34.5kV System Adjustment	Distribution System Adjustment	Total Adjustment	Change as Percent
		(\$)	(\$)	(\$)	(\$)	(%)
1	Residential Service (23-RS)					
2	General Use	18,049,885	189,651	823,680	1,013,330	5.6%
3	Space Heating	500,661	5,081	22,066	27,147	5.4%
4	General Service Small (23-GSS)	2,245,212	28,426	123,457	151,883	6.8%
5	General Service Large (23-GSL)	16,837,373	174,590	758,270	932,860	5.5%
6	General Service Space Heating	272,843	1,977	8,586	10,563	3.9%
7	Industrial Service (23-IS)	4,713,307	46,459	201,779	248,239	5.3%
8	Industrial Service-Primary Discount	0	0	0	-	N.A.
9	Real-Time Pricing (13-RTP)	4,812	0	0	-	N.A.
10	Transmission Level Service (23-STR)	22,625,049	7,844	118,375	126,220	0.6%
11	Municipal Power Service (23-M-I)	39,186	629	2,732	3,361	8.6%
12	Water Pumping Service (23-WP)	858,569	9,497	41,246	50,743	5.9%
13	Irrigation Service (23-IP-I)	343,780	3,653	15,864	19,516	5.7%
14	Temporary Service (23-CS)	14,821	222	965	1,187	8.0%
15	Lighting	1,120,392	21,856	94,924	116,780	10.4%
16	Total Retail Rates	67,625,890	489,885	2,211,945	2,701,830	4.0%

2. ADJUSTMENTS TO THE ACTUAL TEST YEAR RESULTS for the FBR PLAN

Q. You stated that 2024 actual results formed the basis for the FBR Plan calculation. The Protocols specify a limited number of adjustments to be made. What adjustments did you make to Southern Pioneer's actual 2024 financial results in completing the FBR Plan calculation?

A. Consistent with Section F.1 of the FBR Plan Protocols, adjustments were made to the following categories of revenues and/or costs:

- Operating Revenue and Patronage Capital
- Tax Expense - Other
- Interest on Long-Term Debt
- Interest Expense - Other

- Debt Service Payments

Further, per Section F.1.g of the Protocols and in recognition of the Commission policy adopted per K.S.A. 66-101f (a), the following expense categories were adjusted to remove certain amounts associated with the dues, donations, charitable contributions, promotional advertising, penalties and fines, and entertainment expenses incurred during the Test Year:³

- Distribution Expense - Operation
- Customer Accounts Expense
- Customer Service and Informational Expense
- Sales Expense
- Administrative and General (“A&G”) Expense
- Other Deductions

Q. Please describe the adjustments made to the Test Year Operating Revenue and Patronage Capital.

A. Annualization rate adjustments were made to both Distribution and 34.5kV system revenues to annualize rate changes approved in last year’s FBR Plan in Docket No. 24-SPEE-688-RTS, resulting in \$408,560 annualization adjustment for the Distribution System and \$159,701 adjustment to the 34.5kV System.

Additionally, an adjustment was made to include the current level of the Property Tax Surcharge (“PTS”) being assessed on customers. The most recent PTS (“current PTS”) was approved in January of 2025 (Docket No. 25-SPEE-252-TAR). It is a based on recovering 2024 Property Tax expense and thus it is appropriate to include the additional revenue from

³ K.S.A. 66-101f (a) allows adoption of a policy of “ disallowing a percentage, not to exceed 50%, of utility dues, donations and contributions to charitable, civic and social organizations and entities, in addition to disallowing specific dues, donations and contributions which are found unreasonable or inappropriate.”

1 the 2025 PTS versus the PTS that was in place during 2024 (“prior PTS”), which was aimed
2 at the recovery of the 2023 Property tax expense. This is a similar approach to how the PTS
3 has been handled in the Annual Updates under the prior 34.5kV FBR and DSC-FBR. In the
4 prior 34.5kV FBR, after the rate was determined based upon the Test Year revenue
5 requirement, the then current PTS was subtracted to yield the rate for the LADS schedule. The
6 amount of the adjustment in the instant filing is a reduction of (\$122,310), with \$91,910 for
7 the distribution portion and (\$214,220) for 34.5kV portion, and represents the difference
8 between the current and prior PTS Workpaper WP10, provided to the parties, details this
9 adjustment, which is then summarized in Exhibit 3, Page 4, Lines 9 and 20 (though note line
10 20 also adds in the 34.5kV system annualization adjustment detailed above).

11 The Combined System adjustment from the items described above was \$445,951 as reflected
12 in Exhibit 3, Page 1, Line 2 Column (d) and Page 4, Line 22.

13 **Q. Please describe the adjustments made to the Test Year Tax Expense - Other.**

14 A. Section F.1.d of the Protocols calls for an adjustment to reflect only cash tax expense. In 2024,
15 Southern Pioneer’s cash tax transactions were \$271,012 as evidenced in Workpaper WP-2
16 attached to Exhibit 3. Therefore, a downward adjustment of \$942,757 was applied to remove
17 all non-cash tax expense from the Test Year. The adjustment is detailed in Exhibit 3, Page 5,
18 Lines 37-39.

19 **Q. Please describe the adjustments made to the Test Year Interest on Long-Term Debt.**

20 A. The historical amount of Interest on Long-Term Debt for the 2024 Test Year was \$5,699,565
21 as reported on Southern Pioneer’s Form 7. The Protocols, in Section F.1.e., specify that the
22 actual amount be adjusted to reflect Southern Pioneer’s budgeted amount for 2025. Southern
23 Pioneer’s budgeted long-term interest expense is \$5,869,326, and so an increase in the amount
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1 of \$169,761 was included. ⁴ The details of this adjustment are shown in Exhibit 3, Page 5,
2 Lines 43-45.

