

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

In the Matter of the Application of The )  
Victory Electric Cooperative Association, )  
Inc. Seeking Commission Approval to ) Docket No. 21-VICE-412-TAR  
Update Its Local Access Delivery Service )  
Tariff Pursuant to the 34.5kV Formula )  
Based Rate Plan Approved in Docket No. )  
21-MKEE-049-TAR.

**PREFILED REBUTTAL TESTIMONY OF**

**RICHARD J. MACKE**  
**VICE PRESIDENT, ECONOMICS, RATES, AND BUSINESS PLANNING**  
**POWER SYSTEM ENGINEERING, INC.**

**ON BEHALF OF**

**THE VICTORY ELECTRIC COOPERATIVE ASSOCIATION, INC.**

September 15, 2021

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**PART I – INTRODUCTION AND BACKGROUND**

**Q. Please state your name and business address.**

A. My name is Richard J. Macke. My business address is 10710 Town Square Drive NE, Suite 201, Minneapolis, Minnesota 55449.

**Q. Are you the same Richard J. Macke who filed direct testimony in this docket?**

A. Yes, I am.

**Q. What is the purpose of your rebuttal testimony?**

A. I am responding to the Report and Recommendation (R&R) filed by KCC Staff, Timothy Rehagen, Justin Grady, and Jeff McClanahan in the instant docket.

**PART II - REBUTTAL TESTIMONY**

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

A. The purpose of my testimony is to discuss an error that was discovered in Staff's R&R. Correcting the error has a slight impact on the resulting rate produced by the 34.5 kV Formula Based Rate ("FBR") as it puts the rate at \$3.70 per kW rather than the \$3.69 per kW that was both in my direct testimony and in Staff's R&R. I have communicated this to Mr. Rehagen, and he indicated that Staff agrees that the error should be corrected and that the rate should be \$3.70 per kW rather than \$3.69 per kW.

**Q. Please explain the correction that is needed in Staff's R&R.**

A. The correction relates to Staff's recommended adjustment to Other Deductions expense that is included in the 34.5 kV revenue requirement. On page 3 of the R&R, Staff states, "Staff further reviewed the administrative and general expense accounts and the donation expenditures in the 426 accounts and determined that 100% of expenses in accounts 426.1 and 930.4 related to golf events and sponsorships should be disallowed, as these expenses are the result of activities or programs that are not necessary to provide safe and reliable utility service." As a result,

1 Staff included a \$10,752 reduction to Other Deductions which enters the 34.5 kV FBR in Staff  
2 Exhibit TSR-1, Page 1 of 6, Line 20, Column F.

3 The \$10,752 adjustment recommended by Staff is calculated in Staff Exhibit TSR-2, Page 2  
4 of 2. This is where the error occurs. On that page, the \$10,752 is calculated by formula as the  
5 sum of the Staff Adjustment column. However, in the spreadsheet there are hidden rows which  
6 get included in Staff's formula and caused it to inadvertently overstate the adjustment which  
7 should have been \$4,775.21.

8 **Q. What is the impact of correcting this formula error in Staff's R&R?**

9 A. Correcting the formula would put Staff's recommended adjustment at \$4,775.21 rather than  
10 \$10,752.57. Substituting this in Staff Exhibit TSR-1 would result in a rate of \$3.70 per kW  
11 rather than \$3.69 per kW.

12 **Q. Are there any other portions of Staff's R&R that you wish to address?**

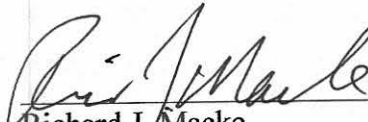
13 A. I would simply like to confirm that Victory agrees with Staff's identification of a formula error  
14 in the initial application that resulted in Transmission Plant being understated. I agree with the  
15 formula error pointed out by Staff and with the impact that correcting the error has on the 34.5  
16 kV FBR. When combined with the correction of the error previously discussed in this  
17 testimony, the resulting rate is calculated at \$3.70 per kW rather than the initially requested  
18 \$3.69, and so it is very close to the initial request even after making these two corrections.

19 **Q. Does this conclude your prefiled Rebuttal Testimony?**

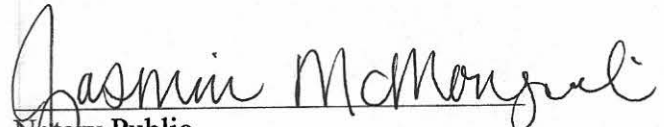
20 A. Yes, it does.  
21  
22  
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25

VERIFICATION

I, Richard J. Macke, of lawful age, state: That I am the Vice President, Economics, Rates, and Business Planning for Power System Engineering, Inc.; that I do solemnly, sincerely, and truly declare and affirm that I have read this Prefiled Rebutal Testimony and know the contents thereof; and, that the facts therein are true and correct to the best of my knowledge, information, and belief, and I affirm this under the pains and penalties of perjury.

  
Richard J. Macke

Subscribed and sworn to before me this 15 day of September, 2021.

  
Notary Public



My appointment expires: Jan 31st 2024

## **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing Prefiled Rebuttal Testimony of Richard J. Macke was forwarded via e-mail to the following parties on this 15<sup>th</sup> day of September, 2021:

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