

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

In the Matter of the Joint Application of Mid-Kansas)
Electric Company, LLC, Sunflower Electric Power)
Corporation, Prairie Land Electric Cooperative, Inc.,)
Pioneer Electric Cooperative, Inc., The Victory)
Electric Cooperative Association, Inc., Western) Docket No. 18- MKEE-160-TFR
Cooperative Electric Association, Inc., Wheatland)
Electric Cooperative, Inc. and Southern Pioneer)
Electric Company for Approval of a Local Access)
Tariff and Mid-Kansas and Sunflower Open Access)
Transmission Tariff.)

PREFILED DIRECT TESTIMONY OF

ALLAN J. MILLER

ON BEHALF OF

PRAIRIE LAND ELECTRIC COOPERATIVE, INC.

October 11, 2017

1 **Q. Please state your name.**

2 A. My name is Allan J. Miller.

3 **Q. By whom are you employed?**

4 A. I am employed by Prairie Land Electric Cooperative, Inc. ("Prairie Land"). My
5 business address is 14935 US Highway 36, Norton, Kansas.

6 **Q. Would you summarize your educational background?**

7 A. I graduated from Fort Hays State University with a Bachelor of Arts degree in
8 political science. I also have one year of work on a degree in public
9 administration at Fort Hays State University.

10 **Q. Please summarize your work experience.**

11 A. In 1975, I became employed by Norton-Decatur Cooperative Electric Company,
12 Inc., the predecessor company of Prairie Land. From 1977 to 1981, I was staff
13 assistant, and from 1981 to 1990, I was the office manager. In 1990, I was
14 promoted to general manager.

15 **Q. Have you previously presented testimony before the Commission?**

16 A. Yes. I have provided testimony in Docket Nos. 06-MKEE-524-ACQ, 13-MKEE-
17 447-MIS, 16-MKEE-023-TAR, 16-PLCE-490-TAR, and 17-PLCE-478-TAR.

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

19 A. The purpose of my testimony is to provide background information on Prairie
20 Land and support for the approval of the Local Access Tariff ("LAT").¹

¹ Unless otherwise defined, all capitalized terms used here in shall have the same meaning as set forth in the Local Access Tariff.

1 **Q. Please provide a brief overview of Prairie Land.**

2 A. Prairie Land is an electric cooperative formed under the Kansas Electric
3 Cooperative Act. It was formed for the purpose of supplying electric energy and
4 promoting and extending the use of such energy in rural areas of northwest
5 Kansas. Prairie Land is the successor cooperative of the merger in 1997 of two
6 other electric cooperatives: Norton-Decatur Cooperative Electric Company, Inc.
7 and Northwestern Kansas Electric Cooperative Association, Inc. Norton-Decatur
8 Cooperative Electric Company was formed in 1938. Prairie Land, therefore, has
9 been providing electric retail service in the northwest Kansas for over 76 years.
10 Today, Prairie Land serves approximately 24,802 retail customers, maintains
11 6,971 miles of line, and employs 89 full-time employees in its native Sunflower
12 and acquired Mid-Kansas service areas combined.

13 **Q. Is Prairie Land subject to the regulation and oversight of the Commission?**

14 A. No. Prairie Land is self-regulated except for transmission services which are still
15 regulated by the Commission.

16 **Q. Would you describe the facilities which are subject to the LAT?**

17 A. Prairie Land owns and operates sub-transmission facilities or what are defined as
18 Local System in the LAT. These facilities consist of 34.5 kV sub-transmission lines
19 and the facilities on the low side of the substation.