3 **Q. Please describe the adjustments made to the Test Year Interest Expense - Other.**

4 A. The historical amount of Other Interest Expense for the 2024 Test Year was \$180,741 as
5 reported on Southern Pioneer's Form 7. Consistent with Section F.1.f of the Protocols, the
6 amount has been adjusted to reflect Southern Pioneer's 2025 Budget for short-term interest
7 expense of \$296,066.⁵ To accomplish this, an adjustment of \$115,325 was included. The
8 details of the adjustment can be found in Exhibit 3, Page 5, Lines 49-51.

9 **Q. Please describe the adjustments made to the Test Year Debt Service Payments.**

10 A. Debt Service Payments are comprised of interest and principal payments on debt outstanding.
11 Since I previously discussed the adjustments to interest expense, I will here focus on the
12 adjustment to principal payments. The historical amount of Principal Payments for the 2024
13 Test Year was \$3,752,230 (as reported on Southern Pioneer's Form 7). The Protocols, in
14 Section F.1.h, require that the Test Year be adjusted to reflect Southern Pioneer's budgeted
15 amount for 2025. Southern Pioneer's budget for 2025 principal payments is \$4,023,181, so an
16 adjustment in the amount of \$270,951 was included.⁶ This adjustment is detailed in Exhibit 3,
17 Page 5, Lines 55-57.

22
23 ⁴ Excludes Storm Uri portion.

24 ⁵ *Ibid.*

25 ⁶ *Ibid.*

1 **Q. Please describe the adjustments made to the Test Year Operating Expenses in**
2 **conjunction with Section F.1.g of the Protocols and the Commission's policy per K.S.A.**
3 **66-101f (a).**

4 A. The historical amounts of the following operating expenses were adjusted as shown:

- 5 • Distribution - Operation Expense was reduced by \$1,439.
- 6 • Customer Accounts Expense was reduced by \$3,135.
- 7 • Customer Service and Informational Expense was reduced by \$15,386.
- 8 • Sales Expense was reduced by \$56,999.
- 9 • A&G Expense was reduced by \$55,399.
- 10 • Other Deductions Expense was reduced by \$37,598.

11 Overall, \$169,957 of expenses were removed through these adjustments. The details are
12 shown in Exhibit 3, Page 4, Lines 27-33.

13 **Q. Please describe the allocations made to classify revenue and expenses between the 34.5kV**
14 **System and the Distribution System.**

15 A. Section F.2 of the Protocols specifies the relevant explanation of the allocations.

16 Per Section F.2.a of the Protocols, 34.5kV system-related revenues are to be direct-
17 assigned using 34.5kV system rates effective during the Test Year. As such, revenue in the
18 amount of \$3,821,959 was determined to be directly assignable to the 34.5kV System. This
19 includes \$3,513,349 in base rate revenues obtained by multiplying the total 34.5kV system
20 billing demand by the LADS rate effective during the Test Year. In addition, it includes
21 \$308,610 in Property Tax Surcharge ("PTS") rider revenues to reflect the portion attributable
22 to the 34.5kV System. The latter amount was determined by multiplying the total pro-forma
23 34.5kV system billing demand by the PTS rate currently in effect. After the direct assignment
24 of 34.5kV System revenues, the resultant Distribution System revenues in the FBR Plan is
25 \$65,674,322, as evident on Page 1, Line 2, Column "Distribution System" of Exhibit 3.

1 For Depreciation and Amortization Expense, as per Section F.2.c of the Protocols,
2 \$1,038,564 of the historical Form 7 amount of \$4,314,800 was allocated to the 34.5kV System
3 with the remainder of \$3,276,236 allocated to Distribution System.

4 For A&G, Property and Gross Receipts Tax, Interest on Long-Term Debt, Other Interest,
5 Other Capital Credits, Principal Payments, and other applicable items per Sections F.2.b, F.2.d,
6 F.2.f, F.2.g, F.2.h, F.2.i and F.2.j of the Protocols, the following two allocation ratios are
7 calculated: Transmission Labor Ratio ("LAB") and Net Transmission Plant Ratio ("NP").
8 Applying the allocation factor to the Adjusted Historical Test Year amounts establishes the
9 34.5kV System amount with the remainder assigned to the Distribution System. These
10 allocation factors are listed on Exhibit 3, Pages 1-2, "34.5kV Allocation Factors" and the
11 calculations is detailed in Exhibit 3, Page 6.

12 Tax Expense - Other (cash portion) was allocated between the 34.5kV and Distribution
13 Systems based on Operating Margins per Section F.2.e of the Protocols.

14 Non-Operating Margins – Other was allocated based upon payroll using the labor allocator.

15 **Q. In previous filings, Southern Pioneer has included and sought recovery of 100% of**
16 **expenses associated with corporate advertising and dues, donations and charitable**
17 **contributions made by Southern Pioneer. In the Protocols agreed to by the parties**
18 **in the 19-240 Docket, these expenses are to be excluded from the filing. Has**
19 **Southern Pioneer excluded them in this filing?**

20 A. Yes, we have. In the previous FBR dockets, the KCC Staff recommended adjustments
21 by disallowing 100% of corporate advertising and 50% of dues, donations and
22 contributions. Southern Pioneer has never agreed that these costs should be excluded
23 from its revenue requirement as they are an important and necessary part of doing
24 business in our small, rural territory. Southern Pioneer does not believe it is in the best
25 interests of its customers to discontinue incurring these costs, and as a not-for-profit

1 company, Southern Pioneer has no means to recover these expenditures other than
2 through its operating margins. However, Southern Pioneer understands this is Staff and
3 the Commission's policy as regards the treatment of these expenditures, so we agreed
4 to accept their disallowance in filings under the Consolidated FBR Plan.

5 **Q. Does this mean or imply that sometime in the future, Southern Pioneer will not**
6 **seek to include these excluded costs as part of its rate filings?**

7 **A.** No, this should not be construed as Southern Pioneer's acquiescence on this issue.
8 Southern Pioneer instead remains optimistic that the Commission and its Staff will
9 reconsider their position on this issue in the future with a more comprehensive
10 understanding of the impacts these disallowances have on a not-for-profit utility like
11 Southern Pioneer.

12 **Q. In applying the Commission's current policy and practice of disallowing 100% of**
13 **corporate advertising and 50% of dues, donations and contributions, can you**
14 **summarize Southern Pioneer's process in complying with this practice?**

15 **A.** Certainly. Using the list of dues, donations, charitable contributions, promotional
16 advertising, penalties, fines and entertainment expenses compiled in **Exhibit 12**,
17 Southern Pioneer reviewed each item listed to identify its purpose, categorically
18 classified, and then applied the appropriate level of inclusion or exclusion. For example,
19 penalties and advertising were 100% excluded, but dues and donations were 50%
20 excluded.

21 **Q. And in using this methodology, what was the outcome?**

22 **A.** In total, **Exhibit 12** represents \$279,894 in expenditures related to dues, donations,
23 charitable contributions, promotional advertising, penalties, fines and entertainment
24 expenses. Of this total amount, \$169,957 was excluded in the annual revenue
25 requirement after applying the criteria discussed above.

1 **Q. Based on this analysis and in your opinion, are the amounts included by Southern**
2 **Pioneer reasonable and appropriate.**

3 A. Yes. As previously noted, Southern Pioneer analyzed the items in **Exhibit 12** based on
4 past dockets and made the appropriate adjustments.

5
6 **3. CALCULATED DSC AND RATE REVENUE ADJUSTMENT**

7 **Q. Using the FBR Plan template⁷, what is Southern Pioneer's DSC ratio for the 2024 Test**
8 **Year for the 34.5kV System and Distribution System after performing the adjustments**
9 **and allocations detailed above?**

10 A. The FBR Plan template with the adjustments and allocations prescribed by the Protocols
11 produces a DSC ratio of 1.34 for the 34.5kV System and 1.38 for the Distribution System for
12 the Test Year. Below shows the calculations:

13 ***34.5kV System:*** \$2,955,497 Total Debt Service Margins ÷ \$2,199,968 Total Debt
14 Service Payments = 1.34 DSC

15 ***Distribution System:*** \$11,056,918 Total Debt Service Margins ÷ \$7,988,605 Total
16 Debt Service Payments = 1.38 DSC

17 The 34.5kV resultant ratio is below the 1.6 target DSC. Consistent with the provisions of
18 Section F.3.a. of the Protocols, an increase is being requested.

19 The Distribution resultant ratio is below the 1.6 target DSC. Consistent with the provisions
20 of Section F.3.a of the Protocols, an increase is being requested.

21 **Q. Please describe any additional adjustment to Operating Income.**
22
23
24

25 ⁷ As required under the Protocols, Section G.3.

A. As detailed in Workpaper WP8 attached to Exhibit 3 and included on Page 2 of Exhibit 3, Line 57, comparing 2025 budgeted debt service included in last year's FBR Plan filing to 2024 actual debt service results in a \$122,820 True-Up to 34.5kV System and \$454,452 True-Up to the Distribution system net operating income previously approved.

Q. Please identify and explain how the revenue adjustment was determined within the FBR Plan template for the 2024 Test Year.

A. Section F.3.a of the Protocols directs that the revenue adjustment is to be determined by comparing the Test Year DSC to a 1.60 DSC Ratio for each system. This section addresses the scenario when the Test Year DSC is lower than the target DSC, instructing that an increase in rates will be necessary to bring the Test Year DSC up to 1.60. The first step then is to subtract the Test Year DSC from the target DSC, to get the variance between the Test Year and target DSC. Multiplying this variance by the Test Year debt service payments for the 34.5kV and Distribution System yields the adjustment required for each. Please see the calculation below:

34.5kV System: $1.60 - 1.34 = 0.26$ multiplied by \$2,199,968 = \$571,992 plus an annual True-Up of \$122,820 results in a \$694,812 revenue increase required.

Distribution System: $1.60 - 1.38 = 0.22$ multiplied by \$7,988,605 = \$1,757,493 plus an annual True-Up of \$454,452 results in \$2,211,945 revenue increase required.

4. IMPLEMENTATION OF THE FBR PLAN REVENUE ADJUSTMENT TO RATE SCHEDULES

Q. Please describe how the revenue adjustment determined in the FBR Plan for the 34.5kV System is implemented.

A. In accordance with Section F.3.c. of the Protocols, the resultant revenue adjustment was divided by the total billing demand for the Test Year to arrive at the \$ per kW adjustment.

1 The result is an \$0.86 per kW increase to the \$4.34 per kW LADS rate currently in effect.
2 Using the Load Ratio Share (“LRS”), around \$204,928, or 29 percent, of the increase is
3 applicable to Southern Pioneer’s wholesale LADS customers; and the remaining \$489,885 , or
4 about 71 percent, is applicable to Southern Pioneer’s retail customers. For Southern Pioneer’s
5 wholesale LADS customers, the result is a new LADS rate of \$5.20 per kW. In accordance
6 with Section F.4. of the Protocols, the revenue adjustments resulting from the FBR Plan
7 attributable to retail rates are to be spread amongst the retail rate schedules of Southern Pioneer
8 based upon the Test Year base revenue (i.e., gross revenue less purchased power expense).
9 Therefore, consistent with the FBR Plan Protocols, the Net Operating Income Adjustments
10 resulting from the FBR Plan was apportioned accordingly:

- 11 1. First, all power costs recovered in rates were removed from the historical revenues
12 recorded for each schedule to arrive at the base revenues by rate schedule.
- 13 2. Next, the ratio (expressed in percentages) of base revenue by schedule to the total base
14 revenues was determined.
- 15 3. The base revenue ratios were then applied to the sum of 1) the retail share of the 34.5kV
16 System adjustment and, 2) the Distribution System adjustment establish each rate
17 schedule’s apportioned revenue adjustment.⁸

18 Table 2 shows the allocation of the 34.5kV adjustment to the retail rate schedules.
19
20
21
22

23 ⁸ As per the Protocols, Section F.4.a., the FBR adjustment for the STR class was determined first and system-
24 wide without the impact of additional debt service for investments in distribution plant in the Budget Year.
25 This resulting revenue adjustment was then allocated to the STR class based upon its base revenue. This
STR class revenue adjustment was then subtracted from the total to be allocated to the remaining retail rate
classes, as detailed in Exhibit 3, Page 6 and corresponding work papers containing the electronic format of
Exhibit 3.

