

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF KANSAS

STATE CORPORATION COMMISSION

APR 21 2011



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. 11-MKEE-439-RTS

DIRECT TESTIMONY OF

ANDREA C. CRANE

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

April 21, 2011

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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.

20

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

2 A. Yes, since joining The Columbia Group, Inc., I have testified in approximately 350
3 regulatory proceedings in the states of Arizona, Arkansas, Connecticut, Delaware, Hawaii,
4 Kansas, Kentucky, Maryland, New Jersey, New Mexico, New York, Oklahoma,
5 Pennsylvania, Rhode Island, South Carolina, Vermont, West Virginia and the District of
6 Columbia. These proceedings involved electric, gas, water, wastewater, telephone, solid
7 waste, cable television, and navigation utilities. A list of dockets in which I have filed
8 testimony since January 2008 is 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 December 14, 2010, Mid-Kansas Electric Company (“MKEC” or “Company”) filed an
18 Application with the State of Kansas Corporation Commission (“KCC” or “Commission”)
19 seeking a rate increase of approximately \$4.26 million in its electric rates for customers in its
20 service territory served by Wheatland Electric Cooperative (“Wheatland”). Wheatland
21 serves customers through two divisions: Wheatland East, which serves the former customers
22 of Aquila, and Wheatland West, which serves those ratepayers who were customers of

1 Wheatland prior to the Aquila acquisition.¹ This proceeding only affects customers of
2 Wheatland East.

3 MKEC's request would result in an increase of approximately 19.45%. Given the
4 magnitude of the increase, MKEC is requesting that the increase be phased-in, with an
5 increase of \$2.38 million or 10.85% initially and the additional increase of \$1.88 million to
6 be implemented one year later.

7 MKEC is owned by five Kansas cooperatives and one corporation that is a wholly-
8 owned subsidiary of a sixth Kansas cooperative (collectively "Members"). This case only
9 involves rates for customers served by one of its members, Wheatland Electric Cooperative.
10 Rates for the other Members, as well as wholesale rates for generation sales by MKEC to its
11 Members, were determined in Docket No. KCC 09-MKEE-969-RTS. The Columbia Group,
12 Inc. was engaged by The State of Kansas, Citizens' Utility Ratepayer Board ("CURB") to
13 review the Company's Application, and to provide recommendations to the KCC regarding
14 the rate increase being requested in this case.

15
16 **Q. What rates are currently being charged to MKEC's customers in the Wheatland East**
17 **service territory?**

18 **A.** MKEC is currently charging these customers the retail rates that were in place when the
19 service territory was served by Aquila, Inc. MKEC was organized by its Members to acquire
20 the electric utility assets owned by Aquila. On February 23, 2007, the KCC approved the

¹ Throughout this testimony, "Wheatland East" will be used to refer to MKEC's rate request related to Wheatland.

1 transfer of Aquila’s facilities in Kansas to MKEC. MKEC, through its Members, began
2 serving Kansas ratepayers on April 1, 2007. Approximately 14,400 customers are served
3 through Wheatland East and approximately 17,300 customers are served by Wheatland West.
4 Only the 14,400 customers of Wheatland East are impacted by this filing.
5

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

9 **A.** No, I do not. Mr. Watkins suggests in his testimony that cooperative utilities should be
10 viewed differently by the KCC because “there are no competing interests between
11 stockholders who want higher returns and customers who want lower rates and better
12 service.” However, as long as the KCC has jurisdiction over the rates of MKEC and its
13 Members, the KCC should apply the same regulatory scrutiny to cooperatives that it applies
14 to investor-owned utilities. I understand that there are statutes in Kansas that would enable
15 MKEC and most of its Members to deregulate their electric utility services. However, as
16 noted by Mr. Watkins on page 5 of his testimony, “Mid-Kansas and the operations of the
17 service territory by the Mid-Kansas Members are currently fully regulated by the
18 Commission and will continue to be regulated unless Mid-Kansas or any eligible Mid-
19 Kansas Member seeks to remove Commission regulation over their rates, pursuant to the
20 provisions found in K.S.A. 66-104d.” Accordingly, the services that are issue in this case are
21 fully regulated by the KCC. As long as the KCC has regulatory jurisdiction, it should

1 provide the same level of regulatory oversight to the customers of these cooperatives as it
2 provides to customers of investor-owned utilities. While the KCC may conclude that some
3 different methodologies are appropriate for regulating cooperative utilities, it should ensure
4 that these methodologies result in the same degree of scrutiny as that given to investor-owned
5 utilities. The ratepayers of the cooperatives, including Wheatland, deserve nothing less.
6

7 **III. SUMMARY OF CONCLUSIONS**

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

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

- 11 1. Wheatland East's rates should be established based on a TIER of 1.5.
- 12 2. Wheatland East should be granted a rate increase of no more than \$2,756,850 (see
13 Schedule ACC-1). This represents a reduction of \$1,510,801 from the amount
14 requested by the Company.
- 15 3. The KCC should approve a rate increase of \$1,784,747, or approximately 8%, in
16 Phase 1, based on a debt service coverage ("DSC") ratio of 1.35 as required by the
17 Company's lender (see Schedule ACC-14). The remaining increase of \$972,102, or
18 approximately 4.34%, should be implemented in Phase 2.
19

1 **IV. DISCUSSION OF THE ISSUES**

2 **Q. Please provide a brief description of the Company's request.**

3 MKEC is claiming a required rate increase of \$4,267,651 for its Wheatland service territory.²

4 The Company is proposing that \$52,043 of this increase be recovered through an increase in
5 local access charges ("LAC") to third parties that utilize the 34.5 kV line owned by
6 Wheatland East. The Company is proposing that \$2,384,968 of the increase be effective with
7 the Commission's order in this case. The Phase 1 increase would include the \$52,043
8 allocated to the LAC. The remainder of the increase would be effective one year later.

9 The Company has based its claim on the test year ending December 31, 2009. The
10 Company made certain pro forma adjustments to its actual test year results for payroll and
11 employee benefit costs, depreciation expense, interest expense, rate case expense, property
12 tax expense, and non-operating income.

13
14 **A. Pro Forma Revenue**

15 **Q. How did Wheatland East determine its claim for pro forma electric sales revenue at
16 present rates?**

17 **A.** Wheatland East utilized the number of customers at December 31, 2009, the end of the test
18 year, to develop its claim. Usage levels were based largely on actual test year consumption.

²The Company claims that it has a revenue deficiency of \$4,267,651, although its rate design only yields an increase of \$4,264,081 due to rounding of tariff rates.

1 The Company did make a few adjustments to reflect expiring Economic Development
2 Credits and the net effect of losing or gaining customers during 2009.

3

4 **Q. Did Wheatland East normalize its pro forma sales for normal weather conditions?**

5 A. No, it did not. The Company did not make any adjustment to normalize sales due to weather
6 fluctuations.

7

8 **Q. Is it a common practice for utilities to include rate case adjustments to reflect pro
9 forma sales based on normal weather conditions?**

10 A. Yes, it is. Weather normalization adjustments are widely used by regulated utilities. This is
11 because fluctuations in the weather can have a significant impact on usage. For example, in
12 an electric utility, sales will generally be depressed if the weather is colder than normal in the
13 summer months, since customers will be less likely to use their air conditioning. In a gas
14 utility, a warm winter will generally depress gas sales. While fluctuations in the weather can
15 impact sales from year to year, utility rates are generally established based on normal weather
16 conditions.

17

18 **Q. How did actual sales in 2010 compare with sales in the test year?**

19 A. Sales in 2010 were significantly higher than sales in the test year. As shown in the response
20 to KCC-66, the Company had sales of 269.12 million kwhs in 2010, approximately 8.6%
21 higher than sales in the test year.

1 **Q. How did the weather in the test year compare with normal weather conditions for the**
2 **service territory?**

3 A. According to the High Plains Regional Climate Center, cooling degrees days were
4 approximately 150 to 300 degree days lower than normal in the summer of 2009. This
5 suggests that the sales in the test year were not representative of normal weather conditions,
6 but instead were depressed due to cooler than normal weather conditions. Alternatively,
7 cooling degrees days in 2010 were 100 to 200 degree days above normal. So the data
8 suggests that the summer of 2009 was cooler than normal and that the summer of 2010 was
9 hotter than normal.

10

11 **Q. Did you have sufficient data to develop a long-term relationship between cooling degree**
12 **days and electric sales for Wheatland East?**

13 A. No, I did not. Wheatland East has limited historic data available for its customers.
14 Moreover, while we asked for historic data in CURB-8, the Company limited its response to
15 data from December 2008 through December 2010.

