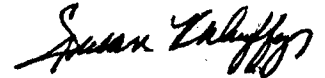


BEFORE THE CORPORATION COMMISSION

STATE CORPORATION COMMISSION

OF THE STATE OF KANSAS

OCT 19 2009



IN THE MATTER OF THE APPLICATION OF ]  
OF MID-KANSAS ELECTRIC COMPANY, LLC ]  
FOR APPROVAL TO MAKE CERTAIN ]  
CHANGES IN ITS CHARGES FOR ]  
ELECTRIC SERVICE ]

KCC Docket No. 09-MKEE-969-RTS

DIRECT TESTIMONY OF

ANDREA C. CRANE

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

October 19, 2009

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1 **I. STATEMENT OF QUALIFICATIONS**

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

3 A. My name is Andrea C. Crane and my business address is 199 Ethan Allen Highway,  
4 Ridgefield, Connecticut 06877. (Mailing Address: PO Box 810, Georgetown, Connecticut  
5 06829.)

6  
7 **Q. By whom are you employed and in what capacity?**

8 A. I am President of The Columbia Group, Inc., a financial consulting firm that specializes in  
9 utility regulation. In this capacity, I analyze rate filings, prepare expert testimony, and  
10 undertake various studies relating to utility rates and regulatory policy. I have held several  
11 positions of increasing responsibility since I joined The Columbia Group, Inc. in January  
12 1989.

13  
14 **Q. Please summarize your professional experience in the utility industry.**

15 A. Prior to my association with The Columbia Group, Inc., I held the position of Economic  
16 Policy and Analysis Staff Manager for GTE Service Corporation, from December 1987 to  
17 January 1989. From June 1982 to September 1987, I was employed by various Bell Atlantic  
18 (now Verizon) subsidiaries. While at Bell Atlantic, I held assignments in the Product  
19 Management, Treasury, and Regulatory Departments.

1 **Q. Have you previously testified in regulatory proceedings?**

2 A. Yes, since joining The Columbia Group, Inc., I have testified in over 300 regulatory  
3 proceedings in the states of Arizona, Arkansas, Connecticut, Delaware, Hawaii, Kansas,  
4 Kentucky, Maryland, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, Rhode  
5 Island, South Carolina, Vermont, West Virginia and the District of Columbia. These  
6 proceedings involved electric, gas, water, wastewater, telephone, solid waste, cable  
7 television, and navigation utilities. A list of dockets in which I have filed testimony is  
8 included in Appendix A.

9  
10 **Q. What is your educational background?**

11 A. I received a Masters degree in Business Administration, with a concentration in Finance,  
12 from Temple University in Philadelphia, Pennsylvania. My undergraduate degree is a B.A.  
13 in Chemistry from Temple University.

14  
15 **II. PURPOSE OF TESTIMONY**

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

17 A. On June 15, 2009, Mid-Kansas Electric Company (“MKEC”) filed an Application with the  
18 State of Kansas Corporation Commission (“KCC” or “Commission”) seeking a rate increase  
19 of approximately \$10.0 million in its rates for wholesale electric service. MKEC’s request  
20 would result in an increase of approximately 5.7% of total pro forma operating revenues.

1 MKEC is owned by five Kansas cooperatives and one corporation that is a wholly-  
2 owned subsidiary of a sixth Kansas cooperative (collectively “Members”). Five of the six  
3 Members are also seeking to increase rates pursuant to this proceeding.<sup>1</sup> These Members are  
4 seeking rate increases totaling \$16.4 million, including \$6.9 million being allocated from  
5 MKEC.

6 The Columbia Group, Inc. was engaged by The State of Kansas, Citizens’ Utility  
7 Ratepayer Board (“CURB”) to review MKEC’s Application, including the rate requests of its  
8 Members, and to provide recommendations to the KCC regarding the rate increases being  
9 requested in this case.

10  
11 **Q. What are the most significant issues in this rate proceeding?**

12 **A.** The most significant issue driving the rate increases being requested in this case is the return  
13 margins being requested by MKEC and its Members. MKEC and its Members are  
14 requesting that the KCC approve rate increases based on a Times Interest Earned Ratio  
15 (“TIER”) methodology. Specifically, MKEC is requesting that its rates be established based  
16 on a TIER of 1.5 while the Members are seeking to establish rates based on a TIER of 2.2.

17 Other significant issues include increases relating to salaries and wages, benefit cost  
18 increases, and increases in depreciation expenses.

---

1 One of the Members, Wheatland Electric Cooperative, is not seeking a rate increase at this time.

1 **Q. Do you believe that MKEC and its Members should receive special regulatory**  
2 **treatment because they are organized as not-for-profit cooperatives instead of as**  
3 **investor-owned utilities?**

4 **A.** No, I do not. Ms. Watkins suggests in his testimony that cooperative utilities should be  
5 viewed differently by the KCC because “there are not competing interests between  
6 stockholders who want higher returns and customers who want lower rates and better  
7 service.” However, as long as the KCC has jurisdiction over the rates of MKEC and its  
8 Members, then the KCC should apply the same regulatory scrutiny to cooperatives that it  
9 applies to investor-owned utilities. I understand that recently-passed legislation would  
10 enable MKEC and most of its Members to deregulate the services that are the subject of this  
11 proceeding. However, as noted by Mr. Watkins on page 6 of his testimony, the “Mid-Kansas  
12 board does not at this time intend to submit the issue of deregulation to its Members.”  
13 Accordingly, the services that are issue in this case are fully regulated by the KCC. As long  
14 as the KCC has regulatory jurisdiction, it should provide the same level of regulatory  
15 oversight to the customers of these cooperatives as it provides to customers of investor-  
16 owned utilities. While the KCC may conclude that some different methodologies are  
17 appropriate for regulating cooperative utilities, it should ensure that these methodologies  
18 result in the same degree of scrutiny as that given to investor-owned utilities. The ratepayers  
19 of the cooperatives deserve nothing less.

1 **III. SUMMARY OF CONCLUSIONS**

2 **Q. What are your conclusions concerning the need for rate relief?**

3 **A.** Based on my analysis of the filing and other documentation in this case, my conclusions are  
4 as follows:

- 5 1. MKEC's rates should be established based on a TIER of 1.25. The Members' rates  
6 should be established based on a TIER of 1.5.
- 7 2. MKEC should be granted a rate increase of no more than \$5,026,312. This  
8 represents a reduction of \$5,005,308 from the amount requested by MKEC (see  
9 Schedule ACC-1).
- 10 3. Southern Pioneer Electric Company ("Southern Pioneer") should be granted a rate  
11 increase of no more than \$4,541,457. This represents a reduction of \$4,938,786 from  
12 the amount requested by Southern Pioneer (see Schedule ACC-10).
- 13 4. Lane Scott Electric Cooperative, Inc. ("Lane Scott") should be granted a rate increase  
14 of no more than \$261,607. This represents a decrease of \$96,529 from the amount  
15 requested by Lane Scott (see Schedule ACC-11).
- 16 5. Prairie Land Electric Cooperative, Inc. ("Prairie Land") should be granted a rate  
17 increase of no more than \$1,319,702. This represents a reduction of \$1,371,889 from  
18 the amount requested by Prairie Land (see Schedule ACC-12).
- 19 6. Victory Electric Cooperative Association, Inc. ("Victory") should be granted a rate  
20 increase of no more than \$2,815,005. This represents a decrease of \$2,272,869 from  
21 the amount requested by Victory (see Schedule ACC-13).

1           7.     Western Cooperative Electric Association, Inc. (“Western”) should be granted a rate  
2                    increase of no more than \$551,435. This represents a decrease of \$734,975 from the  
3                    amount requested by Western (see Schedule ACC-14).

4

5     **IV.    DISCUSSION OF THE ISSUES**

6           **A.    Mid-Kansas Electric Company**

7     **Q.    Please provide a brief description of MKEC.**

8     A.    As stated on page 2 of Mr. Watkins’ Direct Testimony, MKEC was organized by its  
9           Members “for the purpose of acquiring and operating the former Aquila-WPK electric utility  
10           business and operations.” MKEC began operating those assets on April 1, 2007 through an  
11           operating agreement with Sunflower Electric Power Corporation, which is owned, directly or  
12           indirectly, by the Members of MKEC.

13                   MKEC owns 389 MWs of generation and 1,083 miles of transmission facilities and  
14                   associated substation facilities. MKEC also has purchase power agreements for 175 MWs of  
15                   generation from the Jeffrey Energy Center (“JEC”) and for 75 MWs of wind generation from  
16                   two wind facilities.