Table 2

SOUTHERN PIONEER ELECTRIC COMPANY Allocation of 34.5kV Adjustment to Retail Rate Schedules				
Line No.	Rate Schedule	Rate Schedule Revenue	34.5kV System Adjustment	Change as Percent
		(\$)	(\$)	(%)
1	Residential Service (23-RS)			
2	General Use	18,049,885	189,651	1.1%
3	Space Heating	500,661	5,081	1.0%
4	General Service Small (23-GSS)	2,245,212	28,426	1.3%
5	General Service Large (23-GSL)	16,837,373	174,590	1.0%
6	General Service Space Heating	272,843	1,977	0.7%
7	Industrial Service (23-IS)	4,713,307	46,459	1.0%
8	Industrial Service-Primary Discount	-	0	N.A.
9	Real-Time Pricing (13-RTP)	4,812	0	0.0%
10	Transmission Level Service (23-STR)	22,625,049	7,844	0.0%
11	Municipal Power Service (23-M-I)	39,186	629	1.6%
12	Water Pumping Service (23-WP)	858,569	9,497	1.1%
13	Irrigation Service (23-IP-I)	343,780	3,653	1.1%
14	Temporary Service (23-CS)	14,821	222	1.5%
15	Lighting	1,120,392	21,856	2.0%
16	Total Retail Rates	67,625,890	489,885	0.7%

Q. Please describe how the revenue adjustment determined in the FBR Plan for the Distribution System is implemented.

A. Whereas the net operating income adjustment for the 34.5kV System must be allocated between wholesale LADS rate and retail rates using the LRS, the revenue adjustment determined by the FBR Plan for the Distribution System is fully assigned to retail rates. As stated in the implementation of the retail share of the 34.5kV System operating income adjustment above, Section F.4.a. of the Protocols prescribes that any revenue adjustment resulting from the FBR Plan is to be allocated to the retail rate classes on the basis of Test Year

base revenues by rate schedule.⁹ Southern Pioneer has therefore apportioned the adjustment to retail rate classes using the Test Year base revenues, as approved in the 24-415 Docket.

Table 3 on the following page summarizes the results of this allocation for the Distribution System adjustment. Exhibit 3, Page 7 and Workpaper WP3 provides further detail.

Table 3

SOUTHERN PIONEER ELECTRIC COMPANY Allocation of Distribution Adjustment to Retail Rate Schedules				
Line No.	Rate Schedule	Rate Schedule Revenue	Distribution System Adjustment	Change as Percent
		(\$)	(\$)	(%)
1	Residential Service (23-RS)			
2	General Use	18,049,885	823,680	4.6%
3	Space Heating	500,661	22,066	4.4%
4	General Service Small (23-GSS)	2,245,212	123,457	5.5%
5	General Service Large (23-GSL)	16,837,373	758,270	4.5%
6	General Service Space Heating	272,843	8,586	3.1%
7	Industrial Service (23-IS)	4,713,307	201,779	4.3%
8	Industrial Service-Primary Discount	-	0	N.A.
9	Real-Time Pricing (13-RTP)	4,812	0	0.0%
10	Transmission Level Service (23-STR)	22,625,049	118,375	0.5%
11	Municipal Power Service (23-M-I)	39,186	2,732	7.0%
12	Water Pumping Service (23-WP)	858,569	41,246	4.8%
13	Irrigation Service (23-IP-I)	343,780	15,864	4.6%
14	Temporary Service (23-CS)	14,821	965	6.5%
15	Lighting	1,120,392	94,924	8.5%
16	Total Retail Rates	67,625,890	2,211,945	3.3%

Q. How are the resulting revenue increases by rate schedule implemented in the rate design?

A. The Protocols, in F.4.b. specify that the resultant revenue adjustment by rate schedule is to be divided by the Test Year energy sales to determine a per kWh rate adjustment that is then added

⁹ Unless Southern Pioneer files a COS study supporting something different and the Commission approves such a request for variance per Plan Protocols, at F.4.a.

1 to the energy charges for each rate schedule. The result of this calculation is shown in Column
2 (e) of Exhibit 3, Page 7.

3 An exception is required for lighting. Since the lighting rate schedules do not have an
4 energy charge, the monthly charge must be adjusted. The lighting rate schedules do have an
5 estimated energy use for the various sizes/types of lights, and so the energy adjustment can
6 still be applied to affect the monthly charge in a way that is proportionate to usage. This
7 approach then provides consistency between all the retail rates being adjusted.

8 Also, in the most recent rate case, Docket 24-SPEE-415-TAR, the delivery charge for the
9 STR tariff was converted from an energy rate to a demand rate. In alignment with this
10 Docket, the FBR rate adjustment has also been converted to a demand rate adjustment. This
11 was done by taking the applicable FBR revenue adjustment of \$118,375 divided by the 2024
12 historical Billing Demand per Southern Pioneer's Patronage Report.

13
14
15 **Q. Have the proposed tariffs as required in the Protocols in Section G.13 been provided?**

16 A. Yes, they are included as Exhibit 13 of the Application in the instant Docket.
17

18 **PART IV - CONCLUSION**

19 **Q. Please recap the results of the FBR Plan Annual Update for Southern Pioneer.**

20 A. Southern Pioneer's FBR Plan, updated for 2024 Test Year, results in a DSC ratio of 1.38 for
21 the Distribution System, requiring a \$2,211,945 revenue increase applicable to Southern
22 Pioneer's retail customers. The FBR Plan results in a DSC ratio of 1.34 for the 34.5kV system,
23 requiring a \$694,812 increase. On a LRS basis, the retail share of this adjustment is 71% and
24 the wholesale share is 29%. The aggregate retail increase when combining the Distribution
25 and 34.5kV System results is \$2,701,830, or 4.0%, which is allocated to the rate schedules

consistent with the FBR Protocols. The wholesale LADS rate will increase from \$4.34/kW to \$5.20/kW. The allocation of the net change to retail rate schedules is summarized in Table 4 below.