16

17 **Q. Given this limited data, what level of pro forma sales do you recommend for**
18 **determining pro forma revenue at present rates?**

19 A. Given this very limited data, and the fact that the summer of 2009 was cooler than normal
20 while the summer of 2010 was warmer than normal, I recommend that a two year average of
21 actual electric sales be used to determine pro forma volumes in this case. As shown in

1 Schedule ACC-2, this will result in an adjustment to pro forma volumes of 14.73 million
2 kwhs.

3
4 **Q. How did you quantify the impact of your adjustment on the Company's operating**
5 **margin?**

6 **A.** Since Wheatland East must purchase power to meet its supply requirements, any increase in
7 sales will result in an increase to purchase power expense. Therefore, to determine the
8 impact of my pro forma revenue adjustment, I multiplied the 14.73 million kwhs of
9 incremental sales by the average margin assumed by the Company in its filing. Wheatland
10 East's claim is based on average revenues of approximately \$0.0900 per kWh, as derived
11 from Exhibit RJM-WH-2 of Mr. Macke's testimony. However, Wheatland East's claim also
12 reflects average purchased power costs of \$0.0596 per kWh, as shown in Mr. Macke's
13 testimony at Exhibit RJM-WH-2, page 9. Thus, the Company's filing reflects a net margin
14 of \$0.0305 per kWh.³ On Schedule ACC-2, I have utilized this average net margin to
15 calculate the additional margin associated with my recommended sales adjustment. While
16 my methodology to determine pro forma sales is not as refined as it could be if extensive
17 historic data was available, it represents an improvement over the Company's methodology,
18 which is based on sales during a single year that was generally cooler than normal. For this
19 reason, I recommend that the KCC adopt my adjustment to pro forma revenue at present
20 rates, as shown in Schedule ACC-2.

³ Numbers do not add due to rounding.

1 **B. Payroll and Benefit Expenses**

2 **Q. How did the Company determine its payroll and benefit expense claims in this case?**

3 A. Wheatland East began with its actual booked test year costs. The Company then made an
4 adjustment to annualize the impact of a 3.5% payroll increase effective December 1, 2009.
5 This resulted in a pro forma payroll adjustment of \$87,171. Wheatland East then adjusted
6 various categories of employee benefits by applying the percentage ratio of each type of
7 benefit to the pro forma payroll increase. Employee benefit costs adjusted in this manner
8 include retirement and pension costs, 401K costs, short-term disability costs, workmen's
9 compensation costs, hospitalization insurance costs, state and federal unemployment
10 insurance costs, and life insurance costs. In addition, the Company made adjustments to
11 retirement and pension expense and to state and federal unemployment insurance costs to
12 reflect changes in the actual percentage rate for these types of costs. Finally, Wheatland East
13 made an adjustment to its payroll tax expense to reflect the impact on taxes of its payroll
14 annualization adjustment.

15
16 **Q. Are you recommending any adjustment to the Company's payroll and employee benefit**
17 **costs?**

18 A. I am not recommending any adjustment to its payroll cost claim. I am recommending one
19 adjustment to employee benefit costs relating to workers compensation costs.

20

1 **Q. Please explain your adjustment to the Company's claim for workers compensation**
2 **costs.**

3 A. My proposed adjustment to workers compensation costs simply corrects what I perceive to be
4 an error in the Company's testimony. On Exhibit RJM-WH-2, page 12 of Mr. Macke's
5 testimony, he calculates an adjustment to workers compensation costs of \$919. This
6 adjustment is derived by applying the workers compensation rate of 1.05% to the payroll
7 adjustment of \$87,171. However, in the summary on page 13 of his testimony, Mr. Macke
8 carried over an adjustment amount of \$17,082 for workers compensation costs. This is the
9 same adjustment that he calculated for hospitalization insurance expense so I believe Mr.
10 Macke simply carried over the incorrect amount. In addition, it appears that Mr. Macke
11 carried over the incorrect amount of \$17,082 to his pro forma test year revenue requirement
12 shown on Exhibit RJM-WH-2, page 1. Therefore, at Schedule ACC- 4, I have made an
13 adjustment to reduce the workers compensation adjustment from the \$17,082 included in Mr.
14 Macke's schedules to the \$919 that he calculated initially.

15
16 **C. Donations Expense**

17 **Q. Did Wheatland East include any donations in its claim?**

18 A. Yes, as shown in the response to CURB-23, Wheatland East included \$3,969 of donations in
19 its revenue requirement claim.

20

1 **Q. Are such donations appropriate to include in a utility's revenue requirement?**

2 A. No, they are not. Donations are not costs that are necessary for the provision of safe and
3 adequate utility service and therefore most regulatory commissions exclude donations from a
4 regulated utility's cost of service. Nevertheless, I recognize that in the past the KCC has
5 generally permitted regulated utilities to include 50% of donations in their regulated cost of
6 service.

7
8 **Q. Did Wheatland East make an adjustment to eliminate 50% of its donations from its
9 regulated cost of service?**

10 A. No, it did not. Wheatland East included 100% of its booked donations in its revenue
11 requirement claim in this case. Therefore, at Schedule ACC-5, I have made an adjustment to
12 remove 50% of these costs. While I continue to believe that it is inappropriate to include any
13 donations in regulated utility rates, my adjustment recognizes the KCC's past policy on this
14 issue.

15
16 **D. Key Man Insurance Expense**

17 **Q. Please explain the Company's claim for key man insurance.**

18 A. In the test year, Wheatland East booked \$43,927 for key man insurance costs in Account
19 4.26.2. While these costs were initially booked below-the-line, they have been included
20 above-the-line in Mr. Macke's Exhibit RJM-WH-2, page 1 and therefore are included in the
21 Company's revenue requirement claim.

1 **Q. Has the Company provided any rationale for why these costs should be recovered from**
2 **ratepayers?**

3 A. No, it has not. According to the response to KCC-8, these costs relate to prepaid employee
4 benefits established in 1987, well before Wheatland acquired the service territory at issue in
5 this case. At December 31, 2009, Wheatland had deferred debits of \$837,661 relating to
6 these prepaid benefits on its consolidated balance sheet. These deferrals are being written off
7 in the amount of \$14,355 each month, 30% of which is now being allocated by Wheatland to
8 its Wheatland East service territory.

9

10 **Q. What do you recommend?**

11 A. I recommend that these costs be excluded from the Company's revenue requirement. These
12 costs do not relate to the operations of Wheatland East and there is no reason why the former
13 Aquila ratepayers should pay a portion of these costs through their utility bills. If Wheatland
14 wants to allocate a portion of these costs to Wheatland East, the costs should remain below-
15 the-line and not included in the Company's regulated cost of service. My adjustment to
16 eliminate these costs is shown in Schedule ACC-6.

17

18 **E. Amortization Expense**

19 **Q. Did Wheatland East include amortization of the premium that resulted from the Aquila**
20 **acquisition in its revenue requirement claim?**

1 A. The Company made an adjustment to eliminate the amortization of the acquisition premium
2 from its operating expense claim, as discussed by Mr. Macke at pages 18-19 of his testimony.
3 However, it did include these costs when calculating its financial ratios.
4

5 **Q. What did the Settlement and Agreement (“S&A”) in KCC Docket No. 06-MKEE-524-
6 ACQ state about recovery of the acquisition premium?**

7 A. The S&A stated that the acquisition premium “shall be included below-the-line in subsequent
8 MKEC, Distribution Cooperative(s), and Southern Pioneer rate proceedings. The AP
9 [acquisition premium] shall be considered for purposes of calculating TIER and other
10 financial ratios...”. Thus, the Company’s treatment of the acquisition premium is consistent
11 with the S&A in KCC Docket No. 06-MKEE-524-ACQ.
12

13 **Q. Does Wheatland East’s cost of service include any other costs associated with the
14 acquisition?**

15 A. Yes, although Wheatland East removed the amortization expense associated with the
16 acquisition premium, it appears that its cost of service still includes \$42,580 in other
17 acquisition costs, per the response to CURB-27. In addition to the acquisition premium, the
18 Company incurred other acquisition costs of \$851,594 related to the acquisition of the Aquila
19 assets. These costs are being amortized over twenty years.
20

1 **Q. Are you recommending that these costs be disallowed?**

2 A. Yes, I am. As noted in my testimony in KCC Docket No. 06-MKEE-524-ACQ, MKEC and
3 its Members claimed that there would be significant synergy savings as a result of the
4 acquisition. I recommended in that case that these synergy savings be used to finance the
5 acquisition premium, rather than recovering these costs from ratepayers, and the S&A in that
6 case included the requirement that the acquisition premium be recorded below-the-line. The
7 same should apply to acquisition costs. Recovery of these costs was not provided for in the
8 S&A in that case. To the extent that the Company financed acquisition costs, it should have
9 used synergy savings to recover them during the period of the rate freeze. The Company has
10 not provided any supporting documentation for these costs or demonstrated that these costs
11 are otherwise appropriate to include in its cost of service. Moreover, these costs are not
12 recurring costs and therefore should not be included in prospective rates. For all these
13 reasons, I recommend that the Company's claim for amortization expense associated with
14 acquisition costs be denied. My adjustment is shown in Schedule ACC-7.

15

16 **F. Vehicle Purchase Expense**

17 **Q. Has Wheatland East included a vehicle purchase in its cost of service as an operating**
18 **expense?**

19 A. Yes, it has. According to invoices provided in response to KCC-125, Wheatland East
20 included costs for a vehicle purchased during the test year from Newbury Family Auto in its

1 cost of service. It appears that the Company included the entire net price of the vehicle in its
2 expense claim.