17

18     **Q.    Did you conduct a complete revenue requirement determination for MKEC and each of**  
19           **its Members in this proceeding?**

20     A.    No, I did not. It should be noted that this proceeding involves revenue requirements for six  
21           different utility entities, MKEC and five of its six Members. Given limited resources, I was



1 not able to undertake a full and complete revenue requirement evaluation of each of these  
2 entities. Instead, I attempted to focus on issues that were of the largest rate impact, such as  
3 the margin requirements of each entity, or issues that were fairly non-controversial, such as  
4 the treatment of certain costs that are traditionally disallowed in utility rate proceedings such  
5 as advertising, dues, and donations. A comprehensive review was further hindered by the  
6 discovery process in this case. Each data request propounded upon MKEC had the potential  
7 of being answered by six different entities. Moreover, there was no coordinated effort by  
8 MKEC and the Members to consolidated responses. Accordingly, the questions propounded  
9 by the parties in this case were answered by up to six different utilities. In addition, hard  
10 copies of responses were not provided, further hampering my review. In short, the process  
11 used in this proceeding was difficult and certainly not conducive to undertaking a full and  
12 complete evaluation of the revenue requirement requests of each party. Therefore, it is  
13 important that my revenue requirement recommendations be viewed as the maximum  
14 amounts that the KCC should award each entity. I expect that there are additional  
15 adjustments that the KCC should adopt for each entity. I am hoping that by consolidating my  
16 adjustments along with those of Staff and the other interveners in this case, the KCC will  
17 have a more complete picture of the financial condition of MKEC and its Members and of  
18 their need for rate relief.

1           **1.     Margin Requirement**

2     **Q.     Are there differences in the way in which the KCC determines an investor-owned**  
3           **utility’s rates and the method used by the KCC for utilities organized as cooperatives?**

4     **A.**     Yes. Instead of using a traditional rate base, rate of return ratemaking methodology, the  
5           KCC has historically regulated cooperatives based on a cash flow approach, i.e., the KCC  
6           sets rates that provide the cooperative with sufficient revenues to meet their financing  
7           coverage requirements as contained in loan agreements between the cooperative and its  
8           lenders. In this case, the TIER requirement imposed upon the Members is established by the  
9           Rural Development Utilities Programs (“RD”), formerly the Rural Utilities Service (“RUS”),  
10          and the National Rural Utilities Cooperative Finance Corporation (“CFC”). The MKEC  
11          requirement is determined by the loan agreement between MKEC and the National  
12          Cooperative Services Corporation (“NCSC”), a subsidiary of CFC formed to provide  
13          financing to non-cooperative entities that are owned by cooperatives.

14  
15     **Q.     Does MKEC or its Members have any equity?**

16     **A.**     MKEC and its Members have a small amount of equity, resulting mainly from patronage  
17          capital and other donations from Members. However, the vast majority of the operations of  
18          MKEC and its Members is financed with debt. Therefore, the coverage requirements of the  
19          lenders are used to establish the level of margin that must be maintained by each entity in  
20          order to comply with its debt covenants.

1 **Q. What are the coverage requirements that MKEC and its Members must meet?**

2 A. MKEC is required to meet a TIER coverage requirement of 1.1, calculated on a rolling four-  
3 quarter basis. Its Members are generally required to maintain a TIER of 1.1 in two of the  
4 three preceding years.

5

6 **Q. How is the TIER ratio calculated?**

7 A. The TIER is generally defined as Net Margins plus Interest on Long-Term Debt divided by  
8 the Interest on Long-Term Debt, as shown below:

9

$$10 \quad \text{TIER} = \frac{\text{Net Margins} + \text{Interest on Long-Term Debt}}{\text{Interest on Long-Term Debt}}$$

11  
12

13 The Net Margins include the Utility Operating Margin less Other Income Deductions (such  
14 as interest charges) plus Other Non-Operating Income.

15

16 **Q. What level of TIER coverage is MKEC requesting in this case?**

17 A. As discussed in the testimony of Mr. Watkins, MKEC is requesting that the KCC approve  
18 rates that will result in a TIER of 1.5. This is well above the minimum 1.1 required by its  
19 debt covenants.

1 **Q. Are you recommending any adjustment to MKEC's requested coverage ratio?**

2 A. Yes, I am. I am recommending that the KCC approve rates that will result in a TIER of 1.25  
3 for MKEC. As shown on Schedule ACC-2, my recommendation will reduce MKEC's rate  
4 increase by \$2,134,961.

5

6 **Q. What is the basis for your recommendation?**

7 A. As noted above, I recommend that the KCC apply the same level of scrutiny to cooperative  
8 utilities as it applies to investor-owned utilities. Accordingly, the KCC should ensure that  
9 the MKEC rate increase is as low as possible without jeopardizing MKEC's ability to  
10 provide safe and reliable utility service. MKEC's request is based on a cushion of more than  
11 36% over the TIER ratio that MKEC's lender requires. While I am not adverse to rates that  
12 would provide some cushion over the 1.1 TIER requirement, the question is how much is too  
13 much? I believe that a TIER of 1.25 provides a reasonable balance between the need to  
14 provide some cushion to MKEC and the need to approve utility rates that are just and  
15 reasonable.

16

17 **Q. In addition to your recommendation regarding the level of TIER that should be used by**  
18 **the KCC to set rates in this case, are you also recommending any adjustment to the**  
19 **manner in which TIER has been calculated?**

20 A. Yes, I am. In this case, MKEC has based its revenue increase request on what it terms  
21 Operating TIER, which ignores the impact of non-operating income. As a result, MKEC's

1 proposed rates actually result in a total TIER of 1.64 instead of the 1.5 that MKEC claims it  
2 utilized to set rates, as shown in Section 7, Schedule 3, page 1 of the filing.

3  
4 **Q. Is MKEC's proposal to exclude non-operating income consistent with the way in which**  
5 **TIER is defined by the lenders?**

6 A. No, it is not. According to the response to data request KEPCO 2.11, the NCSC Loan  
7 Agreement is based on net margins, not on operating margins. Thus, the lenders consider all  
8 income, including non-operating income, when establishing TIER requirements and when  
9 evaluating MKEC's compliance with those requirements. Therefore, the KCC should utilize  
10 net margins, rather than operating margins, when setting rates for MKEC in this case.

11  
12 **Q. Is there another reason why the KCC should utilize net margins instead of operating**  
13 **margins when setting utility rates for MKEC in this proceeding?**

14 A. Yes, in addition to being consistent with the manner in which the lenders define TIER, it is  
15 also appropriate to consider non-operating income in the calculation of the TIER because  
16 MKEC has included all of its interest expense in the calculation. Thus, the financing for all  
17 operations of MKEC, including any operations that may produce non-operating income, is  
18 being considered in the development of the interest expense component of the TIER.

19 Moreover, non-operating income should be considered because MKEC is requesting  
20 that rates be established on a cash flow basis. When rates are established on a rate base/ rate  
21 of return basis, then it may be appropriate to exclude non-operating income, especially if the

1 assets used to provide that income are not included in rate base. However, in this case, the  
2 KCC is setting rates based on the level of interest coverage required to meet the MKEC's  
3 interest obligations. Those interest payments are based on total outstanding debt, including  
4 debt that may be used to finance non-operating income. Thus, there is no rationale for  
5 excluding non-operating income from the calculation of TIER used to set rates in this case.  
6 Accordingly, I recommend that non-operating income be considered when determining the  
7 margin required to meet the TIER requirement.

8  
9 **Q. Please comment on Mr. Macke's statement at page 11 of his testimony that an**  
10 **Operating TIER metric was specified in the Stipulation and Agreement ("S&A") in**  
11 **Docket No. 06-MKEE-524-ACQ.**

12 **A.** Mr. Macke is mistaken. The S&A in that case defines TIER as "net margin plus interest on  
13 long-term debt divided by interest on long-term debt."<sup>2</sup> Clearly, the S&A in that case  
14 specifies that net margin, not operating margin, is the appropriate TIER metric.

15 The S&A did require a refund to be made by MKEC and/or its Members if any entity  
16 earned in excess of a certain level of TIER. Mr. Macke is correct that the S&A does state  
17 that any such refund that MKEC or the Members was required to make would be based on  
18 operating revenues and expenses. However, his conclusion that this provision was meant to  
19 exclude non-operating income is incorrect. The reference to "operating" revenue referenced  
20 by Mr. Macke on page 11 of his testimony can be found in Footnote 7 of the S&A, which

---

2 Stipulation and Agreement in Docket No. 06-MKEE-524-ACQ, page 8.

1 reads “For purposes of a potential refund, the TIER calculation shall be determined from the  
2 operating revenues and expenses solely from the operation of the WPK division and not the  
3 Distribution Cooperatives’ system-wide operations.” (emphasis added by Mr. Macke) The  
4 purpose of the “operating revenue” language was to ensure that the existing operations of the  
5 Members were not considered in determining whether or not a refund was warranted. Thus,  
6 any refund was to be calculated based solely on the MKEC operations that had resulted from  
7 the Aquila acquisition. Excess earnings resulting from pre-existing operations of the  
8 Members were excluded from consideration in determining if a refund was warranted.  
9 However, MKEC had no pre-existing operations. It was created, and financed, solely to hold  
10 and operate the Aquila-WPK assets. Thus, all operations of those assets should be  
11 considered in determining an appropriate TIER for MKEC, consistent with the methodology  
12 used by MKEC's lender.