Table 4

SOUTHERN PIONEER ELECTRIC COMPANY Allocation of FBR Rate Adjustment to Retail Rate Schedules						
Line No.	Rate Schedule	Rate Schedule Revenue	34.5kV System Adjustment	Distribution System Adjustment	Total Adjustment	Change as Percent
		(\$)	(\$)	(\$)	(\$)	(%)
1	Residential Service (23-RS)					
2	General Use	18,049,885	189,651	823,680	1,013,330	5.6%
3	Space Heating	500,661	5,081	22,066	27,147	5.4%
4	General Service Small (23-GSS)	2,245,212	28,426	123,457	151,883	6.8%
5	General Service Large (23-GSL)	16,837,373	174,590	758,270	932,860	5.5%
6	General Service Space Heating	272,843	1,977	8,586	10,563	3.9%
7	Industrial Service (23-IS)	4,713,307	46,459	201,779	248,239	5.3%
8	Industrial Service-Primary Discount	0	0	0	-	N.A.
9	Real-Time Pricing (13-RTP)	4,812	0	0	-	N.A.
10	Transmission Level Service (23-STR)	22,625,049	7,844	118,375	126,220	0.6%
11	Municipal Power Service (23-M-I)	39,186	629	2,732	3,361	8.6%
12	Water Pumping Service (23-WP)	858,569	9,497	41,246	50,743	5.9%
13	Irrigation Service (23-IP-I)	343,780	3,653	15,864	19,516	5.7%
14	Temporary Service (23-CS)	14,821	222	965	1,187	8.0%
15	Lighting	1,120,392	21,856	94,924	116,780	10.4%
16	Total Retail Rates	67,625,890	489,885	2,211,945	2,701,830	4.0%

Q. What is your final recommendation to the Commission?

A. My recommendation is to approve Southern Pioneer's Application in this docket which is just and reasonable and in the public interest.

Q. Does this conclude your Direct Testimony?

A. Yes, it does.



RICHARD MACKE

Curriculum Vitae

VICE PRESIDENT, ECONOMICS, RATES, AND BUSINESS PLANNING

SUMMARY OF EXPERIENCE AND EXPERTISE

- Over 25 years of experience in electric utility consulting.
- Specialized expertise in financial advisement with particular emphasis on: cost of service analyses, wholesale and retail rate design, strategic planning, mergers and acquisitions, and financial modeling.
- Frequent speaker at industry events and utility board, commission, and staff meetings.
- Expert witness in regulatory cases concerning rates and distributed generation policies.

PROFESSIONAL EXPERIENCE

Power System Engineering, Inc. – St. Paul, MN (1999-present)

Vice President, Economics, Rates, and Business Planning (June 2011-present)

Vice President, Rates and Financial Planning (July 2010-May 2011)

Various Other Positions (1999-June 2010)

As Vice President of the Economics, Rates, and Business Planning Department at PSE, responsibilities include managing the firm's economic and rate practice areas and providing senior level consulting services to clients in the areas of cost of service, rate design, financial planning and forecasting, merger and acquisition analysis, and support. Additional responsibilities include strategic planning, litigation support, expert witness, regulatory compliance, capital expenditure, and operational assessments and advisement.

Energy & Resource Consulting Group, LLC - Denver, CO (1998-1999)

Senior Analyst

Senior Analyst for financial, engineering, and management consulting firm. Performed consulting services related to electric, gas, and water rate studies. Part of the Financial and Engineering Advisor Team contracted to the City Council of the City of New Orleans, LA to assist in various electric and gas utility matters. Provided expert testimony and participated in various regulatory proceedings involving the City Council, the Public Utilities Commission of Texas, and the Public Utilities Commission of Nevada. Provided general financial, management, and public policy support to clients.

Power System Engineering, Inc. - Blaine, MN (1996-1998)

Financial Analyst

Financial Analyst in Utility Planning and Rates Division. Emphasis on retail rate studies, including revenue requirements, and bundled/unbundled cost of service studies. Provided analysis used to support testimony, mergers and acquisitions cases, and financial forecasting.

RICHARD MACKE

EDUCATION

University of Minnesota, Minneapolis, MN
Master of Business Administration, 2007

Bethel University, St. Paul, MN
Bachelor of Arts Degree in Business, Minor in Economics, 1996

PRESENTATIONS AND PUBLICATIONS

Presentations at Industry Meetings in previous 10 years

Topic	Organization	Conference	Location	Date
<i>Time of Use Rates</i>	<i>Ohio Electric Cooperatives</i>	<i>Summer Meeting</i>	<i>Columbus, OH</i>	<i>08/2024</i>
<i>Time of Use and Demand Charges Explained</i>	<i>Iowa Association of Electric Cooperatives</i>	<i>Service Excellence Fall Conference</i>	<i>Des Moines, IA</i>	<i>10/2023</i>
<i>Time of Use and Demand Charges Explained</i>	<i>Iowa Association of Electric Cooperatives</i>	<i>Manager's Fall Conference</i>	<i>Des Moines, IA</i>	<i>10/2023</i>
<i>Time of Use and Demand Charges Explained</i>	<i>Iowa Association of Electric Cooperatives</i>	<i>Accountant's Fall Conference</i>	<i>Des Moines, IA</i>	<i>10/2023</i>
<i>Cooperatives Plugging into the Electric Vehicle Market</i>	<i>Minnesota Rural Electric Association</i>	<i>Energy Issues Summit</i>	<i>Bloomington, MN</i>	<i>8/2023</i>
<i>Rate Design Industry Update and Trends</i>	<i>Wisconsin Electric Cooperatives Association</i>	<i>Energy Issues Summit</i>	<i>Eau Claire, WI</i>	<i>8/2023</i>
<i>Rate Structure and Innovation Impacts</i>	<i>Minnesota Rural Electric Association</i>	<i>Spring CEO Conference</i>	<i>Waite Park, MN</i>	<i>4/2023</i>
<i>Emerging Opportunities and Disruptions Facing Electric Cooperatives</i>	<i>South Dakota Rural Electric Association</i>	<i>Winter Manager's Meeting</i>	<i>Pierre, SD</i>	<i>2/2023</i>
<i>Electric Distribution Rate Trends</i>	<i>Ohio's Electric Cooperatives</i>	<i>Summer Conference</i>	<i>Lewis Center, OH</i>	<i>8/2022</i>
<i>PSE Hosted Rate Design Seminar</i>	<i>PSE</i>	<i>Rate Design Seminar</i>	<i>Madison, WI</i>	<i>5/2022</i>
<i>Crypto and Renewable NG Load Opportunities</i>	<i>Wisconsin Electric Cooperative Association</i>	<i>Member Services Spring Meeting</i>	<i>Tomah, WI</i>	<i>5/2022</i>
<i>Choose Your Own Adventure: Innovation Panel Moderator</i>	<i>Minnesota Rural Electric Association</i>	<i>Spring CEO Conference</i>	<i>Waite Park, MN</i>	<i>4/2022</i>
<i>Rate Evolution</i>	<i>South Dakota Rural Electric Association</i>	<i>Fall Member Services Conference</i>	<i>Pierre, SD</i>	<i>10/2021</i>
<i>Rate Evolution</i>	<i>Kansas Electric Cooperatives</i>	<i>Accountant's Fall Meeting</i>	<i>Topeka, KS</i>	<i>10/2021</i>
<i>Rate Design and the Future of Rates</i>	<i>Kansas Electric Cooperatives</i>	<i>Fall Conference</i>	<i>Wichita, KS</i>	<i>10/2021</i>

RICHARD MACKE

<i>Retail Rate Restructuring</i>	Minnesota Rural Electric Association	Fall CEO Conference	Brainerd, MN	9/2021
<i>Mergers & Acquisitions, and DG Rates</i>	Kansas Electric Cooperatives	Spring CEO Conference	Wichita, KS	6/2021
<i>Rate Design Virtual Workshop</i>	Ohio's Electric Cooperatives	Virtual Rate Design Workshop	Virtual	12/2020
<i>Rate and Cost of Service Workshop</i>	Sangre De Cristo Electric Association	Workshop	Buena Vista, CO	6/2020
<i>The Rates of Change – Ratemaking Options for a Changing Industry</i>	East River Electric	Energize Forum	Sioux Falls, SD	2/2020
<i>Electric Service in Annexed Areas Legislative</i>	South Dakota Rural Electric Association	Oral Testimony to the Legislative Interim Study Committee	Pierre, SD	8/2019
<i>Trends in Rate Design - Panel</i>	Minnesota Rural Electric Association	Energy Issues Summit	St. Cloud, MN	7/2019
<i>Electric Vehicle Development and Rate Trends</i>	Iowa Association of Electric Cooperatives	Accountants Conference	Des Moines, IA	5/2019
<i>Electric Vehicle Development and Rate Trends</i>	Iowa Association of Electric Cooperatives	CEO Conference	Des Moines, IA	4/2019
<i>Cost of Service and Rate Design Seminar</i>	PSE/Minnesota Rural Electric Association	Spring 2018 Seminar	Bloomington, MN	4/2018
<i>Cost of Service and Rate Design Seminar</i>	PSE/Kansas Electric Cooperatives	Fall 2017 Seminar	Salina, KS	10/2017
<i>Evolving Rate Structures</i>	Wisconsin Electric Cooperative Assoc.	Fall Manager's Meeting	Wisconsin Dells, WI	10/2017
<i>Rate Design and Cost of Service Seminar</i>	PSE/KEC	Fall 2017 Seminar	Salina, KS	10/2017
<i>Cost of Service: Transforming Theory into Reality</i>	APPA	Business and Finance Conference	Nashville, TN	9/2017
<i>The Case for Peak-Time Rebate (PTR) Programs</i>	EUCI	Residential Demand Charges Conference	Charleston, SC	7/2017
<i>Power Cost Adjustment (PCA)</i>	Iowa Association of Electric Cooperatives	Managers and Board President's Summer Conference	Okoboji, IA	7/2017
<i>Distributed Generation Rate Design</i>	Kansas Rural Electric Cooperatives	Manager's Association Spring Meeting	Wichita, KS	6/2017
<i>NEM Policy Update and DG Rate Design</i>	Kansas Electric Cooperatives, Inc.	Regulatory Review and Tax Committee	Salina, KS	3/2017

RICHARD MACKE

<i>Rate Impact of Net Metering</i>	Generation and Transmission Finance and Accountants Assoc.	G&T Finance and Accounting Conference	Charleston, SC	6/2016
<i>Net Metering and Fixed Cost Recovery</i>	Iowa Association of Electric Cooperatives	Manager's Spring Conference	Des Moines, IA	4/2016
<i>Net Metering Deep Dive</i>	Minnesota Rural Electric Assoc.	Annual Meeting	St. Paul, MN	3/2016
<i>Retail Rate Design and Industry Update</i>	Association of Missouri Electric Cooperatives	Manager's Fall Conference	Branson, MO	9/2015
<i>Rate Design and Cost of Service Seminar</i>	Power System Engineering, Inc.	Fall 2015 Seminar	Lexington, KY	9/2015
<i>Distributed Generation WI Survey Results</i>	Dairyland Power Cooperative	Solar Workshop	Plover, WI	9/2015
<i>Consumer-Owned Generation</i>	Hoosier Energy	2015 Board Strategic Issues Forum	French Lick, IN	8/2015
<i>Retail Rate Design and DG</i>	National Rural Electric Cooperative Assoc.	CEO Close-Up Conference	St. Petersburg, FL	1/2015
<i>Evolution of Retail Rate Design</i>	National Rural Electric Cooperative Assoc.	NRECA Issues Summit	Indianapolis, IN	10/2014
<i>Net Metering and Retail Rate Design</i>	Kansas Electric Cooperatives	Accountant's Meeting	Wichita, KS	10/2014
<i>DG Rate Considerations</i>	Wisconsin Electric Cooperative Assoc.	Emerging Energy Issues Summit	Wisconsin	8/2014
<i>Rate Design and Cost of Service Seminar</i>	Power System Engineering, Inc.	Spring 2014 Seminar	Indianapolis, IN	5/2014
<i>Rate Trends and Facilities Charges</i>	South Dakota Rural Electric Assoc.	Accountant's Fall Conference	Mitchell, SD	10/2013
<i>Rate Design and Cost of Service Seminar</i>	Power System Engineering, Inc.	Fall 2013 Seminar	Bloomington, MN	10/2013
<i>Tackling New Trends in Rates and Facilities Charges</i>	Rural Electric Managers Assoc.	Fall Financial Manager's Conf.	Duluth, MN	8/2013
<i>Dynamic Pricing</i>	National Rural Electric Cooperative Assoc.	Accounting, Finance and Tax Meeting	New Orleans, LA	7/2013
<i>Rate Trends</i>	Wisconsin Electric Cooperative Assoc.	Manager's Meeting	Warrens, WI	7/2013
<i>Standby Rates</i>	Iowa Association of Electric Cooperatives	Manager's Spring Conference	Des Moines, IA	4/2013

Publications

Macke, Richard; Butz, Thomas; and Sonju, Erik. "Distributed Energy Resources: Trends and Impacts on G&Ts and Their Member Cooperatives." National Rural Electric Association, July 2019.

RICHARD MACKE

Macke, Richard and Butz, Thomas. "The Value of Distributed Solar Generation." National Rural Electric Association, 2016.

Mbiad, Garry and Macke, Richard. "Cooperative Rate Structures - Seven Case Studies." National Rural Electric Association, 2016.

Macke, Richard. "Survey: Electric Cooperative Fixed Cost Recovery." Power System Engineering, Inc., 2014.

Mbiad, Garry and Macke, Richard. "NRECA Cooperative Solar Case Studies." National Rural Electric Association, 2014.

Macke, Richard. "G&T DER Whitepaper." Power System Engineering, Inc., 2013.

Macke, Richard, Fenrick, Steve, and Getachew, Lullit. "Performance Based Regulation for Electric and Gas Distributors." Power System Engineering, Inc., 2011.

EXPERT TESTIMONY

Case or Jurisdiction	Docket No.	Description
Kansas	24-SPEE-688-RTS	In the Matter of the Annual Filing of Southern Pioneer Electric Company for Approval to Make Certain Changes to Its Charges for Electric Services Pursuant to the Consolidated Formula Based Ratemaking Plan Approved in Docket No. 19-SPEE-240-MIS and Implementation of Rate Adjustment Pursuant to Docket No. 20-SPEE-169-RTS.
Kansas	24-415	In the Matter of the Application of Southern Pioneer Electric Company for Approval to Make Certain Revenue Neutral Changes in its Rate Design
FERC	ER20-2441-002	Cross-Answering Testimony in Basin Electric Power Cooperative consolidated Dockets filed on behalf of Minnesota Valley Electric Cooperative and Wright-Hennepin Electric
Arizona	E-01749A-23-0075	In the Matter of the Application of Graham County Electric Cooperative, Inc. (Electric Division) for a Determination of the Fair Value of its Property for Ratemaking Purposes, to Fix a Just and Reasonable Return Thereon, to Approve Rates Designed to Develop such Return, and for Related Approvals.
Kansas	23-SPEE-792-RTS	In the Matter of the Annual Filing of Southern Pioneer Electric Company for Approval to Make Certain Changes to Its Charges for Electric Services Pursuant to the Consolidated Formula Based Ratemaking Plan Approved in Docket No. 19- SPEE-240-MIS and Implementation of Rate Adjustment Pursuant to Docket No. 20-SPEE-169-RTS.
Kansas	18-WSEE-328-RTS	In the Matter of the Joint Application of Westar Energy, Inc. and Kansas Gas and Electric Company for Approval to Make Certain Changes in their Charges for Electric Service. Filed comments, testimony at testified at hearing after Supreme Court remanded the case back to the KCC.
Kansas	20-SPEE-169-RTS	In the Matter of the Application of Southern Pioneer Electric Company for Approval to Make Certain Changes in its Charges for Electric Service. As part of the filing, Southern Pioneer proposes to implement a 3-year Rate Plan, including increasing its Customer Charge for certain rate classes, institute a Grid Access Charge for its DG customers, and update its LED lighting rates.