3

4 **Q. How should vehicle costs be reflected in cost of service?**

5 A. If vehicles are owned by the utility, they should be capitalized and recovered through the
6 depreciation expense and interest expense components of the Company's revenue
7 requirement. As shown in the response to KCC-26, Wheatland's policy is to capitalize assets
8 that cost more than \$1,000. If vehicles are leased, the annual lease costs should be included
9 in cost of service.

10

11 **Q. What do you recommend?**

12 A. I recommend that the vehicle costs of \$25,458 be excluded from the Company's revenue
13 requirement, as shown on Schedule ACC-8. Since the Company annualized its interest
14 expense, I am assuming that its interest claim includes any financing costs incurred to
15 acquire this vehicle. However, I do not know if this vehicle is included in the Company's
16 depreciation expense claim. If the Company provides documentation demonstrating that
17 depreciation expense on this vehicle has not been included in its depreciation expense claim,
18 I would recommend a further adjustment to increase depreciation expense by the annual
19 depreciation for this vehicle.

20

1 **G. Lobbying Expense**

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

3 A. Yes, it has. Although Wheatland East claimed in its response to KCC-38 that it did not
4 include any lobbying costs in its revenue requirement claim, it has included in its claim dues
5 for certain organizations that engage in lobbying activities. These include the Kansas
6 Electric Cooperative (“KEC”), 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. In response to KCC-39, the Company stated that 18.02% of KEC’s dues are classified as
20 legislative advocacy. Therefore, I am recommending that 18.02% of the test year KEC dues
21 be eliminated from the Company’s revenue requirement. This adjustment is consistent with

1 the percentage of dues generally attributable to lobbying functions by similar entities. While
2 Wheatland East did not identify the specific portion of Chamber of Commerce dues related
3 to lobbying, in the past I have generally recommended disallowances of 15-25% for Chamber
4 of Commerce dues on the basis of lobbying. Therefore, I also eliminated 18.02% of the
5 Chamber of Commerce dues included in the Company's claim. My adjustments are shown
6 in Schedule ACC-9.

7
8 **H. Advertising Expense**

9
10 **Q. Are you recommending any adjustment to the Company's claim for advertising costs?**

11 **A.** Yes, I am. In the response to data request CURB-26, Wheatland East identified \$12,382 in
12 advertising costs that relate primarily to corporate image or promotional advertising. These
13 costs include various advertisements, sponsorships, promotional give-aways, and other costs
14 that generally promote Wheatland such as advertising for Touchstone Cooperative, of which
15 Wheatland is a member. None of these costs relate to activities or services that are necessary
16 for the provision of safe and adequate regulated utility service. These costs all appear to be
17 corporate image or public relations costs that are directed toward promoting the corporate
18 image of Wheatland, rather than toward the provision of regulated utility service to its
19 customers. Unless Wheatland East can show a direct relationship between these costs and
20 the provision of safe and adequate utility service, these costs should be disallowed. The
21 Company 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-10.

1 **I. Fitness and Club Membership Expense**

2 **Q. Has the Company included any costs for fitness and club memberships in its revenue**
3 **requirement claim?**

4 **A. Yes, Wheatland East has included fitness and club membership costs of \$7,093 in its claim.**
5 Moreover, according to the response to KCC-122, one of these memberships covers not only
6 Wheatland employees, but their spouses and children as well.

7
8 **Q. Are fitness and club membership costs appropriate costs to charge to regulated**
9 **ratepayers?**

10 **A. No, they are not. These costs are not necessary for the provision of regulated electric service.**
11 Nor are these benefits generally provided to employees in the utility industry. While I have
12 no objection to Wheatland East providing club memberships to employees and their families,
13 these costs should not be paid for by regulated ratepayers. Therefore, at Schedule ACC-11, I
14 have made an adjustment to remove fitness club memberships from the Company's revenue
15 requirement.

16
17 **J. Non-Operating Margins – Other**

18 **Q. Did Wheatland East include non-operating margins in its claim in this case?**

19 **A. Yes, it did. During the test year, Wheatland East booked \$1,407 in non-operating interest**
20 income and \$1,418,309 of other non-operating margins. As discussed on page 17 of Mr.
21 Macke's testimony, Wheatland East made adjustments to its non-operating margins a) to

1 remove reimbursements from MKEC of expenses associated with the 34.5 KV line that are
2 now being recovered through local access charges, b) to add back the acquisition premium so
3 that it was considered when calculating financial ratios, consistent with the Settlement
4 Agreement in Docket No. 06-MKEE-524.ACQ, and c) to include 2009 income allocated to
5 Wheatland from MKEC.

6
7 **Q. Are you recommending any adjustments to the non-operating margins included in**
8 **Wheatland East's filing?**

9 **A.** Yes, I am. I am recommending two additional adjustments. First, during the test year,
10 Wheatland East incurred a net loss of \$6,016 on merchandise sales. By including these
11 losses in its revenue requirement, Wheatland East is effectively requiring regulated
12 ratepayers to subsidize these losses. If Wheatland East wants to make merchandise sales at
13 rates that result in net losses it can do so, but the KCC should not permit these losses to be
14 funded by regulated electric ratepayers. Therefore, at Schedule ACC-12, I have made an
15 adjustment to remove these net losses from non-operating margins.

16 In addition, Wheatland East has included \$22,056 of losses on the disposition of
17 property and \$637 of gains on the disposition of property in its claim. Wheatland East has
18 not provided any testimony or other support demonstrating why losses from the disposition
19 of property should be recovered from ratepayers. Nor has Wheatland East demonstrated that
20 such losses are likely to occur annually or that the Company's claim represents a normalized
21 annual level of such losses. Therefore, at Schedule ACC-12, I have made an adjustment to

1 remove these losses from the Company's claim. To be consistent, I have eliminated the
2 corresponding gains from the disposition of property as well. This adjustment is also shown
3 in Schedule ACC-12.

4
5 **K. Margin Coverage Requirement**

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

8 A. Yes. Instead of using a traditional rate base, rate of return ratemaking methodology, the
9 KCC has historically regulated cooperatives based on a cash flow approach, i.e., the KCC
10 sets rates that provide the cooperative with sufficient revenues to meet their financing
11 coverage requirements as contained in loan agreements between the cooperative and its
12 lenders. In this case, Wheatland East has proposed that its rates be based on a TIER
13 requirement of 2.0.

14
15 **Q. Does Wheatland have any equity?**

16 A. Wheatland does have equity, resulting mainly from patronage capital. At December 31,
17 2009, approximately 10.5% of total Wheatland assets were financed with equity. However,
18 the vast majority of the operations of Wheatland is financed with debt. Therefore, the
19 coverage requirement of the lender is used to establish the level of margin that must be
20 maintained in order to comply with its debt covenants.

21

1 **Q. Doesn't the Company claim that it has negative equity?**

2 A. Yes, it does. On page 23 of Mr. Macke's testimony, he claims that Wheatland East actually
3 has an equity ratio of negative 11.8% compared with total capitalization, or negative 10.1%
4 as a percent of assets. However, his calculation is based solely on what he calculated for the
5 Wheatland East system, or that portion of Wheatland that was acquired from Aquila.
6 Accordingly, his calculation is impacted by the acquisition premium that was paid for the
7 assets as well as by the fact that the acquisition was financed with debt. However,
8 Wheatland's financial statements are actually reported on a consolidated basis, and this is
9 how its lender, the CFC, views the Company. Moreover, as I pointed out in my testimony in
10 KCC Docket No. 06-MKEE-524-ACQ, it was clearly the decision of the management of the
11 MKEC Members, including Wheatland, to pursue the proposed acquisition at a price that
12 resulted in a significant acquisition premium, and which would require the Members to take
13 on significant additional debt. As stated in my testimony in that case, "...existing ratepayers
14 should not penalized with higher rates as a result of this acquisition. I recommend that in any
15 future rate proceeding, the KCC deny any proposal by a MKEC member that its equity ratio
16 should be increased to rebalance its capital structure as a result of the proposed transaction."⁴
17 Wheatland should not now be using its weak capital structure and high debt ratio as an
18 excuse to recover excessive margins from its ratepayers.

19

⁴Testimony of Andrea C. Crane, Docket No. 06-MKEE-524-ACQ, page 23.

1 **Q. What is the coverage requirement that Wheatland must meet pursuant to its debt**
2 **covenant?**

3 A. According to the response to CURB-29, Wheatland borrows all of its funds from the
4 National Rural Utilities Cooperative Finance Corporation (“CFC”). Pursuant to its bond
5 indenture, Wheatland is required to meet a DSC requirement of 1.35 in two of the three most
6 current reporting years. There is no specific TIER requirement specified in its financial
7 covenants. Nor are there any TIER or DSC requirements specific to Wheatland East’s
8 operations.

9

10 **Q. If Wheatland does not have a TIER requirement, why did Wheatland East utilize TIER**
11 **to determine its margin requirement in this case?**

12 A. According to the response to KCC-155, Wheatland East used TIER to determine its margin
13 requirements because “the KCC staff has often, if not always included a TIER calculation
14 when evaluating the appropriate margin requirements for cooperatives.” The Company also
15 stated that it used TIER since “it mirrors the approach taken in determining the rates for the
16 other five MKEC divisional rates.”

17

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

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

21

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

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

Q. What level of TIER coverage is Wheatland East requesting in this case?

A. As discussed in the testimony of Mr. Watkins, MKEC is requesting that the KCC approve rates that will result in a TIER of 2.0.

Q. How does the CFC calculate the DSC?

A. According to the response to KCC-156, CFC defines the DSC ratio as:

for any calendar year add (i) Operating Margins, (ii) Non-Operating Margins—Interest, (iii) Interest Expense, (iv) Depreciation and Amortization, and (v) cash received in respect of generation and transmission and other capital credits, and divide by the sum so obtained by the sum of all payments of Principal and Interest Expense required to be made during such calendar year;

Q. Did the Company calculate the DSC that would result assuming that its request in this case is approved?

A. Yes, it did. According to the response to KCC-154, a DSC of 2.48 would result if its entire revenue increase is granted. Thus, the Company’s request results in a DSC that is almost double its requirement under the bond indenture.

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

2 A. Yes, I am. I am recommending that the KCC approve rates that will result in a TIER of 1.50
3 for Wheatland East. This is the same recommendation that I made in Docket No. 09-
4 MKEE-969-RTS for the other MKEC Members.

5

6 **Q. Have you calculated the DSC that results from your recommendation?**

7 A. Yes, as shown on Schedule ACC-1, my recommendation results in a DSC of 1.78, well
8 above the 1.35 required pursuant to the Company's bond indenture with CFC.

9

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

11 A. As noted above, I recommend that the KCC apply the same level of scrutiny to cooperative
12 utilities as it applies to investor-owned utilities. Accordingly, the KCC should ensure that
13 the Wheatland East rate increase is as low as possible without jeopardizing Wheatland East's
14 ability to provide safe and reliable utility service. Wheatland East's request results in a
15 cushion of more than 83% over the DSC ratio that Wheatland's lender requires. While I am
16 not adverse to rates that would provide some cushion over the Company's bond indenture
17 requirements, the question is how much is too much? I believe that a TIER of 1.50, and DSC
18 of 1.78, result in a reasonable balance between the need to provide some cushion to
19 Wheatland East and the need to approve utility rates that are just and reasonable.

20

1 **Q. How did you quantify your adjustment relating to Wheatland East's coverage**
 2 **requirement?**

3 A. As shown on Schedule ACC-13, a TIER of 1.5 results in a coverage requirement of
 4 \$2,643,191. This compares with Wheatland East's pro forma coverage at present rates of
 5 (\$113,650). Therefore, my TIER recommendation results in a recommended rate increase of
 6 for Wheatland East of \$2,756,850.

7
 8 **V. REVENUE REQUIREMENT SUMMARY**

9 **Q. Please summarize the revenue requirement adjustments that you are recommending for**
 10 **Wheatland East.**

11 A. As shown on Schedule ACC-1, my adjustments will reduce Wheatland East's revenue
 12 requirement from \$4,267,651 to \$2,756,850. This includes adjustments to revenues at
 13 present rates of \$448,624 (Schedule ACC-2); total adjustments of \$153,678 to operating
 14 expenses (summarized on Schedule ACC-3), an adjustment of \$27,435 to non-operating
 15 margins (Schedule 12), and an adjustment of \$881,064 to margins, as shown below:

Revenue Adjustments	\$448,624
Expense Adjustments	\$153,678
Non-Operating Margin Adjustments	\$27,435
Margin Adjustments ⁵	\$881,064
Total CURB Adjustments	\$1,510,801
Company Claim ⁶	\$4,267,651
CURB Recommendation	\$2,756,850

⁵ Based on the difference between the TIER of 2.0 requested by Wheatland East and my recommended TIER of 1.5, and on pro forma interest expense of \$1,762,127.

⁶ As noted earlier, the Company's revenue requirement analysis purports to show a deficiency of \$4,267,651, although the Company's proposed rates only yield \$4,264,081 in additional revenues.

1 My recommendations result in a TIER of 1.5 and a DSC of 1.78, well above the requirement
2 imposed by Wheatland's lender.

3
4 **Q. How much of the recommended increase should be collected in Phase 1?**

5 A. Wheatland East has proposed that its Phase 1 increase be based on the CFC's required debt
6 service coverage ratio of 1.35. I have used the same basis to determine the amount of my
7 recommended increase that should be implemented in Phase 1. As shown in Schedule ACC-
8 14, Wheatland East requires a Phase 1 increase of \$1,784,747 to achieve the required 1.35
9 DSC ratio. This would represent an increase of 7.97% over pro forma revenue at present
10 rates, based on my pro forma revenue adjustment. The remainder of the increase, or
11 \$972,102, would be implemented in Phase 2. This would increase rates by another 4.34%
12 over current pro forma revenue at present rates.

13
14 **Q. Are you making any recommendations with regard to rate design or class cost of
15 service allocations?**

16 A. No, these areas are beyond the scope of my testimony in this case. However, in reviewing
17 the Company's responses to data requests, I noted that in response to KCC-77, the Company
18 indicated that the long-term interest expense used in the calculation of its LAC charge is
19 incorrect. All of the Company's rates, including its LAC, will be recalculated based upon the
20 level of revenues approved for Wheatland East by the KCC in this case, and based upon the
21 rate design and class cost of service allocations found to be reasonable by the KCC. At that

1 time, the parties should ensure that the correct level of long-term interest expense is used in
2 the calculation of the LAC.

3

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

5 **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 20TH day of APRIL, 2011.

Notary Public

Majorie M. Levin

My Commission Expires: DECEMBER 31, 2013



APPENDIX A

List of Prior Testimonies

(Includes Testimonies filed from January 2008-Present)

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
South Jersey Gas Company	G	New Jersey	GR10060378-79	3/11	BGSS / CIP	Division of Rate Counsel
Chesapeake Utilities Corporation	G	Delaware	10-296F	3/11	Gas Service Rates	Division of the Public Advocate
Westar Energy, Inc.	E	Kansas	11-WSEE-377-PRE	2/11	Pre-Determination of Wind Investment	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	10-295F	2/11	Gas Cost Rates	Attorney General
Delmarva Power and Light Company	G	Delaware	10-237	10/10	Revenue Requirements Cost of Capital	Division of the Public Advocate
Pawtucket Water Supply Board	W	Rhode Island	4171	7/10	Revenue Requirements	Division of Public Utilities and Carriers
New Jersey Natural Gas Company	G	New Jersey	GR10030225	7/10	RGGI Programs and Cost Recovery	Division of Rate Counsel
Kansas City Power & Light Company	E	Kansas	10-KCPE-415-RTS	6/10	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Atmos Energy Corp.	G	Kansas	10-ATMG-495-RTS	6/10	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Empire District Electric Company	E	Kansas	10-EPDE-314-RTS	3/10	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	09-414 and 09-276T	2/10	Cost of Capital Rate Design Policy Issues	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	09-385F	2/10	Gas Cost Rates	Division of the Public Advocate
Chesapeake Utilities Corporation	G	Delaware	09-398F	1/10	Gas Service Rates	Division of the Public Advocate
Public Service Electric and Gas Company	E	New Jersey	ER09020113	11/09	Societal Benefit Charge Non-Utility Generation Charge	Division of Rate Counsel
Delmarva Power and Light Company	G	Delaware	09-277T	11/09	Rate Design	Division of the Public Advocate
Public Service Electric and Gas Company	E/G	New Jersey	GR09050422	11/09	Revenue Requirements	Division of Rate Counsel
Mid-Kansas Electric Company	E	Kansas	09-MKEE-969-RTS	10/09	Revenue Requirements	Citizens' Utility Ratepayer Board
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

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

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

APPENDIX B

Supporting Schedules

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

REVENUE REQUIREMENT SUMMARY

	Company Pro Forma Present Rates (A)	Recommended Adjustment		CURB Pro Forma Present Rates (B)	Recommended Increase		CURB Recommendation
Operating Revenue:							
1. Sales of Electricity	\$21,943,468	\$448,624 (B)		\$22,392,092	\$2,756,850 (E)		\$25,148,942
2. Other	254,623			254,623	0		254,623
3. Total Operating Revenue	\$22,198,091			\$22,646,715	\$2,756,850		\$25,403,565
Operating Expenses:							
4. Cost of Purchased Power	\$15,627,377			\$15,627,377	\$0		\$15,627,377
5. Transmission - O&M	104,337			104,337	0		104,337
6. Distribution - Operation	1,362,836			1,362,836	0		1,362,836
7. Distribution - Maintenance	756,009			756,009	0		756,009
8. Customer Accounts	620,587			620,587	0		620,587
9. Consumer Service & Information	20			20	0		20
10. Sales	22,655			22,655	0		22,655
11. Administrative and General	1,871,981	(153,678) (C)		1,718,303	0		1,718,303
12. Depreciation & Amortization	1,728,203			1,728,203	0		1,728,203
13. Taxes - Property	855,925			855,925	0		855,925
14. Taxes - Other	146,954			146,954	0		146,954
15. Interest on Long Term Debt	1,762,127			1,762,127	0		1,762,127
16. Other Interest Expense	139,972			139,972	0		139,972
17. Other Deductions	47,896			47,896	0		47,896
18. Total Operating Expenses	\$25,046,879	(\$153,678)		\$24,893,201	\$0		\$24,893,201
19. Net Operating Margins	(\$2,848,788)			(\$2,246,486)	\$2,756,850		510,364
Non-Operating Margins:							
20. Capital Credits	\$0			\$0	\$0		\$0
21. Non-Operating Margins - Interest	1,407			1,407	0		1,407
22. Non-Operating Margins - Other	341,858	27,435 (D)		369,293	0		369,293
23. Total Non-Operating Margins	343,265	27,435		370,700	0		370,700
24. Net Margins	(\$2,505,523)	\$629,737		(\$1,875,786)	\$2,756,850		\$881,064
25. Debt Service Payments	\$2,244,433			2,244,443			\$2,244,443
26. TIER	(0.42)			(0.06)			1.50
27. DSC	0.36			0.71			1.78

Sources:

(A) Exhibit RJM-WH-2, page 1.

(B) Schedule ACC-2.

(C) Schedules ACC-3. For illustrative purposes, all adjustments are assigned to Administrative and General Expense.

(D) Schedule ACC-12

(E) Schedule ACC-13.

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

PRO FORMA REVENUE

1. Two Year Average Sales	258,395,256	(A)
2. Company Claim	<u>243,664,968</u>	(B)
3. Recommended Adjustment	14,730,288	
4. Margin per Kwh	<u>\$0.0305</u>	(C)
5. Pro Forma Revenue Adjustment	<u>\$448,624</u>	

Sources:

(A) Derived from the response to KCC-66.

(B) Testimony of Mr. Macke, Exhibit RJM-WH-2, page 4 (Schedule A).

(C) Reflects revenue of \$0.0900 per kwh, derived from Testimony of Mr. Macke, Exhibit RJM-WH-2, page 4 (Schedule A) less incremental purchased power costs of \$0.0596 per Testimony of Mr. Macke, Exhibit RJM-WH-2, page 9 (Schedule B). (Numbers do not add due to rounding).

Schedule ACC-3

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

OPERATING EXPENSE ADJUSTMENTS

		<u>Schedule</u>
1. Workers Compensation Expense	(16,167)	ACC-4
2. Donations Expense	(1,985)	ACC-5
3. Key Man Insurance Expense	(43,927)	ACC-6
4. Amortization Expense	(42,580)	ACC-7
5. Vehicle Purchase Expense	(\$25,458)	ACC-8
6. Lobbying Expense	(4,087)	ACC-9
7. Advertising Expense	(12,382)	ACC-10
8. Fitness Club Membership Expense	(7,093)	ACC-11
9. Total Expense Adjustments	<u>(\$153,678)</u>	

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

WORKERS COMPENSATION EXPENSE

1. Increase in Payroll Costs	\$87,171	(A)
2. Workers Compensation Rate	<u>1.05%</u>	(A)
3. Increase in Workers Compensation Costs	\$915	
4. Company Claim	<u>17,082</u>	(B)
5. Recommended Adjustment	<u>(\$16,167)</u>	

Sources:

(A) Exhibit RJM-2, page 12.

(A) Exhibit RJM-2, page 13.

Schedule ACC-5

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

DONATIONS EXPENSE

1. Company Claim	\$3,969	(A)
2. Sharing Percentage	<u>50.00%</u>	(B)
3. Recommended Adjustment	<u>(\$1,985)</u>	

Sources:

(A) Response to CURB-23.

(B) Reflects KCC policy.

Schedule ACC-6

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

KEY MAN INSURANCE EXPENSE

1. Company Claim	\$43,927	(A)
2. Recommended Adjustment	<u>(\$43,927)</u>	

Sources:

(A) 2009 General Ledger provided in Mr. Macke's
workpapers, page 3.

Schedule ACC-7

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

AMORTIZATION EXPENSE

1. Company Claim	\$42,580	(A)
2. Recommended Adjustment	<u>(\$42,580)</u>	

Sources:

(A) Response to CURB-27.

Schedule ACC-8

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

VEHICLE PURCHASE EXPENSE

1. Company Claim	\$25,458	(A)
2. Recommended Adjustment	<u>(\$25,458)</u>	

Sources:

(A) Response to KCC-125.

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

LOBBYING EXPENSE

	Amount	Percent Lobbying	Adjustment
	(A)	(B)	
1. KEC	\$20,975	18.02%	\$3,780
2. Chambers of Commerce	1,703	18.02%	<u>307</u>
3. Recommended Adjustment			<u>(\$4,087)</u>

Sources:

(A) Per the response to CURB-24.

(B) Per the response to KCC-39.

Schedule ACC-10

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

ADVERTISING EXPENSE

1. Cares for Kids Radiothon	\$750	(A)
2. Chamber of Commerce	50	(A)
3. Metallic Viper P Beaver	1,637	(A)
4. Graduation Ads	20	(A)
5. Spelling Bee	269	(A)
6. Touchstone Membership	<u>9,656</u>	(A)
7 Total Recommended Adjustments	<u>(\$12,382)</u>	

Sources:

(A) Response to CURB-26.

Schedule ACC-11

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

FITNESS CLUB MEMBERSHIP

1. Town and Country	\$551	(A)
2. Club 1 Fitness	<u>6,542</u>	(B)
3. Recommended Adjustment	<u>(\$7,093)</u>	

Sources:

(A) Response to KCC-50.

(B) Response to KCC-122.

Schedule ACC-12

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

NON OPERATING INCOME-OTHER

1. Loss on Merchandise Sales	\$6,016	(A)
2. Loss on Disposition of Property	22,056	(A)
3. Gain on Disposition of Property	<u>(637)</u>	(A)
4. Total Adjustments	<u>\$27,435</u>	

Sources:

(A) 2009 General Ledger provided in Mr. Macke's workpapers, pages 3 and 4.

Schedule ACC-13

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

MARGIN COVERAGE REQUIREMENT

1. Pro Forma Interest Expense	\$1,762,127	(A)
2. TIER Recommendation	<u>1.5</u>	(B)
3. Required Coverage	\$2,643,191	
4. Company Claim	<u>(113,659)</u>	(C)
5. Recommended Adjustment	<u>\$2,756,850</u>	

Sources:

(A) Testimony of Mr. Macke, Exhibit RJM-WH-7, page 1.

(B) Recommendation of Ms. Crane.

(C) Interest on Long Term Debt + Net Margins, Pro Forma at Present Rates, per Schedule ACC-1.

**MID KANSAS ELECTRIC COMPANY
WHEATLAND DIVISION**

TEST YEAR ENDING DECEMBER 31, 2009

PHASE I INCREASE

	(A)	
1. Operating Margins	(\$2,246,486)	
2. Depreciation and Amortization	1,728,203	
3. Interest on Long Term Debt	1,762,127	
4. Non-Operating Margins-Interest	<u>1,407</u>	
5. Subtotal	\$1,245,251	
6. Debt Service Requirement @ 1.35	<u>3,029,998</u>	(B)
7. Recommended Phase 1 Increase	<u>\$1,784,747</u>	
8 Increase Over Pro Forma Electric Sales at Present Rates	<u>7.97%</u>	(C)
9. Recommended Phase 2 Increase	<u>\$972,102</u>	(D)
10. Increase Over Pro Forma Electric Sales at Present Rates	<u>4.34%</u>	(C)

Sources:

- (A) Schedule ACC-1.
- (B) Based on Debt Service Costs of \$2,244,443 per Testimony of Mr. Macke, page 39.
- (C) Based on Pro Forma Electric Sales Revenue at Present Rates of \$22,392,092 per Schedule ACC-1.
- (D) Based on total recommended increase of \$2,756,850 per Schedule ACC-1.

APPENDIX C

Referenced Data Requests

CURB-8

CURB-23

CURB-26

CURB-27

CURB-29

KCC-8

KCC-26

KCC-38

KCC-39

KCC-66

KCC-77

KCC-122

KCC-125 (Partial)

KCC-154

KCC-155

KCC-156

DATA REQUESTS TO MID-KANSAS ELECTRIC COMPANY
FROM THE CITIZENS' UTILITY RATEPAYER BOARD
KCC DOCKET NO. 11-MKEE-439-RTS

CURB-8. Please provide the average energy usage for a) residential customers and b) small commercial customers in each of the past five years.

Please see [ptCURB-DR07-08 ptBillHistx - Resid and Sm Comm 2009.pdf](#)

[ptCURB-DR07-08 ptBillHistx - Resid and Sm Comm 2010.pdf](#)

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

VERIFICATION OF RESPONSE

Submitted By: David Springe

Submitted To: Mark Calcara

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: _____
Name: _____
Position: _____
Dated: _____

DATA REQUESTS TO MID-KANSAS ELECTRIC COMPANY
FROM THE CITIZENS' UTILITY RATEPAYER BOARD
KCC DOCKET NO. 11-MKEE-439-RTS

CURB-23. Please itemize all charitable contributions included in the Company's actual test year expenses.

Please seeCURB-DR23 ptGLMasterx 2009 - Donations.xlsx

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

VERIFICATION OF RESPONSE

Submitted By: David Springe

Submitted To: Mark Calcara

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: _____
Name: _____
Position: _____
Dated: _____



GL Items Only: contribution,donations

101 Main Street ~ P.O. Box 230 ~ Scott City, Kansas 67871-0230 ~ Tel. 620.872.5885 ~ Fax 620.872.7170 ~ www.weci.net

ReQuery

Updated.... 1/20/2011 16:36

UserName Stacy Stevens

GLPME - General Ledger - Year to Date 2009-12-31

[http://portal.weci.net/corp/portals/0/share/pse/cost of service 2009/_data request kcc/curb/03 income statement/curb-dr23 charitable contributions/\[curb-dr23 ptgmasterx 2009 - donations.xlsx\]](http://portal.weci.net/corp/portals/0/share/pse/cost of service 2009/_data request kcc/curb/03 income statement/curb-dr23 charitable contributions/[curb-dr23 ptgmasterx 2009 - donations.xlsx])

QueryTime 0:00:04

fReport Income Statement

Version 2010.12.14

Records.... 14

MEPROCYEAR	fGLType	fGroup	fDetail	MEGLNO	DSDESC	MEDESC	MEJOURNAL	MEPROCMONTH	MESEQ	Data	
										Total Company	03 - Electric East
2009	Expense									3,968.90	3,968.90
						Total Cost of Service				3,968.90	3,968.90
						Other Deductions				3,968.90	3,968.90
				426.17		Donations (General)					
						20 CASES OF WECI BOTTLE WATER FOR GB SPELLING BEE	J0244			300.00	300.00
						2009 CHAMBER FAL CONWAY SPR 998764	A/P			100.00	100.00
						KIDS AG DAY SPON GREAT BEND 998647	A/P			100.00	100.00
						LABOR DISTRIBUTION	PYROL			321.40	321.40
						SPREAD BENEFITS AND TAXES O/H NOV 2009	J1162			127.50	127.50
				426.18		Donations - Great Bend District					
						BOWL FOR KIDS SA BIG BROTHE 08527*090201	A/P			500.00	500.00
						DONATION AMERICAN L 99808479	A/P			400.00	400.00
						DONATION GOLDEN BEL 998093358	A/P			500.00	500.00
						DONATION GREAT BEND 999455	A/P			20.00	20.00
						DONATION VET AD CENTRAL PR DONATION	A/P			50.00	50.00
						DONATION-AFTER P GREAT BEND 08477*090101	A/P			50.00	50.00
						DONATION-HOLE SP CKMC FOUND 998901	A/P			750.00	750.00
						RELAY FOR LIFE S BARTON COU 998092969	A/P			500.00	500.00
				426.19		Donations - Harper District					
						DONATION VOLUNTE SOUTH HAVE DONATION	A/P			250.00	250.00
2009	Total									3,968.90	3,968.90

DATA REQUESTS TO MID-KANSAS ELECTRIC COMPANY
FROM THE CITIZENS' UTILITY RATEPAYER BOARD
KCC DOCKET NO. 11-MKEE-439-RTS

CURB-26. Please itemize all advertising expenses included in the Company's actual test year expenses.

Please see[CURB-DR26 ptGLMasterx 2009 Advertising Categorized.xlsx](#)

[CURB-DR26 ptAPHistx 2009 Advertising Expense.xlsx](#)

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

VERIFICATION OF RESPONSE

Submitted By: David Springe

Submitted To: Mark Calcara

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: _____

Name: _____

Position: _____

Dated: _____



GL Items Only: advertise,advertising

ReQuery

101 Main Street - P.O. Box 230 - Scott Ctr. Kansas 67871-0230 - Tel. 620.872.6885 - Fax 620.872.7170 - www.wecl.net

Updated..... 1/20/2011 21:50

GLPME - General Ledger - Year to Date 2009-12-31

UserName.. Stacy Stevens

http://portal.wecl.net/corp/portals/0/share/pse/cost-of-service/2009/_data/request/kcc/curb/03/income-statement/curb-dr26/advertising-expenses/curb-dr26 pglmasterx 2009 advertising
 rReport Income Statement QueryTime: 0:00:07
 Version 2010.12.14 Records..... 115

MEPROCYEAR	FGLType	FGroup	FDetail	MEGLNO	DSDESC	MEDESC	MEJOURNAL	MEPROCMONTH	MESEQ	Data	
										Total Company	03 - Electric East
2009	Expense									22,674.86	22,674.86
			Total Cost of Service							22,674.86	22,674.86
			Customer Service and Informational Expense							20.00	20.00
			909.00. Advertising (Informational & Instructional)								
			GRADUATION ADS HARPER ADV 988093528	A/P						20.00	20.00
			Sales Expense							22,654.86	22,654.86
			013.00 Advertising Expenses								
			2009 CARES FOR K CHILDREN'S 07343/090101	A/P						750.00	750.00
			A/C 1101648515-0 AT&T ADVER 988092916	A/P						262.80	262.80
			A/C 3058745249-0 AT&T ADVER 988092848	A/P						53.00	53.00
			A/C 3058745249-0 AT&T ADVER 988093207	A/P						53.44	53.44
			A/C 3058745249-0 AT&T ADVER 988093576	A/P						53.00	53.00
			A/C 305874524900 AT&T ADVER 988093772	A/P						53.00	53.00
			A/C 305874524900 AT&T ADVER 988901	A/P						53.00	53.00
			A/C 305874524900 AT&T ADVER 988763	A/P						53.00	53.00
			A/C 305874524900 AT&T ADVER 988968	A/P						53.00	53.00
			A/C 305874524900 AT&T ADVER 988184	A/P						53.00	53.00
			A/C 305874524900 AT&T ADVER 988354	A/P						53.00	53.00
			A/C 305874524900 AT&T ADVER 989564	A/P						26.00	26.00
			A/C A0048G-ADV. YELLOWBOOK 99225	A/P						12.00	12.00
			A/C A0048G-ADV. YELLOWBOOK 998910	A/P						9.00	9.00
			A/C A0048G-YELLO YELLOWBOOK 898725	A/P						9.00	9.00
			A/C3058745249-00 AT&T ADVER 988093295	A/P						53.00	53.00
			ADV. INFORMATION GRHS. CLASS 988819	A/P						50.00	50.00
			ADV.-GOLDEN BELT GOLDEN BEL 988093525	A/P						30.00	30.00
			ADVERTISING AT&T ADVER 09887/090201	A/P						15.90	15.90
			ADVERTISING AT&T ADVER 988093118	A/P						53.00	53.00
			ADVERTISING GREAT BEND 988873	A/P						25.00	25.00
			CHAMBER OUTLOOK GREAT BEND 988600	A/P						50.00	50.00
			FRANCHISE ORDINA HARPER ADV 988458	A/P						457.55	457.55
			KBUF AQUILA ADV. KBUF PARTN 53586	A/P						250.00	250.00
			KBUF AQUILA MO. KBUF PARTN 53885	A/P						250.00	250.00
			KBUF MO. ADV. KBUF PARTN 55940	A/P							
			KHOK ADV. EAGLE RADI 31830008900	A/P						151.20	151.20
			KHOK ADV. EAGLE RADI 31830008001	A/P						151.20	151.20
			KHOK ADV. EAGLE RADI 31830008002	A/P						151.20	151.20
			KHOK ADV. EAGLE RADI 31830008003	A/P						151.20	151.20
			KHOK ADV. EAGLE RADI 31830008004	A/P						151.20	151.20
			KHOK ADV. EAGLE RADI 31830008005	A/P						151.20	151.20
			KHOK ADV. EAGLE RADI 31830008006	A/P						151.20	151.20
			KHOK ADV. EAGLE RADI 31830008007	A/P						151.20	151.20
			KHOK ADV. EAGLE RADI 31830008008	A/P						151.20	151.20
			KHOK ADV. EAGLE RADI 31830008010	A/P						151.20	151.20
			KHOK ADV. EAGLE RADI 31830008011	A/P						151.20	151.20
			KHOK OCT. ADV. EAGLE RADI 31830008006	A/P						151.20	151.20
			KKJQ AQUILA ADV. KBUF PARTN 78202	A/P						250.00	250.00
			KKJQ AQUILA ADV. KBUF PARTN 78538	A/P						250.00	250.00
			KKLE ADV. JOHNSON EN 09010483	A/P						102.74	102.74
			KKLE ADV. JOHNSON EN 09050569	A/P						102.74	102.74
			KKLE ADV. JOHNSON EN 09060356	A/P						102.74	102.74
			KKLE ADV. JOHNSON EN 09070417	A/P						102.74	102.74
			KKLE ADV. JOHNSON EN 09080457	A/P						102.74	102.74
			KKLE ADV. JOHNSON EN 09090536	A/P						102.74	102.74
			KKLE APRIL ADV. JOHNSON EN 09040458	A/P						102.74	102.74
			KKLE DEC. ADV. JOHNSON EN 09120935	A/P						102.74	102.74
			KKLE FEB. ADV. JOHNSON EN 09020459	A/P						102.74	102.74
			KKLE MARCH ADV. JOHNSON EN 09030477	A/P						102.74	102.74
			KKLE NOV. ADV. JOHNSON EN 09110584	A/P						102.74	102.74
			KKLE OCTOBER ADV JOHNSON EN 09100471	A/P						102.74	102.74
			KLEY ADV. JOHNSON EN 09050568	A/P						102.74	102.74
			KLEY ADV. JOHNSON EN 09080355	A/P						102.74	102.74
			KLEY ADV. JOHNSON EN 09070418	A/P						102.74	102.74
			KLEY ADV. JOHNSON EN 09080456	A/P						102.74	102.74
			KLEY ADV. JOHNSON EN 09090536	A/P						102.74	102.74
			KLEY APRIL ADV. JOHNSON EN 09040457	A/P						102.74	102.74
			KLEY DEC. ADV. JOHNSON EN 09120934	A/P						102.74	102.74
			KLEY FEB. ADV. JOHNSON EN 09020468	A/P						102.74	102.74
			KLEY JAN. ADV. JOHNSON EN 09010492	A/P						102.74	102.74
			KLEY MARCH ADV. JOHNSON EN 09030478	A/P						102.74	102.74
			KLEY NOV. ADV. JOHNSON EN 09110583	A/P						102.74	102.74
			KLEY OCTOBER ADV JOHNSON EN 09100470	A/P						102.74	102.74
			KVGB ADV. EAGLE RADI 31830007000	A/P						151.20	151.20
			KVGB ADV. EAGLE RADI 31830007001	A/P						151.20	151.20
			KVGB ADV. EAGLE RADI 31830007002	A/P						151.20	151.20
			KVGB ADV. EAGLE RADI 31830007003	A/P						151.20	151.20
			KVGB ADV. EAGLE RADI 31830007004	A/P						151.20	151.20
			KVGB ADV. EAGLE RADI 31830007005	A/P						151.20	151.20
			KVGB ADV. EAGLE RADI 31830007006	A/P						151.20	151.20
			KVGB ADV. EAGLE RADI 31830007007	A/P						151.20	151.20
			KVGB ADV. EAGLE RADI 31830007008	A/P						151.20	151.20

MEPROCYEAR	IGLType	IGroup	Detail	MEGLNO	DSOESC	MEDESC	MEJOURNAL	MEPROCMONTH	MESEQ	Total Company	03 - Electric East
2009	Expense	Total Cr Sales E		913.00	Advertising	KVGB ADV. EAGLE RADI 318300007010	A/P			151.20	151.20
						KVGB ADV. EAGLE RADI 318300007011	A/P			151.20	151.20
						KVGB OCT. ADV. EAGLE RADI 318300007009	A/P			151.20	151.20
						KWME ADV. JOHNSON EN 09010494	A/P			102.52	102.52
						KWME ADV. JOHNSON EN 09030476	A/P			102.52	102.52
						KWME ADV. JOHNSON EN 09040459	A/P			102.52	102.52
						KWME ADV. JOHNSON EN 09050570	A/P			102.52	102.52
						KWME ADV. JOHNSON EN 09060357	A/P			102.52	102.52
						KWME ADV. JOHNSON EN 09070418	A/P			102.52	102.52
						KWME ADV. JOHNSON EN 09080459	A/P			102.52	102.52
						KWME ADV. JOHNSON EN 09090537	A/P			102.52	102.52
						KWME DEC. ADV. JOHNSON EN 09120936	A/P			102.52	102.52
						KWME FEB. ADV. JOHNSON EN 09020470	A/P			102.52	102.52
						KWME NOV. ADV. JOHNSON EN 09110585	A/P			102.52	102.52
						KWME OCTOBER ADV JOHNSON EN 09100472	A/P			102.52	102.52
						METALLIC WIPER P BEAVER (J. 85110	A/P			1,638.81	1,638.81
						NEWSLETTER GREAT BEND 07514*090101	A/P			25.00	25.00
						NEWSLETTER GREAT BEND 07514*090201	A/P			25.00	25.00
						NEWSLETTER GREAT BEND 998092864	A/P			25.00	25.00
						NEWSLETTER GREAT BEND 998092917	A/P			25.00	25.00
						NEWSLETTER GREAT BEND 998093166	A/P			25.00	25.00
						NEWSLETTER GREAT BEND 998093786	A/P			25.00	25.00
						NEWSLETTER GREAT BEND 998609	A/P			25.00	25.00
						NEWSLETTER GREAT BEND 998849	A/P			25.00	25.00
						NEWSLETTER GREAT BEND 998970	A/P			25.00	25.00
						NEWSLETTER GREAT BEND 999188	A/P			25.00	25.00
						NEWSLETTER GREAT BEND 999229	A/P			25.00	25.00
						NEWSLETTER GREAT BEND 999358	A/P			25.00	25.00
						NEWSLETTER GREAT BEND 999555	A/P			25.00	25.00
						NEWSLETTER & GRA GREAT BEND 998093585	A/P			87.00	87.00
						NEWSPAPER IN EDU GREAT BEND 998093351	A/P			25.38	25.38
						NEWSPAPER APRIL GREAT BEND 1102909-00	A/P			50.36	50.36
						SPELLING BEE & N GREAT BEND 996093123	A/P			269.00	269.00
				913.10	Advertising Expense	Touchstone (Reimbursable)					
						2010 MEMBERSHIP TOUCHSTONE 517600	A/P			9,655.80	9,655.80
2009	Total									22,674.66	22,674.66

Years	HIGL	D&DESC	VENAME	HDATE	HIDESC	HINO	HITYPE	HICKNO	HICKDT	HIVEND	Total Company	03 - Electric East
2009	913 Advertising Johnson En			Feb	KKLE- FEB. ADV.	09020499	1	103567	2009-03-13	7592	102.74	102.74
					KLEY- FEB. ADV.	09020468	1	103567	2009-03-13	7592	102.74	102.74
					KWME- FEB. ADV.	09020470	1	103567	2009-03-13	7592	102.52	102.52
			Mar		KKLE MARCH ADV.	09030477	1	104006	2009-04-08	7592	102.74	102.74
					KLEY MARCH ADV.	09030476	1	104006	2009-04-08	7592	102.74	102.74
					KWME ADV.	09030478	1	104006	2009-04-08	7592	102.52	102.52
			Apr		KKLE- APRIL ADV.	09040456	1	104506	2009-05-08	7592	102.74	102.74
					KLEY- APRIL ADV.	09040457	1	104506	2009-05-08	7592	102.74	102.74
					KWME ADV.	09040459	1	104506	2009-05-08	7592	102.52	102.52
			May		KKLE ADV.	09050569	1	105000	2009-06-08	7592	102.74	102.74
					KLEY ADV.	09050568	1	105000	2009-06-08	7592	102.74	102.74
					KWME ADV.	09050570	1	105000	2009-06-08	7592	102.52	102.52
			Jun		KKLE ADV.	09060356	1	105570	2009-07-08	7592	102.74	102.74
					KLEY ADV.	09060355	1	105570	2009-07-08	7592	102.74	102.74
					KWME ADV.	09060357	1	105570	2009-07-08	7592	102.52	102.52
			Jul		KKLE ADV.	09070417	1	106230	2009-08-14	7592	102.74	102.74
					KLEY ADV.	09070416	1	106230	2009-08-14	7592	102.74	102.74
					KWME ADV.	09070418	1	106230	2009-08-14	7592	102.52	102.52
			Aug		KKLE ADV.	09080457	1	106597	2009-09-09	7592	102.74	102.74
					KLEY ADV.	09080456	1	106597	2009-09-09	7592	102.74	102.74
					KWME ADV.	09080458	1	106597	2009-09-09	7592	102.52	102.52
			Sep		KKLE ADV.	09090536	1	107104	2009-10-09	7592	102.74	102.74
					KLEY ADV.	09090535	1	107104	2009-10-09	7592	102.74	102.74
					KWME ADV.	09090537	1	107104	2009-10-09	7592	102.52	102.52
			Oct		KKLE OCTOBER ADV.	09100471	1	107506	2009-11-06	7592	102.74	102.74
					KLEY OCTOBER ADV.	09100470	1	107506	2009-11-06	7592	102.74	102.74
					KWME OCTOBER ADV.	09100472	1	107506	2009-11-06	7592	102.52	102.52
			Dec		KKLE DEC. ADV.	09120635	1	108378	2010-01-11	7592	102.74	102.74
					KKLE NOV. ADV.	09110594	1	108095	2009-12-17	7592	102.74	102.74
					KLEY DEC. ADV.	09120634	1	108378	2010-01-11	7592	102.74	102.74
					KLEY NOV. ADV.	09110583	1	108095	2009-12-17	7592	102.74	102.74
					KWME DEC. ADV.	09120636	1	108378	2010-01-11	7592	102.52	102.52
					KWME NOV. ADV.	09110585	1	108095	2009-12-17	7592	102.52	102.52
			Kbof Partnership									
			Jan		KBUF AQUILA ADV.	53586	1	103103	2009-02-13	7289	250.00	250.00
					KKJQ AQUILA ADV.	78202	1	103103	2009-02-13	7289	250.00	250.00
			Feb		KBUF AQUILA MO. ADV.	53835	1	103574	2009-03-13	7289	250.00	250.00
			Apr		KKJQ AQUILA ADV.	78536	1	104624	2009-05-15	7289	250.00	250.00
			Yellowbook									
			Aug		A/C A0048G-YELLOW PAGES LISTING	998725	2	106963	2009-08-28	9840	9.00	9.00
			Sep		A/C A0048G-ADV.	998910	2	106988	2009-10-02	9840	9.00	9.00
			Oct		A/C A0048G- ADV.	998225	2	107664	2009-11-13	9840	12.00	12.00
			913.1 Advertising Expense-Touchstone (Reimbursable)								9,655.80	9,655.80
			Touchstone Energy Cooperative									
			Dec		2010 MEMBERSHIP	517800	2	108258	2009-12-22	5168	9,655.80	9,655.80