13  
14 **Q. How did you quantify your adjustment relating to MKEC?**

15 A. MKEC had test year non-operating income of \$1,154,642. Since this amount was  
16 inappropriately excluded by MKEC in its TIER calculation, I have made an adjustment at  
17 Schedule ACC-3 to reduce MKEC’s requested rate increase by this amount.

18 In the absence of this adjustment, MKEC’s TIER is actually 1.64, rather than the 1.5  
19 that MKEC claims will result from its proposed rate increase, as shown in the filing at  
20 Section 7, Schedule 3, page 1.

1 **Q. In addition to your adjustments relating to TIER and non-operating income, what**  
2 **other adjustments are you recommending for MKEC?**

3 A. As shown on Schedule ACC-4, I am recommending five additional adjustments.  
4 Specifically, I am recommending adjustments relating to depreciation and amortization,  
5 property tax expense, outside services expense, lobbying expenses, and advertising expenses.

6

7 **2. Depreciation and Amortization Expense**

8 **Q. How did MKEC determine its claim for depreciation and amortization expense?**

9 A. MKEC's depreciation expense claim is based on its test year utility plant in service balances,  
10 adjusted to eliminate plant that was transferred during 2008 to its Members and further  
11 adjusted to include construction work in progress ("CWIP") and completed construction not  
12 classified ("CCNC"). In addition, MKEC stated in response to data request KCC-6 that its  
13 depreciation expense claim is based on "the depreciation rates used by Aquila-WPK at the  
14 time of the acquisition." MKEC went on to state in that data request response that these  
15 depreciation rates were filed in KCC Docket No. 04-ACQE-1065-RTS. Finally, MKEC's  
16 claim for depreciation and amortization expense includes amortization of the acquisition  
17 premium associated with the purchase of the Aquila assets by MKEC.



1 **Q. What adjustments are you recommending to MKEC's claim for depreciation and**  
2 **amortization expense?**

3 A. I am recommending three adjustments relating to MKEC's claim for depreciation and  
4 amortization expense. First, I am recommending that the actual utility plant-in-service  
5 balances at December 31, 2008 be used to determine pro forma depreciation expense in this  
6 case. This would include CWIP and CCPC that was in-service by December 31, 2008, seven  
7 months after the end of the test year in this case. Since MKEC transferred some plant to its  
8 Members during the latter half of 2008, the test year ending May 31, 2008 is not  
9 representative of the plant that MKEC utilizes in the provision of safe and adequate service.  
10 Moreover, the depreciation expense claimed by each of the Members is based on the plant  
11 balances at December 31, 2008. Therefore, in order to ensure consistency between the plant  
12 claimed by MKEC, and the plant claimed by the Members, MKEC's utility plant-in-service  
13 at December 31, 2008 should be utilized. My recommended utility plant-in-service balances  
14 are shown in Schedule ACC-5.

15 Second, while MKEC claims that its revenue requirement includes the depreciation  
16 rates filed by Aquila in KCC Docket No. 04-ACQE-1065-RTS, there are several accounts for  
17 which MKEC utilizes different rates. These include intangible plant, most of the steam  
18 production accounts, and several of the transmission plant and general plant accounts. The  
19 depreciation rates that differ from those filed by MKEC are highlighted in Schedule ACC-5.  
20 No depreciation study was filed by MKEC in this case and therefore there is no justification  
21 or support for using any depreciation rates that differ from those utilized by Aquila, the

1 former owner of the assets. Therefore, the pro forma depreciation expense that I have  
2 utilized in Schedule ACC-5 reflects the actual rates filed by Aquila in Docket No. 04-AQLE-  
3 1065-RTS.

4 Third, my pro forma depreciation and amortization expense does not include any  
5 costs associated with the amortization of the acquisition premium associated with purchase  
6 of the Aquila-WPK assets. MKEC has recorded an acquisition premium of \$9,426,875,  
7 which it is amortizing over 30 years. Thus, MKEC's claim for depreciation and amortization  
8 expense includes an annual amortization expense of \$313,915, as shown in Section 10,  
9 Schedule 1, page 1 of the filing.

10  
11 **Q. Didn't MKEC make an adjustment to eliminate the acquisition premium from its rate**  
12 **base claim?**

13 **A.** Yes, the Company did make an adjustment to eliminate the acquisition premium from its rate  
14 base claim, as stated by Mr. Hestermann at page 7, lines 12-16 of his testimony.<sup>3</sup> However,  
15 since MKEC's revenue requirement claim is based on a cash flow methodology, rather than  
16 on the rate base, rate of return methodology, the Company's rate base claim is not used to set  
17 rates and therefore is irrelevant. It is clear from Section 10 of the Filing that MKEC has  
18 included amortization of the acquisition premium in its claim for depreciation and  
19 amortization expense, in spite of removing the acquisition premium from rate base.

---

<sup>3</sup> Mr. Hestermann states that he removed \$9,408,137 while the amount included in the Company's depreciation and amortization expense claim is based on total costs of \$9,426,875 per Section 10 of the Filing.

1           Therefore, a further adjustment is necessary to ensure that these costs are not included in  
2           MKEC's revenue requirement.

3  
4           **Q.    What did the S&A in KCC Docket No. 06-MKEE-524-ACQ state about recovery of the**  
5           **acquisition premium?**

6           A.    The S&A stated that the acquisition premium "shall be included below-the-line in subsequent  
7           MKEC, Distribution Cooperative(s), and Southern Pioneer rate proceedings. The AP shall  
8           be considered for purposes of calculating TIER and other financial ratios..."

9  
10          **Q.    Is your ratemaking treatment of the acquisition premium consistent with the terms of**  
11          **the S&A?**

12          A.    Yes, it is. As filed, MKEC's depreciation and amortization expense claim includes  
13          amortization expense associated with the acquisition premium. Thus, the Company's claim  
14          includes amortization expense above-the-line, in violation of the terms of the S&A.  
15          Accordingly, my recommendation to eliminate the amortization expense from the  
16          depreciation and amortization expenses included in rates is appropriate. However, since my  
17          TIER recommendation is based on total interest expense, including the interest expense  
18          associated with financing of the acquisition premium, my recommendation does consider the  
19          acquisition premium for purposes of calculating TIER and other financial ratios, as required  
20          in the S&A.

1           **3.     Property Tax Expense**

2     **Q.     Please describe your adjustment relating to the Company’s property tax expense claim.**

3     A.     Since I am recommending an adjustment to MKEC’s utility plant-in-service claim, I have  
4           made a corresponding adjustment to its property tax expense claim. To quantify my  
5           adjustment, I developed a composite property tax expense rate, based on MKEC’s pro forma  
6           utility plant-in-service claim and its requested property tax expense claim. This resulted in a  
7           composite property tax rate of 2.82%. I then reduced MKEC’s property tax expense claim by  
8           2.82% of my recommended utility plant-in-service adjustment. My adjustment is shown in  
9           Schedule ACC-6.

10  
11           **4.     Outside Services**

12     **Q.     What adjustment are you recommending to MKEC’s outside services expense?**

13     A.     In response to data request KCC-29, MKEC indicated that its test year outside services costs  
14           included amortization of a regulatory asset acquired by MKEC from Aquila. It appears that  
15           this regulatory asset relates to unamortized rate case costs for a prior Aquila rate proceeding.  
16           I am not aware of MKEC receiving authorization from the KCC to recover these costs  
17           subsequent to the acquisition of the assets from Aquila. It was Aquila, not MKEC, that  
18           incurred these regulatory costs. Therefore, there is no reason to recover any of these  
19           “unamortized” costs from MKEC ratepayers. Accordingly, at Schedule ACC-7, I have made  
20           an adjustment to eliminate these test year amortization costs from MKEC’s revenue  
21           requirement.

1           **5.     Lobbying Expenses**

2           **Q.     Has MKEC included any lobbying costs in its revenue requirement claim?**

3           A.     Yes, it has. Although MKEC booked direct lobbying costs and campaign contributions  
4           below-the-line, it has included in its claim dues for certain organizations that engage in  
5           lobbying activities. These include the Kansas Electric Cooperative (“KEC”), the Electric  
6           Power Research Institute (“EPRI”), and various Chambers of Commerce.

7  
8           **Q.     Are lobbying costs an appropriate expense to include in a regulated utility’s cost of  
9           service?**

10          A.     No, they are not. Lobbying expenses are not necessary for the provision of safe and adequate  
11          utility service. Ratepayers have the ability to lobby on their own through the legislative  
12          process. Moreover, lobbying activities have no functional relationship to the provision of  
13          safe and adequate regulated utility service. If the Company were to immediately cease  
14          contributing to these types of efforts, utility service would in no way be disrupted. For all  
15          these reasons, lobbying costs are generally disallowed by regulators and I recommend that  
16          such costs be disallowed in this case as well.

17  
18          **Q.     How did you quantify your adjustment?**

19          A.     I have determined that approximately \$45,000 of the dues and membership fees shown in the  
20          response to data request KCC-44 relate to organizations that engage in lobbying activities. I  
21          am recommending that 15% of this amount be eliminated from the Company’s revenue

1 requirement. This adjustment is consistent with the percentage of dues generally attributable  
2 to lobbying functions by these various entities. Therefore, at Schedule ACC-8, I have made  
3 an adjustment to remove 15% of the dues and membership fees for these organizations from  
4 the Company's revenue requirement.