20 **Q. How is the Local System utilized by Prairie Land?**

21 A. The Local System provides both retail service to our retail customers and
22 wholesale transmission service to third parties to wheel power and energy for Local
23 Access Customers. Currently, Kansas Electric Power Cooperative, Inc. ("KEPCo"),

1 Kansas Power Pool ("KPP"), Kansas Municipal Energy Agency ("KMEA"), Westar
2 and three full requirements cities of Cawker City, Glen Elder and Mankato, utilize
3 the facilities owned by Prairie Land. The third-party customers are served on what
4 is referred to as the Mid-Kansas division. The Mid-Kansas division consists of the
5 Local System that was acquired from Aquila, Inc. in the acquisition by Mid-Kansas
6 and later transferred to Prairie Land in Docket 08-MKEE-099-MIS. Although there
7 is currently a Sunflower OATT, Prairie Land has no Local System facilities in what
8 would be the Sunflower legacy division and provides no local access service under
9 the Sunflower OATT. All of Prairie Land's local service is provided in the Mid-
10 Kansas division which Mid-Kansas serves as the Administrator for the local access
11 service.

12 **Q. Is Prairie Land subject to the jurisdiction the Federal Energy Regulatory**
13 **Commission ("FERC")?**

14 A. No. Prairie Land is not considered a public utility pursuant to Section 201(f) of the
15 Federal Power Act. Prairie Land is organized as a cooperative. It does not sell in
16 excess of 4,000,000 MW hours of sales annually. As a result, it is my
17 understanding that Prairie Land is exempt from FERC regulation.

18 **Q. Is Prairie Land a member of the Southwest Power Pool ("SPP")?**

19 A. No.

20 **Q. Do you support the LAT as proposed in the Joint Application?**

21 A. Yes. The LAT is a vast improvement over the current Mid-Kansas and Sunflower
22 OATT. The tariff has been condensed and is much easier to understand and apply.

1 **Q. In your opinion does the LAT provide the same core services as the current**
2 **Mid-Kansas and Sunflower OATTs?**

3 A. Yes. The LAT continues to provide open access on the Local System, retains the
4 single point of contact and single set of terms for service while maintaining the
5 Commission jurisdiction.

6 **Q. Are there some provisions in the LAT that are not in the current OATTs?**

7 A. Yes. The LAT expands on the penalty provisions. It also has a five-year true up
8 provision and a Rate Stabilization and Make-Whole Provision. These were not in
9 the current Sunflower and Mid-Kansas OATTs.

10 **Q. Do you support the new provisions?**

11 A. Yes. The new penalty provisions were expanded to ensure the parties pay their
12 fair share of the cost of the services and compliance with the terms of the tariff.
13 The five-year true up ensures that third-party customers who cause the cost of
14 the upgrades, pay for those costs and also provides for reimbursement in the
15 event the load exceeds the projections. Finally, the Rate Stabilization and Make-
16 Whole Provision is a sensible and fair arrangement to avoid wide swings in rates
17 from a wholesale customer leaving the Local System prematurely, leaving the
18 other wholesale and retail customers to foot the bill.

19 **Q. Is Prairie Land in support of the approval of the LAT?**

20 A. Yes, Prairie Land is in support and asks the Commission approve it as proposed.

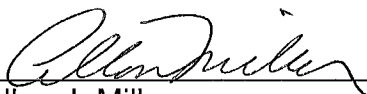
21 **Q. Does this conclude your testimony?**

22 A. Yes, it does.

VERIFICATION

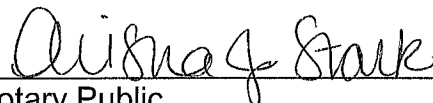
STATE OF KANSAS)
) ss:
COUNTY OF Norton)

Allan J. Miller, being first duly sworn, deposes and says that he is the Allan J. Miller referred to in the foregoing document entitled "PREFILED DIRECT TESTIMONY OF ALLAN J. MILLER" before the State Corporation Commission of the State of Kansas and that the statements therein were prepared by him or under his direction and are true and correct to the best of his information, knowledge and belief.



Allan J. Miller

SUBSCRIBED AND SWORN to before me this 10 day of October, 2017.



Notary Public

My Appointment Expires:

