

In the Matter of the Application of Mid-Kansas Electric)
Company, LLC for Approval to Make Certain Changes)
in its Charges for Electric Service in the Geographic)
Service Territory Served by Western Cooperative Electric)
Association, Inc.)

DOCKET NO. 12-MKEE-491-RTS

Received
on

MAY 14 2012

by
State Corporation Commission
of Kansas

SCHEDULES

PREPARED BY

STAFF

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.
DOCKET NO. 12-MKEE-491-RTS

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SCHEDULE
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WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.
 APPLICANT AND STAFF ADJUSTED INCOME STATEMENT
 FOR THE 12 MONTHS ENDED DECEMBER 31, 2010

DOCKET NO. 12-MKEE-491-RTS
 SCHEDULE B-1

LINE NO.	DESCRIPTION	A ACTUAL PER APPLICANT	B APPLICANT ADJUSTMENTS	C APPLICANT ADJUSTED	D STAFF ADJUSTMENTS	E STAFF ADJUSTED	F STAFF PRO FORMA ADJUSTMENTS	G STAFF PRO FORMA
<u>REVENUES:</u>								
1	SALE OF ELECTRICITY	\$16,520,732	\$319,949	\$16,840,681	\$0	\$16,840,681	\$397,427	\$17,238,108
2	CONSUMER PENALTIES	22,306	0	22,306	0	22,306		22,306
3	OTHER	468,085	(437,237)	30,848	0	30,848		30,848
4	LOCAL ACCESS CHARGE - THIRD PARTY	0	527,929	527,929	(174,048)	353,881		353,881
5	TOTAL REVENUE	17,011,123	410,641	17,421,764	(174,048)	17,247,716	397,427	17,645,143
<u>OPERATING EXPENSES:</u>								
6	PURCHASED POWER	13,025,941	215,687	13,241,628	(37,494)	13,204,134		13,204,134
7	TRANSMISSION	188,400	1,351	189,751	596	190,347		190,347
8	DISTRIBUTION-OPERATION	609,511	358,643	968,154	(223,208)	744,946		744,946
9	DISTRIBUTION-MAINTENANCE	746,296	30,829	777,125	(4,297)	772,828		772,828
10	CUSTOMER ACCOUNTS	371,902	19,257	391,159	(5,004)	386,155		386,155
11	CUSTOMER SERVICE	101,173	3,335	104,508	(23,501)	81,007		81,007
12	SALES	0	0	0	0	0		0
13	ADMIN & GENERAL	682,113	45,857	727,970	(11,534)	716,436		716,436
14	DEPRECIATION & AMORTIZATION	750,533	(14,917)	735,616	105,423	841,039		841,039
15	PROPERTY TAXES	0	0	0	0	0		0
16	OTHER TAXES	0	0	0	0	0		0
17	INTEREST ON CUSTOMER DEPOSITS	0	0	0	0	0		0
18	TOTAL O&M EXPENSES	16,475,869	660,042	17,135,911	(199,019)	16,936,892	0	16,936,892
19	NET OPERATING MARGIN	\$535,254	(\$249,401)	\$285,853	\$24,971	\$310,824	\$397,427	\$708,251
<u>OTHER EXPENSES</u>								
20	INTEREST ON LT DEBT	\$466,760	\$25,096	\$491,856	(\$35,993)	\$455,863		\$455,863
21	INTEREST ON OTHER DEBT	11,332	20,226	31,558	(11,951)	19,607		19,607
22	OTHER DEDUCTIONS	0	0	0	0	0		0
23	TOTAL OTHER EXPENSES	478,092	45,322	523,414	(47,944)	475,470	0	475,470
<u>NON-OPERATING MARGINS:</u>								
24	INTEREST REVENUE	81	0	81	0	81		81
25	OTHER REVENUE	0	0	0	0	0		0
26	OTHER NON-OPERATING MARGINS	223,005	(119,121)	103,884	119,121	223,005		223,005
27	CAPITAL CREDITS	0	0	0	0	0		0
28	TOTAL NON-OPERATING INCOME	223,086	(119,121)	103,965	119,121	223,086	0	223,086
29	NET MARGIN	\$280,248	(\$413,844)	(\$133,596)	\$192,036	\$58,440	\$397,427	\$455,867
30	TIER	1.60		0.73		1.13		2.00
31	DSC	1.98		1.40		1.82		2.35

WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2010

LINE NO.	DESCRIPTION	A APPLICANT ADJUSTED	B STAFF ADJUSTMENT NO. 1	C STAFF ADJUSTMENT NO. 2	D STAFF ADJUSTMENT NO. 3	E STAFF ADJUSTMENT NO. 4	F STAFF ADJUSTMENT NO. 5	G STAFF ADJUSTMENT NO. 6	H STAFF ADJUSTMENT NO. 7	I STAFF ADJUSTMENT NO. 8	J STAFF ADJUSTMENT NO. 9	K STAFF ADJUSTMENT NO. 10
<u>REVENUES:</u>												
1	SALE OF ELECTRICITY	\$16,840,681										
2	CONSUMER PENALTIES	\$22,306										
3	OTHER	30,848										
4	LOCAL ACCESS CHARGE - THIRD PARTY	527,929	(174,048)									
5	TOTAL REVENUE	17,421,764	(174,048)	0	0	0	0	0	0	0	0	0
<u>OPERATING EXPENSES:</u>												
6	PURCHASED POWER	13,241,628			(37,494)							
7	TRANSMISSION	189,751				287	309					
8	DISTRIBUTION-OPERATION	968,154				(8,637)	(1,731)					(212,840)
9	DISTRIBUTION-MAINTENANCE	777,125				(4,028)	373					
10	CUSTOMER ACCOUNTS	391,159		(265)		(4,021)	(718)					
11	CUSTOMER SERVICE	104,508				(558)	(37)					
12	SALES	0										
13	ADMIN & GENERAL	727,970				(4,806)	(274)	8,254				
14	DEPRECIATION & AMORTIZATION	735,616							105,423			
15	PROPERTY TAXES	0										
16	OTHER TAXES	0										
17	INTEREST ON CUSTOMER DEPOSITS	0										
18	TOTAL OPERATING EXPENSES	17,135,911	0	(265)	(37,494)	(21,763)	(2,078)	8,254	105,423	0	0	(212,840)
19	NET OPERATING MARGIN	\$285,853	(\$174,048)	\$265	\$37,494	\$21,763	\$2,078	(\$8,254)	(\$105,423)	\$0	\$0	\$212,840
<u>OTHER EXPENSES</u>												
20	INTEREST ON LT DEBT	\$491,856								(\$35,993)		
21	INTEREST ON OTHER DEBT	31,558									(11,951)	
22	OTHER DEDUCTIONS	0										
23	TOTAL OTHER EXPENSES	523,414	0	0	0	0	0	0	0	(35,993)	(11,951)	0
<u>NON-OPERATING MARGINS:</u>												
24	INTEREST REVENUE	81										
25	OTHER REVENUE	0										
26	OTHER NON-OPERATING MARGINS	103,884										
27	CAPITAL CREDITS	0										
28	TOTAL NON-OPERATING INCOME	103,965	0	0	0	0	0	0	0	0	0	0
29	NET MARGIN	(\$133,596)	(\$174,048)	\$265	\$37,494	\$21,763	\$2,078	(\$8,254)	(\$105,423)	\$35,993	\$11,951	\$212,840

WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2010

LINE NO.	DESCRIPTION	L STAFF ADJUSTMENT NO. 11	M STAFF ADJUSTMENT NO. 12	N STAFF ADJUSTMENT NO. 13	O STAFF ADJUSTMENT NO. 14	P STAFF ADJUSTMENT NO. 15	Q STAFF ADJUSTMENT NO. 16	R TOTAL STAFF ADJUSTMENTS	S STAFF ADJUSTED
<u>REVENUES:</u>									
1	SALE OF ELECTRICITY							\$0	\$16,840,681
2	CONSUMER PENALTIES							\$0	\$22,306
3	OTHER							\$0	30,848
4	LOCAL ACCESS CHARGE - THIRD PARTY							(\$174,048)	353,881
5	TOTAL REVENUE	0	0	0	0	0	0	(174,048)	17,247,716
<u>OPERATING EXPENSES:</u>									
6	PURCHASED POWER							(37,494)	13,204,134
7	TRANSMISSION							596	190,347
8	DISTRIBUTION-OPERATION							(223,208)	744,946
9	DISTRIBUTION-MAINTENANCE		(642)					(4,297)	772,828
10	CUSTOMER ACCOUNTS							(5,004)	386,155
11	CUSTOMER SERVICE		(1,833)	(3,536)	(17,537)			(23,501)	81,007
12	SALES							0	0
13	ADMIN & GENERAL		(9,756)	(966)	(1,500)	(2,011)	(475)	(11,534)	716,436
14	DEPRECIATION & AMORTIZATION							105,423	841,039
15	PROPERTY TAXES							0	0
16	OTHER TAXES							0	0
17	INTEREST ON CUSTOMER DEPOSITS							0	0
18	TOTAL OPERATING EXPENSES	0	(12,231)	(4,502)	(19,037)	(2,011)	(475)	(199,019)	16,936,892
19	NET OPERATING MARGIN	\$0	\$12,231	\$4,502	\$19,037	\$2,011	\$475	\$24,971	\$310,824
<u>OTHER EXPENSES</u>									
20	INTEREST ON LT DEBT							(\$35,993)	\$455,863
21	INTEREST ON OTHER DEBT							(\$11,951)	\$19,607
22	OTHER DEDUCTIONS							\$0	0
23	TOTAL OTHER EXPENSES	0	0	0	0	0	0	(47,944)	475,470
<u>NON-OPERATING MARGINS:</u>									
24	INTEREST REVENUE							0	81
25	OTHER REVENUE							0	0
26	OTHER NON-OPERATING MARGINS	119,121						119,121	223,005
27	CAPITAL CREDITS							0	0
28	TOTAL NON-OPERATING INCOME	119,121	0	0	0	0	0	119,121	223,086
29	NET MARGIN	\$119,121	\$12,231	\$4,502	\$19,037	\$2,011	\$475	\$192,036	\$58,440

WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.
EXPLANATION OF STAFF ADJUSTMENTS TO INCOME STATEMENT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2010

LINE NO.	DESCRIPTION	INCREASE / (DECREASE) TO INCOME STATEMENT

<u>STAFF ADJUSTMENT NO. 1</u>		
1	LOCAL ACCESS CHARGE - THIRD PARTY	(\$174,048)
2	To reflect Staff's adjustment to the local access charge	
<u>STAFF ADJUSTMENT NO. 2</u>		
3	CUSTOMER ACCOUNTS	(265)
4	To reflect Staff's adjustment to normalize and synchronize bad debt expense with total proforma revenues	
<u>STAFF ADJUSTMENT NO. 3</u>		
5	PURCHASED POWER	(37,494)
6	To reflect Staff's adjustment to purchased power	
<u>STAFF ADJUSTMENT NO. 4</u>		
7	TRANSMISSION	287
8	DISTRIBUTION - OPERATION	(8,637)
9	DISTRIBUTION - MAINTENANCE	(4,028)
10	CUSTOMER ACCOUNTS	(4,021)
11	CUSTOMER SERVICE	(558)
12	ADMIN & GENERAL	(4,806)
13	To reflect Staff's adjustment updating payroll as of December 31, 2011	
<u>STAFF ADJUSTMENT NO. 5</u>		
14	TRANSMISSION	309
15	DISTRIBUTION - OPERATION	(1,731)
16	DISTRIBUTION - MAINTENANCE	373

WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.
EXPLANATION OF STAFF ADJUSTMENTS TO INCOME STATEMENT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2010

LINE NO.	DESCRIPTION	INCREASE / (DECREASE) TO INCOME STATEMENT
*****	*****	*****
17	CUSTOMER ACCOUNTS	(718)
18	CUSTOMER SERVICE	(37)
19	ADMIN & GENERAL	(274)
20	To reflect Staff's adjustment to synchronize payroll related expenses with Staff's payroll adjustment	
	<u>STAFF ADJUSTMENT NO. 6</u>	
21	ADMIN & GENERAL	8,254
22	To update Company's adjustment for rate case expense	
	<u>STAFF ADJUSTMENT NO. 7</u>	
23	DEPRECIATION & AMORTIZATION	105,423
24	To reflect Staff's adjustment updating depreciation expense as of year end 2011	
	<u>STAFF ADJUSTMENT NO. 8</u>	
25	INTEREST ON LT DEBT	(35,993)
26	To reflect Staff's adjustment to interest on long term debt	
	<u>STAFF ADJUSTMENT NO. 9</u>	
27	INTEREST ON OTHER DEBT	(11,951)
28	To reflect Staff's adjustment to other interest expense on debt	
	<u>STAFF ADJUSTMENT NO. 10</u>	
29	DISTRIBUTION-OPERATION	(212,840)
30	To reflect Staff's adjustment to amortize the removal of the credit accounting entry for the Plainsville meter replacement project	
	<u>STAFF ADJUSTMENT NO. 11</u>	
31	OTHER NON-OPERATING MARGINS	119,121
32	To reflect Staff's adjustment to remove the amortization of the acquisition premium from non-operating income	
	<u>STAFF ADJUSTMENT NO. 12</u>	
33	DISTRIBUTION-MAINTENANCE	(642)
34	CUSTOMER SERVICE	(1,833)
35	ADMIN & GENERAL	(9,756)
36	To reflect Staff's adjustment to dues and lobbying	
	<u>STAFF ADJUSTMENT NO. 13</u>	
37	CUSTOMER SERVICE	(3,536)
38	ADMIN & GENERAL	(966)
39	To reflect Staff's adjustment to donations	

WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.
EXPLANATION OF STAFF ADJUSTMENTS TO INCOME STATEMENT
FOR THE 12 MONTHS ENDED DECEMBER 31, 2010

LINE NO.	DESCRIPTION	INCREASE / (DECREASE) TO INCOME STATEMENT
*****	*****	*****
	<u>STAFF ADJUSTMENT NO. 14</u>	
40	CUSTOMER SERVICE	(17,537)
41	ADMIN & GENERAL	(1,500)
42	To remove expenses related to promotional and image advertising	
	<u>STAFF ADJUSTMENT NO. 15</u>	
43	ADMIN & GENERAL	(2,011)
44	To reflect Staff's adjustment to remove entertainment expenses	
	<u>STAFF ADJUSTMENT NO. 15</u>	
45	ADMIN & GENERAL	(475)
46	To reflect Staff's adjustment to outside services	

CERTIFICATE OF SERVICE

12-MKEE-491-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Staff Schedules was served by electronic service on this 14th day of May, 2012, to the following parties who have waived receipt of follow-up hard copies.

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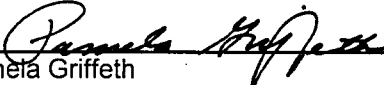
CERTIFICATE OF SERVICE

12-MKEE-491-RTS

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