5  
6 **6. Advertising Costs**

7  
8 **Q. Are you recommending any adjustment to the Company's claim for advertising costs?**

9 **A.** Yes, I am recommending that the Company's advertising costs be disallowed, unless these  
10 costs are directly related to the provision of regulated utility service and are shown to benefit  
11 ratepayers. In the response to data request KCC-37, MKEC identified \$42,496 in donations  
12 and contributions. A review of this response indicates that these costs relate primarily to  
13 promotional advertising by MKEC through various donations made by MKEC to promote its  
14 image. These costs include various advertisements, sponsorships, caps and shirts, receptions,  
15 and other activities or services that promote MKEC. None of these costs relate to activities  
16 or services that are necessary for the provision of safe and adequate regulated utility service.  
17 These costs all appear to be corporate image or public relations costs that are directed toward  
18 promoting the corporate image of MKEC, rather than toward the provision of regulated  
19 utility service to its customers. Unless MKEC can show a direct relationship between these  
20 costs and the provision of safe and adequate utility service, these costs should be disallowed.  
21 MKEC has not made such a showing at this time. Therefore, I recommend that these costs  
22 be disallowed. My adjustment is shown in Schedule ACC-9.

1           **7.     Summary**

2     **Q.     Please summarize the revenue requirement adjustments that you are recommending for**  
3     **MKEC.**

4     A.     As shown on Schedule ACC-1, my adjustments will reduce MKEC’s revenue increase from  
5     \$10,031,620 to \$5,026,312. This includes adjustments to TIER of \$2,123,961 (Schedule  
6     ACC-2), an adjustment to non-operating income of \$1,154,642 (Schedule ACC-3), and  
7     adjustments to various operating expenses of \$1,715,705 (Schedule ACC-4). My  
8     recommendations result in a TIER of 1.25, well above the requirement imposed by MKEC’s  
9     lender.

10

11           **B.     Southern Pioneer Electric Company**

12     **Q.     In addition to the adjustments proposed for MKEC, have you also made adjustments to**  
13     **the revenue requirements of each of the Members?**

14     A.     Yes, I have. I am recommending a reduction to the revenue increases being requested by  
15     each of MKEC’s Members.

16

17     **Q.     What adjustments are you recommending to the revenue requirement being claimed by**  
18     **Southern Pioneer?**

19     A.     As shown in Exhibit RJM-SP-6, Southern Pioneer is requesting a revenue increase of  
20     \$9,480,243 for the distribution system associated with its ownership of MKEC. I am  
21     recommending a revenue increase of no more than \$4,541,457, as shown in Schedule ACC-

1           10. I am recommending adjustments to Southern Pioneer's claims for TIER coverage,  
2           income taxes, purchased power costs, salaries and wages, certain legal costs, advertising  
3           costs, and dues and lobbying expenses.

4  
5           **Q. Does Southern Pioneer have a different organizational structure than the other**  
6           **Members of MKEC?**

7           A. Yes, it does. Southern Pioneer is organized as a for-profit C corporation while the other  
8           MKEC Members are not-for-profit cooperatives. Southern Pioneer is a wholly-owned  
9           subsidiary of Pioneer Electric Cooperative, Inc., which in turn is a not-for-profit cooperative.  
10          Even though it is a for-profit entity, in its filing Southern Pioneer has proposed that its rates  
11          be established on a TIER methodology, similar to what is being requested by the other  
12          MKEC Members, instead of on a rate base, rate of return basis.

13  
14          **Q. What level of TIER is being requested by the Members, including Southern Pioneer?**

15          A. The TIER being requested by the Members is even higher than the 1.50 being requested by  
16          MKEC. As stated in the testimony of Mr. Macke, the Members are requesting a TIER of  
17          2.20, double the requirements imposed by the RD.



1 **Q. Please comment on Mr. Macke’s statement on page 15 that the requested TIER of 2.2**  
2 **reflects “guidance contained in the S&A in Docket No. 06-MKEE-524-ACQ on the**  
3 **appropriate Operating TIER.”**

4 A. While the S&A in that docket did require refunds in the event that the TIER exceeded 2.2, no  
5 “guidance” was provided in that case regarding an appropriate level of TIER for on-going  
6 operations. The S&A was the result of intensive negotiation among the parties, including  
7 CURB. The S&A does not state what an appropriate TIER is for setting regulated utility  
8 rates. Moreover, while refunds were required if the TIER exceeded 2.2, it certainly does not  
9 follow that a TIER of 2.2 was deemed to be reasonable.

10

11 **Q. What TIER are you recommending for Southern Pioneer?**

12 A, I am recommending that the KCC set rates for Southern Pioneer based on a TIER of 1.5.  
13 While I have accepted Mr. Macke’s proposal to utilize a higher TIER for the Members than  
14 for MKEC, the KCC still has an obligation to ensure that the resulting utility rates are  
15 reasonable. A TIER of 1.5 provides a substantial “cushion” to the Member companies, while  
16 resulting in utility rates that are more reasonable than the rates proposed by Southern Pioneer.  
17 If the KCC were to accept the TIER of 2.2 being requested, regulated rates for the Members’  
18 customers would include margins that are more than twice as high as needed to cover the  
19 required interest payments, and twice as high as necessary to meet the loan covenants  
20 imposed by the lenders.

1 **Q. Please explain your recommended adjustment to the Southern Pioneer income tax**  
2 **claim.**

3 **A. Because Southern Pioneer is a C corporation, it pays federal and state income taxes. Thus,**  
4 **Southern Pioneer’s revenue requirement includes not only margin requirements but also state**  
5 **and federal income taxes associated with those margin requirements, putting further upward**  
6 **pressure on rates. Accordingly, as the amount of margin included in rates is increased,**  
7 **ratepayers essentially pay twice, once for the increased margin and again for the increased tax**  
8 **burden associated with this increased margin.**

9           Since I am recommending a TIER adjustment that will reduce the amount of margin  
10 included in Southern Pioneer’s rates, it is necessary to make a corresponding adjustment to  
11 reduce the associated income taxes. My adjustment is shown in Schedule ACC-10. To  
12 quantify my adjustment, I have used a composite income tax rate of 38.65%. This composite  
13 rate includes a state income tax rate of 7.05% and a federal income tax rate of 34.0%. Thus,  
14 my recommended TIER adjustment will result in a further reduction to the Company’s  
15 revenue requirement of \$1,204,165 to eliminate the taxes that will no longer be required  
16 given the reduction to the TIER. Since Southern Pioneer is the only Member that is  
17 organized as a C corporation, it is the only Member for which I have included an income tax  
18 adjustment in my revenue requirement recommendation.

1 **Q. How much is included in your Southern Pioneer revenue requirement related to federal**  
2 **and state income taxes?**

3 A. Southern Pioneer included federal and state income taxes of \$2,084,469 in its claim, as  
4 shown in Exhibit RJM-SP-3, page 1. I am reducing that claim by \$1,204,165. Thus, my  
5 revenue requirement recommendation still reflects \$880,304 in state and federal income  
6 taxes.

7 While I have included \$880,304 of state and federal income taxes in my  
8 recommendation, the KCC may decide to eliminate all income taxes from Southern Pioneer's  
9 claim. The need to pay any state and federal income taxes is the result of Southern Pioneer's  
10 decision to organize as a C corporation, unlike its parent company or the other Members of  
11 MKEC, all of which are cooperatives. If Southern Pioneer were organized in a manner  
12 similar to the other Members, no state or federal income taxes would be required. Moreover,  
13 although organized as a C corporation, Southern Pioneer is requesting that the KCC regulate  
14 it in this case as if it were, in fact, a cooperative. Therefore, there is a basic inconsistency  
15 between Southern Pioneer's request that the KCC regulate it on the basis of TIER, and its  
16 request that the KCC include state and federal income taxes in its revenue requirement.  
17 Moreover, the payment of income taxes gives rise to certain ratepayer benefits that are not  
18 reflected in the Company's filing. For example, deferred income taxes are deducted from a  
19 utility's rate base claim. However, since Southern Pioneer is not using rate base/ rate of  
20 return regulation, there is no provision in this case to pass along to ratepayers any benefits  
21 that may be associated with deferred income taxes. Given this basic inconsistency between

1 use of the TIER methodology and the inclusion of income taxes in Southern Pioneer's  
2 revenue requirement, the KCC may decide to eliminate all income taxes from Southern  
3 Pioneer's revenue requirement. CURB would support such a finding by the KCC.  
4

5 **Q. Please describe your recommended adjustment relating to purchase power costs.**

6 A. My adjustment relating to purchase power costs is intended to flow-through to Southern  
7 Pioneer's retail ratepayers the adjustments that I recommend associated with MKEC. As  
8 discussed previously, MKEC proposed to recover approximately 68.4% of its requested  
9 revenue increase from its Members. While I have not calculated the specific rates that would  
10 result from my recommended reduction to MKEC's revenue requirement, it is still necessary  
11 to reflect the impact of this reduction on the revenue requirements of each of the Members.  
12 Therefore, I have allocated my MKEC adjustments to each Member, including Southern  
13 Pioneer.  
14

15 **Q. How did you allocate your recommended MKEC adjustments among the various**  
16 **Members?**

17 A. Since MKEC allocated approximately 68.4% of its requested increase to its Members<sup>4</sup>, I  
18 have allocated 68.4% of my recommended MKEC adjustment of \$5,005,308 to the  
19 Members. This results in a reduction to the Members' revenue requirement of \$3,423,206.