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Kansas	19-SPEE-240-MIS	In the Matter of Southern Pioneer Electric Company's Application for Approval of the Continuation of its Debt Service Coverage and 34.5 kV Formula Based Ratemaking Plans.
Kansas	18-SPEE-477-RTS	Southern Pioneer Electric Company, Annual Filing for approval to make certain changes to its charges for electric services, pursuant to the Debt Service Coverage Formula Based Ratemaking Plan approved in Docket No. 13-MKEE-452-MIS and 34.5kV Formula Based Ratemaking Plan approved in Docket No. 16-MKEE-023-TAR. Testimony filed on behalf of Southern Pioneer.
Kansas	16-GIME-403-GIE	Kansas Electric Cooperatives and Southern Pioneer Electric Company, in the matter of the General Investigation to Examine Issues Surrounding Rate Design for Distributed Generation Customers. Testimony filed in support of Stipulation and Agreement on behalf of both entities.
Kansas	16-PLCE-490-TAR	Prairie Land Electric Cooperative, Inc., application for approval to update its Local Access Delivery Service Tariff pursuant to the 34.5kV Formula Based Rate Plan approved in Docket No. 16-MKEE-023-TAR. Testimony filed on behalf of Prairie Land.
Kansas	16-SPEE-501-TAR	Southern Pioneer Electric Company, Annual Filing for approval to make certain changes to its charges for electric services pursuant to the 34.5kV Formula Based Rate Plan approved in Docket No. 16-MKEE-023-TAR. Testimony filed on behalf of Southern Pioneer.
Kansas	16-VICE-494-TAR	The Victory Electric Cooperative Association, Inc., application for approval to update its Local Access Delivery Service Tariff pursuant to the 34.5kV Formula Based Rate Plan approved in Docket No. 16-MKEE-023-TAR. Testimony filed on behalf of Victory.
Kansas	16-WSTE-496-TAR	Western Cooperative Electric Association, Inc., application for approval to update its Local Access Delivery Service Tariff pursuant to the 34.5kV Formula Based Rate Plan approved in Docket No. 16-MKEE-023-TAR. Testimony filed on behalf of Western.
Kansas	16-MKEE-023-TAR	Mid-Kansas Electric Company, application for approval of individual 34.5kV formula-based rates. Testimony filed on behalf of Mid-Kansas, Southern Pioneer, Victory, and Western.
Kansas	15-SPEE-519-RTS	Southern Pioneer Electric Company, Annual Filing for approval to make certain changes to its charges for electric services, pursuant to the Debt Service Coverage Formula Based Ratemaking Plan approved in Docket No. 13-MKEE-452-MIS. Testimony filed on behalf of Southern Pioneer.
Kansas	15-SPEE-161-RTS	Southern Pioneer Electric Company, application for approval to make certain changes to its Local Access Charge Rate. Testimony filed on behalf of Southern Pioneer.
Kansas	14-SPEE-507-RTS	Southern Pioneer Electric Company, Annual Filing for approval to make certain changes to its charges for electric services pursuant to the Debt Service Coverage Formula Based Ratemaking Plan Approved in Docket No. 13-MKEE-452-MIS. Testimony filed on behalf of Southern Pioneer.
Kansas	13-MKEE-452-MIS	Mid-Kansas Electric Company, LLC, application for approval of a Debt Service Coverage Ratemaking Pilot Plan. Testimony filed on behalf of its member-owner, Southern Pioneer Electric Company.
Kansas	11-MKEE-380-RTS	Mid-Kansas Electric Company, LLC, application for revised rates, tariffs, and rate design changes. Testimony filed on behalf of its member-owner, Southern Pioneer Electric Company.

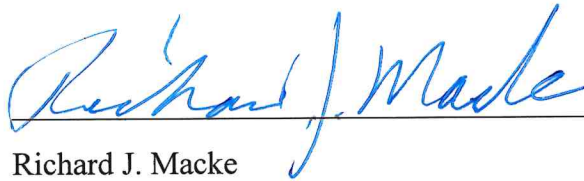
RICHARD MACKE

Kansas	11-MKEE-491-RTS	Mid-Kansas Electric Company, LLC, application for revised rates, tariffs, and rate design changes. Testimony filed on behalf of its member-owner, Western Cooperative Electric Assn., Inc.
Kansas	11-MKEE-439-RTS	Mid-Kansas Electric Company, LLC, application for revised rates, tariffs, and rate design changes. Testimony filed on behalf of its member-owner, Wheatland Electric Cooperative, Inc.
Kansas	09-MKEE-969-RTS	Mid-Kansas Electric Company, LLC, application for approval to make certain changes in the charges for electric services. Testimony filed on behalf of Mid-Kansas and its member-owners: Lane-Scott Electric Cooperative, Inc.; Prairie Land Electric Cooperative, Inc.; Southern Pioneer Electric Company; Victory Electric Cooperative Association, Inc.; Western Cooperative Electric Association, Inc.; and Wheatland Electric Cooperative, Inc.
Kansas	09-PNRE-563-RTS	Pioneer Electric Cooperative, Inc., application to increase rates. Testimony filed on behalf of Pioneer.
Kansas	09-WHLE-681-RTS	Wheatland Electric Cooperative, Inc., application to increase rates. Testimony filed on behalf of Wheatland.
Kentucky	2018-00129	Inter-County Energy, Application for Revised Rates, Tariffs, and Rate Design Changes
Kentucky	2016-00365	Farmers Rural Electric Cooperative Corporation, application for matter of adjustment of rates. Testimony filed on behalf of Farmers.
Maryland	S.B. 771	Oral Testimony before Maryland State Senate in support of Senate Bill 771.
Maryland	H.B. 996	Oral Testimony before Maryland House of Delegates in support of House Bill 996.
Minnesota	16-512	Oral Testimony provided on behalf of the Minnesota Rural Electric Association: In the Matter of a Commission Investigation into Fees Charged to Qualifying Facilities by Cooperative Electric Associations under the 2015 Amendments to Minn. Stat. § 216B.164, Subd. 3
Minnesota	E-111/GR-03-261	Dakota Electric Association, application to increase rates. Testimony filed on behalf of Dakota.
South Carolina	2014-246-E	Testimony in support of the Settlement Agreement submitted by the parties to the Commission as the generic net metering methodology required by S.C. Code §58-40- 20(F)(4) of Act 236 on behalf of Central Electric Power Cooperative, Inc. and the Electric Cooperatives of South Carolina.
South Dakota	Regarding Senate Bill 66	South Dakota Legislative Interim Study Committee - Electric Services in an Annexed Area. Presented oral testimony to the Legislative Committee at August 28, 2019 meeting. Testimony on behalf of South Dakota Rural Electric Association.
Texas	2150	North Star Steel, appropriateness of settlement rates being charged by Entergy Gulf States, Inc. Testimony filed on behalf of North Star Steel before the Public Utilities Commission of Texas.

VERIFICATION

STATE OF MINNESOTA)
) ss:
COUNTY OF RAMSEY)

The undersigned, Richard J. Macke, upon oath first duly sworn, states that he is the Richard J. Macke referred to in the forgoing document titled "Prefiled Direct Testimony of Richard J. Macke" before the State Corporation Commission of the State of Kansas, that he is an employee of Power System Engineering, Inc., that the contents therein were prepared by him or under his direction, and are true and correct to the best of his information, knowledge, and belief.


Richard J. Macke

Subscribed and sworn to before me this 1st day of May 2025.




Notary Public

My appointment expires: January 31, 2027

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing was electronically served this 1st day of May, 2025, to:

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