---

4 As shown in Section 9, Schedule 1, page 1 of the Filing, MKEC proposes to recover \$6,860,776 of its total increase of \$10,031,619 from its Members.

1           However, it is then necessary to allocate the \$3,423,206 in purchase power adjustments  
2           among the six MKEC Members, including the one Member, Wheatland Electric Cooperative,  
3           that is not seeking a rate increase at this time. I allocated this amount among the six  
4           Members, based on the percentage increases for each Member derived from Section 17 of the  
5           filing.<sup>5</sup> For example, in Section 17 of the filing, Southern Pioneer is allocated \$3,049,555 of  
6           the Members' rate increase (the difference between \$47,976,128 at proposed rates and  
7           \$44,926,573 at present rates). This resulted in an allocation of 44.54% (\$3,049,555 out of a  
8           total proposed increase to Members of \$6,846,362) of the MKEC reduction, or \$1,524,784,  
9           to Southern Pioneer, as shown in Schedule ACC-10. A similar methodology was used for  
10          each Member.

11  
12       **Q.    Please describe the adjustment you made to Southern Pioneer's claim for Salaries and**  
13       **Wages.**

14       **A.    As shown in Exhibit RJM-SP-2, page 15, Southern Pioneer's salary and wage claim is based**  
15       **on several adjustments, including annualizing test year salary and wage increases and**  
16       **adjusting for new and/or terminated employees. However, in determining its total**  
17       **adjustment, Southern Pioneer did not include the reduction of \$244,019 shown in that**  
18       **schedule for "Pro Forma Retired or Re-assigned Employees". It appears that this was an**  
19       **oversight on the part of the Company, i.e., its formula only included four of the five**

---

<sup>5</sup> Note that Section 17, Schedule C, page 1 shows Pro Forma Test Year revenue of \$46,406,446 for Southern Pioneer, and that the sum of the Member totals does not equal the stated total of \$129,921,606. Per Mr. Hestermann, the Southern Pioneer amount should be \$44,926,573.

1 adjustments shown on the supporting schedule. Therefore, at Schedule ACC-10, I have  
2 made an adjustment to reduce Southern Pioneer's salary and wage claim by the \$244,019  
3 shown on Exhibit RJM-SP-2, page 15.

4  
5 **Q. Please describe your adjustment relating to legal acquisition costs.**

6 A. In response to data request KCC-29, Southern Pioneer identified \$46,093 in test year legal  
7 costs. Included in this amount was \$1,825 related to acquisition services. Since these costs  
8 are non-recurring, they should not be included in prospective rates in this case. Therefore, at  
9 Schedule ACC-10, I have made an adjustment to eliminate \$1,825 in non-recurring legal  
10 costs associated with the acquisition from Southern Pioneer's revenue requirement.

11  
12 **Q. Please describe your adjustment relating to advertising costs.**

13 A. Similar to my MKEC recommendation discussed above with regard to corporate image  
14 advertising, I am recommending that corporate image advertising costs also be eliminated  
15 from Southern Pioneer's revenue requirement. I based my adjustment on the response to  
16 data request KCC-40. In that response, Southern Pioneer categorized various types of  
17 advertising costs that had been incurred during the test year. To quantify my adjustment, I  
18 eliminated all test year advertising costs except for costs categorized as Distribution-  
19 Miscellaneous Expense, since these costs do appear to relate directly to the provision of safe  
20 and adequate utility service. I recommend that the remaining advertising costs included in

1           that response be disallowed. Accordingly, I have made an adjustment to eliminate \$44,761  
2           of advertising costs in Schedule ACC-10.

3

4   **Q.   Finally, please describe your adjustment relating to lobbying costs**

5   A.   In response to data request KCC-38, Southern Pioneer identified \$7,614 in lobbying costs  
6           paid to Conlee Consulting related to the “Sunflower Coal Plant”. As previously discussed, I  
7           am recommending that all lobbying costs be eliminated from the revenue requirements for  
8           MKEC and the Members in this case. Therefore, at Schedule ACC-10 I have included a  
9           lobbying adjustment to eliminate these costs from Southern Pioneer’s rates.

10           In addition, I am recommending that 15% of membership dues for certain  
11           organizations also be disallowed, on the basis that these organizations engage in lobbying  
12           activities. These dues were identified as Miscellaneous Expense in the response to data  
13           request KCC-44. Thus, my Dues/Lobbying Expense adjustment shown in Schedule ACC-10  
14           also includes removal of 15% of the dues categorized as Miscellaneous Expense in the  
15           response to data request KCC-44.

16

17   **Q.   Please summarize the impact of the adjustments you are recommending for Southern**  
18           **Pioneer.**

19   A.   As shown in Schedule ACC-10, I am recommending total adjustments of \$4,938,786 for  
20           Southern Pioneer. Moreover, it is possible that additional adjustments will be identified by  
21           Staff or the other parties in this case. Therefore, I am recommending that the KCC award

1 Southern Pioneer a rate increase of no greater than \$4,541,457. A lower increase may be  
2 appropriate, depending upon the findings of the other parties.

3  
4 **C. Lane Scott Electric Cooperative, Inc.**

5 **Q. Please describe the adjustments that you are recommending for Lane Scott.**

6 A. I am recommending four adjustments for Lane Scott, as shown in Schedule ACC-11. First,  
7 consistent with my recommended TIER adjustment for Southern Pioneer, I am  
8 recommending that rates for Lane Scott be established based on a TIER of 1.5.

9 Second, I have allocated a portion of my recommended MKEC adjustment to Lane  
10 Scott in the same manner as described above for Southern Pioneer. This is shown as the  
11 purchased power adjustment in Schedule ACC-11.

12 Third, I am recommending that certain advertising costs be disallowed. My  
13 recommended adjustment is based on Lane Scott's response to data request KCC-41. In that  
14 response, Lane Scott categorized its various test year advertising expenditures. I am  
15 recommending that all advertising be disallowed, except for costs related to Educational and  
16 Safety advertising, as categorized by Lane Scott in that response.

17 Finally, I am recommending that the KCC eliminate a portion of membership dues  
18 related to organizations that engage in lobbying activities. My adjustment is based on Lane  
19 Scott's response to data request KCC-44. This response included \$15,595 in membership  
20 dues. I am recommending that 15% of this amount, or \$2,339, be eliminated from Lane  
21 Scott's revenue requirement claim.



1 **Q. What is the result of the recommendations contained in your testimony with regard to**  
2 **Lane Scott?**

3 A. My adjustments indicate that Lane Scott has a revenue deficiency of no more than \$261,607,  
4 as summarized on Schedule ACC-11. Additional adjustments identified by other parties may  
5 reduce this deficiency further.

6  
7 **D. Prairie Land Electric Cooperative, Inc.**

8 **Q. Please describe the adjustments that you are recommending for Prairie Land.**

9 A. I am recommending five adjustments for Prairie Land, as shown in Schedule ACC-12. First,  
10 consistent with my recommended TIER adjustments for the other MKEC Members, I am  
11 recommending that rates for Prairie Land be established based on a TIER of 1.5.

12 Second, I have allocated a portion of my recommended MKEC purchased power  
13 adjustment to Prairie Land in the same manner as described above for the other MKEC  
14 Members.

15 Third, I am recommending that certain advertising costs be disallowed. My  
16 recommended adjustment is based on Prairie Land's response to data request KCC-41. I am  
17 recommending that all advertising classified in that response as either Economic  
18 Development or Promotional advertising be disallowed.

19 Fourth, I am recommending that the KCC eliminate a portion of membership dues  
20 related to organizations that engage in lobbying activities, as shown in Prairie Land's

1 response to data request KCC-44. This response included \$28,937 in membership dues. I  
2 am recommending that 15% of this amount, or \$4,341, be eliminated from Lane Scott's  
3 revenue requirement claim.

4 Finally, I am recommending that \$10,179 in other donations and contributions be  
5 disallowed. These include costs such as golf sponsorships, post prom parties, and banquet  
6 tickets to various events. These costs are not necessary for the provision of regulated utility  
7 service and should be disallowed.

8  
9 **Q. What is the result of the recommendations contained in your testimony with regard to**  
10 **Prairie Land?**

11 A. My adjustments indicate that Prairie Land has a revenue deficiency of no more than  
12 \$1,319,702, as summarized on Schedule ACC-12. Additional adjustments identified by  
13 other parties may further reduce this deficiency, resulting in the need for an even smaller rate  
14 increase.

15  
16 **E. Victory Electric Cooperative Association, Inc.**

17 **Q. Please describe the adjustments that you are recommending for Victory.**

18 A. I am recommending eight adjustments for Victory, as shown in Schedule ACC-13. First,  
19 consistent with my recommended TIER adjustments for the other MKEC Members, I am  
20 recommending that rates for Victory be established based on a TIER of 1.5.

1           Second, I have allocated a portion of my recommended MKEC adjustment to Victory  
2           in the same manner as described above for the other MKEC Members, as referenced in  
3           Schedule ACC-13 as the purchased power adjustment.

4           Third, I am recommending that certain advertising costs be disallowed. My  
5           recommended adjustment is based on Victory's response to data request KCC-41. I am  
6           recommending that all advertising classified in that response be disallowed, with the  
7           exception of advertising classified as Legal, Employment, or Directory Advertising I believe  
8           that these three types of advertising may benefit ratepayers and therefore I have included  
9           costs related to this advertising in my revenue requirement recommendation. This results in  
10          a disallowance of \$28,903.

11          Fourth, I am recommending that \$4,157 in other donations and contributions be  
12          disallowed, as shown in the response to data request KCC-38. In that response, Victory  
13          states that it does not pay these costs as a company but rather these costs are paid directly by  
14          employees through payroll deductions. However, that response indicates that these costs  
15          were booked to Account 930, and presumably are therefore included in the test year. If the  
16          Company has excluded these costs from its test year claim and is able to demonstrate in its  
17          Rebuttal Testimony that these costs have been excluded, then I will revise my  
18          recommendation accordingly.

19          Fifth, I am recommending that the KCC eliminate a portion of membership dues  
20          related to organizations that engage in lobbying activities, as shown in Victory's response to  
21          data request KCC-44. This response included \$24,543 in membership dues. I am

1 recommending that 15% of this amount, or \$3,681, be eliminated from Victory's revenue  
2 requirement claim.

3 Sixth, I am recommending that costs of \$19,416 associated with the annual legislative  
4 rally in Washington, DC be eliminated from Victory revenue requirement. These costs were  
5 identified in response to data request KCC-219. These costs clearly constitute lobbying and  
6 as such should be excluded from regulated rates.

7 Seventh, in response to KCC-95, Victory Electric identified \$13,240 in non-recurring  
8 costs associated with mutual aid provided in Louisiana as a result of a hurricane. These costs  
9 are non-recurring and as such should be excluded from pro forma test year costs.

10 Finally, I am recommending that \$14,469 in meals expenses associated with Victory's  
11 Annual Meeting be disallowed. These costs were identified in response to KCC-164. I don't  
12 believe that these costs were necessary for the provision of safe and adequate regulated utility  
13 service and therefore they should be disallowed.

14

15 **Q. What is the result of the recommendations contained in your testimony with regard to**  
16 **Victory?**

17 **A.** My adjustments indicate that Victory has a revenue deficiency of no more than \$2,815,005,  
18 as summarized on Schedule ACC-13. Other parties may identify additional adjustments.

1           **F.     Western Cooperative Electric Association, Inc.**

2           **Q.     Please describe the adjustments that you are recommending for Western.**

3           A.     I am recommending seven adjustments for Western, as shown in Schedule ACC-14. First, I  
4           am recommending that rates for Western be established based on a TIER of 1.5, consistent  
5           with my recommendation for other MKEC Members.

6                     Second, I have allocated a portion of my recommended MKEC adjustment to  
7           Western in the same manner as described above for the other MKEC Members. This is  
8           shown as the purchased power adjustment on Schedule ACC-14.

9                     Third, I am recommending that certain advertising costs be disallowed. My  
10          recommended adjustment is based on Western's response to data request KCC-41. In that  
11          response, Western identified four categories of test year advertising costs: Promotional,  
12          Employment Opportunities, Educational, and Legal Notices. I am recommending that the  
13          promotional advertising costs of \$9,316 identified in that response be disallowed.

14                    Fourth, I am recommending that \$1,582 in donations and contributions be disallowed,  
15          as shown in the response to data request KCC-37. These include such costs as yearbook  
16          donations and festival sponsorships.

17                    Fifth, I am recommending that the KCC eliminate a portion of membership dues  
18          related to organizations that engage in lobbying activities, as shown in Western's response to  
19          data request KCC-44. This response included \$8,655 in membership dues. I am  
20          recommending that 15% of this amount, or \$1,298, be eliminated from Western's revenue  
21          requirement claim.

1 Sixth, I am recommending that costs of \$1,052 associated with the annual legislative  
2 rally hosted in Washington, DC be eliminated from Western's revenue requirement. These  
3 costs were identified in response to data request KCC-180. As noted above with regard to  
4 Victory, these costs clearly constitute lobbying and as such should be excluded from  
5 regulated rates.

6 Finally, in response to data request KCC-179, Western identified \$4,027 in non-  
7 recurring costs. These costs were charged to Western, and paid by Western, in error.  
8 Therefore, these costs should be excluded from the Company's pro forma prospective  
9 revenue requirement.

10  
11 **Q. What is the result of the recommendations contained in your testimony with regard to**  
12 **Western?**

13 **A.** My adjustments indicate that Western has a revenue deficiency of no more than \$551,435, as  
14 summarized on Schedule ACC-14. Additional adjustments may be identified by other parties  
15 in this proceeding.

16  
17 **V. SUMMARY OF REVENUE REQUIREMENTS**

18 **Q. Based on the recommendations discussed in this testimony, please summarize the**  
19 **revenue requests made by MKEC and its Members, your recommended adjustments,**  
20 **and the maximum rate increases that you recommend be granted by the KCC.**

1 A. Listed below are the requested increases, the impact of my adjustments, and the maximum  
2 increases that I recommend for MKEC and each of its members:  
3

	Company Claim	Recommended Adjustments	Maximum Increase
MKEC	\$10,031,620	(\$5,005,308)	\$5,026,312
Southern Pioneer	\$9,480,243	(\$4,938,786)	\$4,541,457
Lane Scott	\$358,136	(\$96,529)	\$261,607
Prairie Land	\$2,691,591	(\$1,371,889)	\$1,319,702
Victory	\$5,087,874	(\$2,272,869)	\$2,815,005
Western	\$1,286,410	(\$734,975)	\$551,435

4

5

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

7 A. Yes, it does.

VERIFICATION

STATE OF CONNECTICUT                    )  
COUNTY OF FAIRFIELD                 )     ss:

Andrea C. Crane, being duly sworn upon her oath, deposes and states that she is a consultant for the Citizens' Utility Ratepayer Board, that she has read and is familiar with the foregoing testimony, and that the statements made herein are true to the best of her knowledge, information and belief.

Andrea C. Crane  
Andrea C. Crane

Subscribed and sworn before me this 14th day of October, 2009.

Notary Public Maureen M. Berlin

My Commission Expires: December 31, 2013



**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>
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
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.	W/WW	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

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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
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

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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
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

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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
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

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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
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

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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
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

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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
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



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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
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

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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
El 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
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

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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
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

<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	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
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

<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	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
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

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
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
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

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
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
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

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
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
Camden County Energy Recovery Associates, Inc.	SW	New Jersey	SR91111718J ESW1263-92	4/93	Revenue Requirements	Rate Counsel
Pollution Control Financing Authority of Camden County	SW	New Jersey	SR91111718J 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



<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
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**

## MID-KANSAS ELECTRIC COMPANY

TEST YEAR ENDING MAY 31, 2008

## REVENUE REQUIREMENT SUMMARY

	Company Claim (A)	Company Adjustment (A)	Company Position (A)	Recommended Adjustment	CURB Recommendation
Operating Revenues:					
1. Member System Revenue	\$129,907,216	\$6,860,776	\$136,767,992		\$136,767,992
2. Other Electric Sales	33,849,909		33,849,909		33,849,909
3. Other Operating Revenues	12,392,638	3,170,844	15,563,482		15,563,482
4. Total Operating Revenues	\$176,149,763	\$10,031,620	\$186,181,383	(\$5,005,308) (B)	\$181,176,075
Operating Expenses:					
5. Power Production	\$141,463,499		\$141,463,499		\$141,463,499
6. Transmission	10,176,378		10,176,378		10,176,378
7. Customer Accounting	\$41,437		41,437		41,437
8. Administration and General	8,702,710		8,702,710		8,702,710
9. General Plant Maintenance	468,078		468,078		468,078
10. Depreciation and Amort.	7,352,047		7,352,047		7,352,047
11. Taxes	4,951,656		4,951,656		4,951,656
12. Other Deductions	215,813		215,813		215,813
13. Total Operating Expenses	\$173,371,618		\$173,371,618	(1,715,705) (C)	\$171,655,913
14. Utility Operating Margins	\$2,778,145		\$12,809,765		\$9,520,162
Income Deductions:					
15. Interest on Long-Term Debt	\$8,539,843		8,539,843		8,539,843
16. Total Income Deductions	\$8,539,843		\$8,539,843		\$8,539,843
17. Net Operating Margins	(\$5,761,698)		\$4,269,922		\$980,319
Other Non-Operating Income:					
18. Interest Income	\$0		\$0	\$373,337 (D)	\$373,337
19. Non-Operating Income	0		0	121,600 (D)	121,600
20. Other Items	0		0	659,705 (D)	659,705
21. Total Non-Operating Income	\$0		\$0	\$1,154,642	\$1,154,642
22. Net Margins	(\$5,761,698)		\$4,269,922		\$2,134,961
23. Principal Costs	\$1,344,612		\$1,344,612		\$1,344,612
24. Debt Service	\$9,884,455		\$9,884,455		\$9,884,455
25. TIER	0.33		1.50 (E)		1.25
26. DSC	1.02		2.04 (E)		1.71

## Sources:

(A) MKEC Filing, Section 9, Schedule 1, page 1 and Section 7, Schedule 3, page 1.

(B) Schedules ACC-2, ACC-3, and ACC-4.

(C) Schedule ACC-4.

(D) Schedule ACC-3.

(E) MKEC is requesting that rates be set based on a TIER of 1.5. Thus, the Company has not included Non-Operating Income in its claim. The inclusion of Non-Operating Income would increase the TIER to 1.64 and the DSC to 2.04.

**MID-KANSAS ELECTRIC COMPANY**

**TEST YEAR ENDING MAY 31, 2008**

**TIER COVERAGE REQUIREMENT**

1. Pro Forma Interest Expense	\$8,539,843	(A)
2. TIER Recommendation	<u>1.25</u>	(B)
3. Required Coverage	\$10,674,804	
4. Company Claim	<u>12,809,765</u>	(C)
5. Recommended Adjustment	<u><u><b>(\$2,134,961)</b></u></u>	

Sources:

(A) Schedule ACC-1.

(B) Recommendation of Ms. Crane.

(C) Section 7, Schedule 3, Page 1, excludes Non-Operating Income.

**MID-KANSAS ELECTRIC COMPANY**

**TEST YEAR ENDING MAY 31, 2008**

**NON-OPERATING INCOME**

1. Pro Forma Non-Operating Income	\$1,154,642	(A)
2. Recommended Adjustment to Rate Increase	<u>(\$1,154,642)</u>	

Sources:

(A) MKEC Filing, Section 7, Schedule 3, page 1.

Schedule ACC-4

**MID-KANSAS ELECTRIC COMPANY**

**TEST YEAR ENDING MAY 31, 2008**

**OPERATING EXPENSE SUMMARY**

		Schedule No.
1. Depreciation and Amortization	(\$986,304)	5
2. Property Tax Expense	(444,459)	6
3. Outside Services Expense	(235,699)	7
4. Lobbying Expense	(6,748)	8
5. Advertising Expense	<u>(42,496)</u>	9
6. Total Expense Adjustments	<b><u>(\$1,715,705)</u></b>	

## MID-KANSAS ELECTRIC COMPANY

TEST YEAR ENDING MAY 31, 2008

## DEPRECIATION AND AMORTIZATION EXPENSE

	Account Number	12/31/08 Plant Balance (\$) (A)	Approved Depreciation Rates (%) (B)	Pro Forma Depreciation Expense
1. Intangible	301-303	51,666	0.00%	0
Steam Production				
2. Land and land rights	310	143,444	0.00%	0
3. Structures and improvements	311	9,307,890	4.81%	447,710
4. Boiler plant equipment	312	26,153,272	6.76%	1,767,961
5. Boiler plant equipment - Pollution	312	1,622,551	7.46%	121,042
6. Engines and engine driven generators	313	-	0.00%	0
7. Turbogenerator units	314	22,916,313	6.36%	1,457,478
8. Accessory electric equipment	315	3,734,514	5.58%	208,386
9. Miscellaneous power plant equipment	316	740,277	5.74%	42,492
10. Asset Retirement Obligation	317	778,431	3.45%	26,856
11. Total steam production		65,396,692		4,071,924
Other Production				
12. Land and land rights	340	36,398	0.00%	0
13. Structures and improvements	341	283,539	-1.42%	(4,026)
14. Fuel holders, producers and accessories	342	136,489	2.00%	2,730
15. Prime movers	343	8,039,074	1.52%	122,194
16. Generators	344	2,900,089	-0.12%	(3,480)
17. Accessory electric equipment	345	536,565	1.09%	5,849
18. Miscellaneous power plant equipment	346	15,948	2.63%	419
19. Asset Retirement Obligation	347	166	5.25%	9
20. Total other production		11,948,268		123,694
Transmission				
21. Land and land rights	350	2,397,700	0.00%	0
22. Structures and improvements	352	2,284,108	2.06%	47,053
23. Station equipment	353	33,455,540	1.82%	608,891
24. Tower and fixtures	354	-	0.00%	0
25. Poles and fixtures	355	20,114,809	3.30%	663,789
26. Overhead conductor & devices	356	12,114,096	1.88%	227,745
27. Asset Retirement Obligation	359	388	3.33%	13
28. Total transmission plant		70,366,641		1,547,490
Distribution				
29. Land and land rights	360	-	0.00%	0
30. Structures and improvements	361	-	1.73%	0
31. Station equipment	362	2,057,517	1.10%	22,633
32. Line transformers	368	67,015	1.97%	1,320
33. Total distribution plant		2,124,532		23,953
General Plant				
34. Land and land rights	389	-	0.00%	0
35. Structures and improvements	390	325,473	3.16%	10,285
36. Office equipment	391	1,312,063	16.29%	213,735
37. Transportation equipment	392	2,144,981	11.23%	240,881
38. Stores equipment	393	3,167	4.72%	149
39. Tools, shop & garage equipment	394	166,604	4.71%	7,847
40. Laboratory equipment	395	610,586	4.94%	30,163
41. Power operated equipment	396	434,807	6.41%	27,871
42. Communication equipment	397	2,907,739	2.33%	67,750
43. Miscellaneous equipment	398	-	7.42%	0
44. Total general plant		7,905,420		598,682
45. Acquisition Cost Amortization (C)	399	9,426,875	0.00%	0
46. Total		\$157,793,219		\$6,365,743
47. Company Claim				<u>7,352,047</u>
48. Recommended Adjustment				<u><u>\$986,304</u></u>

## Sources:

(A) December 31, 2008 plant balances per the response to KEPCO 3.19.

(B) Depreciation rates per Aquila base rate case, KCC Docket No. 04-AQLE-1065-RTS.

Depreciation rates that differ from MKEC's filing have been highlighted.

(C) Reflects elimination of amortization of acquisition premium.

**MID-KANSAS ELECTRIC COMPANY****TEST YEAR ENDING MAY 31, 2008****PROPERTY TAX EXPENSE**

1. Utility Plant in Service as Filed	\$173,564,545	(A)
2. Actual Plant @ 12/31/08	<u>157,791,059</u>	(B)
3. Recommended Plant adjustment	(\$15,773,486)	
4. Property Tax Rate	<u>2.82%</u>	(C)
5. Recommended Adjustment	<u><u><b>(\$444,459)</b></u></u>	

## Sources:

(A) MKEC Filings, Section 10, Schedule 1, page 1, excluding acquisition premium.

(B) Response to KEPCO 3.19, excludes acquisition premium.

(C) Based on property taxes of \$4,890,630 and utility plant claim of \$173,564,545.



**MID-KANSAS ELECTRIC COMPANY**

**TEST YEAR ENDING MAY 31, 2008**

**OUTSIDE SERVICES EXPENSE**

1. Amortization of Regulatory Asset	\$221,637	(A)
2. Company Claim	<u>14,062</u>	(A)
3. Recommended Adjustment	<u><b>\$235,699</b></u>	

Sources:

(A) Response to KCC-29.

**MID-KANSAS ELECTRIC COMPANY**

**TEST YEAR ENDING MAY 31, 2008**

**LOBBYING COSTS**

	<u>Test Year Cost</u> (A)	
1. Annual Dues and Fees	\$44,988	(A)
2. Percentage Adjustment	<u>15.00%</u>	(B)
3. Recommended Adjustment	<u><u>\$6,748</u></u>	

Sources:

(A) Response to KCC-44.

(B) Recommendation of Ms. Crane.

**MID-KANSAS ELECTRIC COMPANY**

**TEST YEAR ENDING MAY 31, 2008**

**ADVERTISING COSTS**

1. Company Claim	\$42,496	(A)
2. Recommended Adjustment	<u>(\$42,496)</u>	

Sources:

(A) Response to KCC-37.

**SOUTHERN PIONEER ELECTRIC COMPANY****TEST YEAR ENDING MAY 31, 2008****REVENUE REQUIREMENT SUMMARY**

1. Pro Forma Interest Expense	\$2,730,223	(A)
2. TIER Recommendation	<u>1.50</u>	(B)
3. Required Coverage	\$4,095,335	
4. Company Claim	<u>6,006,490</u>	(A)
5. Recommended TIER Adjustment	(\$1,911,156)	
6. Taxes on TIER Adjustment	(1,204,165)	(C)
7. Purchased Power Costs	(1,524,784)	(D)
8. Salaries and Wages	(244,019)	(E)
9. Legal Acquisition Costs	(1,825)	(F)
10. Advertising Expenses	(44,761)	(G)
11. Dues/Lobbying Expenses	<u>(8,077)</u>	(H)
12. Total Recommended Adjustments	(\$4,938,786)	
13. Company Claim	<u>9,480,243</u>	(I)
14. Total Pro Forma Increase	<u><u>\$4,541,457</u></u>	

## Sources:

(A) Exhibit RJM-SP-3, page 1.

(B) Recommendation of Ms. Crane.

(C) (Line 5 / (1- composite tax rate of .3865)) - Line 5.

(D) Based on MKEC adjustment of \$5,005,308, allocated to Member of approximately 68.4% per MKEC Filing, Section 9, Schedule 1, page. Members' share allocated to respective Members based on allocation of the increase per MKEC Filing, Section 17 (as adjusted to reflect Southern Pioneer allocation, at present rates, of \$44,926,573 per Mr. Hestermann.

(E) Exhibit RJM-SP-2, page 15.

(F) Response to KCC-29.

(G) Response to KCC-40, excludes Dist. Miscellaneous Expense of \$17,101.

(H) Responses to KCC-38 and KCC-44 (15% of Miscellaneous Expense).

(I) Exhibit RJM-SP-6, page 1.

## LANE SCOTT ELECTRIC COOPERATIVE, INC.

TEST YEAR ENDING MAY 31, 2008

## REVENUE REQUIREMENT SUMMARY

1. Pro Forma Interest Expense	\$50,000	(A)
2. TIER Recommendation	<u>1.50</u>	(B)
3. Required Coverage	\$75,000	
4. Company Claim	<u>110,000</u>	(A)
5. Recommended TIER Adjustment	(\$35,000)	
6. Purchased Power Costs	(47,327)	(C)
7. Advertising Expenses	(11,863)	(D)
8. Dues/Lobbying Expenses	<u>(2,339)</u>	(E)
9. Total Recommended Adjustments	(\$96,529)	
10. Company Claim	<u>358,136</u>	(F)
11 Total Pro Forma Increase	<u><u>\$261,607</u></u>	

## Sources:

(A) Exhibit RJM-LS-3, page 1.

(B) Recommendation of Ms. Crane.

(C) Based on MKEC adjustment of \$5,005,308, allocated to Member of approximately 68.4% per MKEC Filing, Section 9, Schedule 1, page. Members' share allocated to respective Members based on allocation of the increase per MKEC Filing, Section 17 (as adjusted to reflect Southern Pioneer allocation, at present rates, of \$44,926,573 per Mr. Hestermann.

(D) Response to KCC-41, excludes educational and safety.

(E) Response to KCC-44 (15% of \$15,595).

(F) Exhibit RJM-LS-6, page 1.

**PRAIRIE LAND ELECTRIC COOPERATIVE, INC.****TEST YEAR ENDING MAY 31, 2008****REVENUE REQUIREMENT SUMMARY**

1. Pro Forma Interest Expense	\$1,266,916	(A)
2. TIER Recommendation	<u>1.50</u>	(B)
3. Required Coverage	\$1,900,374	
4. Company Claim	<u>2,787,215</u>	(A)
5. Recommended TIER Adjustment	(\$886,841)	
6. Purchased Power Costs	(466,558)	(C)
7. Advertising Expenses	(3,970)	(D)
8. Dues/Lobbying Expenses	(4,341)	(E)
9. Donations/Contributions	<u>(10,179)</u>	(F)
10. Total Recommended Adjustments	(\$1,371,889)	
11 Company Claim	<u>2,691,591</u>	(G)
12 Total Pro Forma Increase	<u><u>\$1,319,702</u></u>	

## Sources:

(A) Exhibit RJM-PL-3, page 1.

(B) Recommendation of Ms. Crane.

(C) Based on MKEC adjustment of \$5,005,308, allocated to Member of approximately 68.4% per MKEC Filing, Section 9, Schedule 1, page. Members' share allocated to respective Members based on allocation of the increase per MKEC Filing, Section 17 (as adjusted to reflect Southern Pioneer allocation, at present rates, of \$44,926,573 per Mr. Hestermann.

(D) Response to KCC-41 (Economic Development and Promotional).

(E) Response to KCC-44 (15% of \$28,937).

(F) Response to KCC-37.

(G) Exhibit RJM-PL-6, page 1.

## VICTORY ELECTRIC COOPERATIVE ASSOCIATION, INC.

TEST YEAR ENDING MAY 31, 2008

## REVENUE REQUIREMENT SUMMARY

1. Pro Forma Interest Expense	\$2,162,202	(A)
2. TIER Recommendation	<u>1.50</u>	(B)
3. Required Coverage	\$3,243,303	
4. Company Claim	<u>4,756,845</u>	(A)
5. Recommended TIER Adjustment	(\$1,513,542)	
6. Purchased Power Costs	(675,461)	(C)
7. Advertising Expenses	(28,903)	(D)
8. Donations	(4,157)	(E)
9. Dues/Lobbying Expenses	(3,681)	(F)
10. Legislative Rally Expenses	(19,416)	(G)
11. Non-Recurring Costs	(13,240)	(H)
12. Meals Expense	<u>(14,469)</u>	(I)
13. Total Recommended Adjustments	(\$2,272,869)	
14. Company Claim	<u>5,087,874</u>	(J)
15. Total Pro Forma Increase	<u><u>\$2,815,005</u></u>	

## Sources:

(A) Exhibit RJM-VI-3, page 1.

(B) Recommendation of Ms. Crane.

(C) Based on MKEC adjustment of \$5,005,308, allocated to Member of approximately 68.4% per MKEC Filing, Section 9, Schedule 1, page. Members' share allocated to respective Members based on allocation of the increase per MKEC Filing, Section 17 (as adjusted to reflect Southern Pioneer allocation, at present rates, of \$44,926,573 per Mr. Hestermann.

(D) Response to KCC-41, excludes legal, employment, and directory advertising.

(E) Response to KCC-38.

(F) Response to KCC-44 (15% of \$24,543).

(G) Response to KCC-219.

(H) Response to KCC-95.

(I) Response to KCC-164.

(J) Exhibit RJM-VI-6, page 1.

**WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.****TEST YEAR ENDING MAY 31, 2008****REVENUE REQUIREMENT SUMMARY**

1. Pro Forma Interest Expense	\$499,911	(A)
2. TIER Recommendation	<u>1.50</u>	(B)
3. Required Coverage	\$749,867	
4. Company Claim	<u>1,099,804</u>	(A)
5. Recommended TIER Adjustment	(\$349,938)	
6. Purchased Power Costs	(371,789)	(C)
7. Advertising Expenses	(9,316)	(D)
8. Donations	(1,582)	(E)
9. Dues/Lobbying Expenses	(1,298)	(F)
10. Legislative Rally	(1,052)	(G)
11. Non-Recurring Costs	<u>(4,027)</u>	(H)
12. Total Recommended Adjustments	(\$734,975)	
13. Company Claim	<u>1,286,410</u>	(I)
14. Total Pro Forma Increase	<u><u>\$551,435</u></u>	

## Sources:

(A) Exhibit RJM-WE-3, page 1.

(B) Recommendation of Ms. Crane.

(C) Based on MKEC adjustment of \$5,005,308, allocated to Member of approximately 68.4% per MKEC Filing, Section 9, Schedule 1, page. Members' share allocated to respective Members based on allocation of the increase per MKEC Filing, Section 17 (as adjusted to reflect Southern Pioneer allocation, at present rates, of \$44,926,573 per Mr. Hestermann.

(D) Response to KCC-41, promotional advertising only.

(E) Response to KCC-37.

(F) Response to KCC-44 (15% of \$8,655).

(G) Response to KCC-180.

(H) Response to KCC-179.

(I) Exhibit RJM-WE-6, page 1.



**MID KANSAS ELECTRIC COMPANY AND MEMBERS****TEST YEAR ENDING MAY 31, 2008****REVENUE REQUIREMENT SUMMARIES**

	Company Claim	Recommended Adjustment	Maximum Revenue Increase	
1. Mid Kansas Electric Company	\$10,031,620	(\$5,005,308)	\$5,026,312	(A)
2. Southern Pioneer Electric Company	\$9,480,243	(\$4,938,786)	\$4,541,457	(B)
3. Lane Scott Electric Cooperative, Inc.	\$358,136	(\$96,529)	\$261,607	(C)
4. Prairie Land Electric Cooperative, Inc.	\$2,691,591	(\$1,371,889)	\$1,319,702	(D)
5. Victory Electric Cooperative Assn., Inc.	\$5,087,874	(\$2,272,869)	\$2,815,005	(E)
6. Western Cooperative Electric Assn., Inc.	\$1,286,410	(\$734,975)	\$551,435	(F)

## Sources:

(A) Schedule ACC-1.

(B) Schedule ACC-10.

(C) Schedule ACC-11.

(D) Schedule ACC-12.

(E) Schedule ACC-13.

(F) Schedule ACC-14.