DATA REQUESTS TO MID-KANSAS ELECTRIC COMPANY
FROM THE CITIZENS' UTILITY RATEPAYER BOARD
KCC DOCKET NO. 11-MKEE-439-RTS

CURB-27. Please identify all amortizations included in the Company's revenue requirement claim for each such amortization, please provide a) the total cost incurred, b) the number of years over which such costs are being amortized, c) the beginning date of the amortization, and d) the amortization expense included in the Company's test year.

The only amortized expenses are for acquisition costs and are specified in this DR.

DESCRIPTION	a.	b.	c.	d.
Acquisition Premium	\$4,386,636	30	4/1/2007	\$146,221
Acquisition Costs	\$851,594	20	4/1/2007	42,580
Total				\$188,801

Joel Bryan
2011-01-24

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

VERIFICATION OF RESPONSE

Submitted By: David Springe

Submitted To: Mark Calcara

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: _____
Name: _____
Position: _____
Dated: _____

DATA REQUESTS TO MID-KANSAS ELECTRIC COMPANY
FROM THE CITIZENS' UTILITY RATEPAYER BOARD
KCC DOCKET NO. 11-MKEE-439-RTS

CURB-29. For each debt issuance, please identify any financial covenants, e.g. TIER, that the Company is required to meet.

Wheatland East, as part of Wheatland Electric, Inc., is a 100% borrower from National Rural Utilities Cooperative Finance Corporation (CFC).

CFC has the sole requirement of Wheatland that it have a Debt Service Coverage (DSC) of 1.35 in two of the three most current reporting years.

This includes all long-term debt borrowings of Wheatland East. CFC has no TIER requirement of Wheatland East.

Joel Bryan
2011-01-24

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

VERIFICATION OF RESPONSE

Submitted By: David Springe

Submitted To: Mark Calcara

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: _____
Name: _____
Position: _____
Dated: _____

Kansas Corporation Commission
Information Request

Request No: **8**

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE
Docket Number 10-MKEE-439-RTS
Request Date December 13, 2010
Date Information Needed December 27, 2010

RE: Deferred Expenses

Please Provide the Following:

Please provide a list of all deferrals the company presently has recorded on its books, the account number the deferral is recorded in, the annual amount of amortization related to each deferral, the amount of each deferral that is included in the current rate case, and the Commission docket number allowing the recording and amortization of the deferral.

Submitted By Justin Grady

Submitted To All Applicants

Please see: [DR08 Deferred Debits and Credits.xls](#)

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Date: _____

DR8

Deferred Debits and Credits
as of 12/31/2009

Per Note (5) of Wheatland's 2009 Audit Report:

Deferred Debits:

	Total	Wheatland West	Wireless Division	Water Division	Wheatland East
Bond Issue Costs	304,316.57			304,316.57	
Loan Acquisition Fee (a)	638,696.20				638,696.20
Prepaid Employee Benefits (b)	837,661.52	837,661.52			
Total	1,780,674.29	837,661.52	-	304,316.57	638,696.20

(a) The loan acquisition fee is currently being written off over 15 years at \$3,548.31 per month.

(b) Key Man Benefits which are written off in the amount of \$14,355.14 monthly to account 426.20. This plan was initiated in 1987, at which time there was only the native electric corporation, now known as Wheatland Electric West. This is currently being written off in a ratio 70% to the west and 30% to the East.

Per Note (9) of Wheatland's 2009 Audit Report:

Deferred Credits:

	Total	Wheatland West	Wireless Division	Water Division	Wheatland East
Customer Energy Prepayments (b)	387,749.35	387,749.35	-	-	-
Aquila Transaction Fee	114,121.80	-	-	-	114,121.80
Advances for Construction	97,695.45	-	-	-	97,695.45
Total	599,566.60	387,749.35	-	-	211,817.25

(b) This amount is an auditor's reclassification as of 12/31/09 of credit balances from account 142.10.

**Kansas Corporation Commission
Information Request**

Request No: **26**

Company Name	MID-KANSAS ELECTRIC COMPANY, LLC	MKEE
Docket Number	10-MKEE-439-RTS	
Request Date	December 13, 2010	
Date Information Needed	December 27, 2010	

RE: Capitalization Policy

Please Provide the Following:

The Applicant's most recent Capitalization Policy.

Submitted By Justin Grady

Submitted To All Applicants

Wheatland Electric Cooperative capitalizes asset costs in excess of \$1,000. This does not include maintenance items.

Joel Bryan

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief, and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Date: _____

Kansas Corporation Commission
Information Request

Request No: 38

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE
Docket Number 10-MKEE-439-RTS
Request Date December 13, 2010
Date Information Needed December 27, 2010

RE: Lobbying

Please Provide the Following:

A detailed listing of all legislative advocacy (lobbying), political contributions or organization's expenses included in the test year cost of service. For each item listed, please indicate the name of the recipient, a brief description of the services provided, the amount paid, the date paid, and the account to which the payment was recorded.

Submitted By Justin Grady

Submitted To All Applicants

Not applicable.

Joel Bryan

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Date: _____

Kansas Corporation Commission
Information Request

Request No: **39**

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE
Docket Number 10-MKEE-439-RTS
Request Date December 13, 2010
Date Information Needed December 27, 2010

RE: Lobbying

Please Provide the Following:

Please provide information from the AGA/EEL (or any similar organization) showing the percentage of dues that is classified as legislative advocacy.

Submitted By Justin Grady

Submitted To All Applicants

The lobbying percentage for NRECA dues for 2009 was 24% (per Julia Hockett).
The lobbying percentage for KEC dues for 2009 was 18.02% (per Doug Shepherd).

The above percentages relating to dues were provided by NRECA and KEC (our national and state industry associations, to whom we pay dues).

Joel Bryan
2010-12-10

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Date: _____

Kansas Corporation Commission
Information Request

Request No: **66**

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE
Docket Number 11-MKEE-439-RTS
Request Date February 4, 2011
Date Information Needed February 15, 2011

RE: Energy, Demand, Revenues for 2010

Please Provide the Following:

Please provide a spreadsheet similar to Workpaper WH-B, for each month in 2010. The spreadsheet should provide number of consumers, energy sales, billing demand, and revenue for each class of customers by month.

Submitted By Justin Grady

Submitted To Riek Rich Macke

Please see [WP-B1-ptBillHist 2009-2010 Summary - Weci East.xlsb](#)

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Date: _____



101 Main Street ~ P.O. Box 230 ~ Scott City, Kansas 67871-0230 ~ Tel. 620.872.5885 ~ Fax 620.872.7170 ~ www.weci.net

Bill History - dbo.tbBLHist - 2Yrs Ended to Date 2010-12-31

ftp://192.168.0.15/pse/cost of service 2009/ data request kcc/05 2011-02-04/dr66 energy demand revenues for 2010/jwp-b1-ptbilhist 2009-2010

Updated..... 2/9/2011 9:27

UserName.. Stacy Stevens

QueryTime.. 0:04:19

Records..... 5,046

Fields..... 46

Version 2010.08.31

Note: Service count is now only for 'metered services'

cName	Electric East	BILGLNO	(Multiple Items)	fSeason	(All)
fDescription	(All)	fType	(All)	BILYMM	(All)

Years	GLDate	fTariff	BILCLASS	BILSSEQ	BILRATE	CHGDESC	BILBLKCHG	Data							
								Avg Consumers	Services	Meters in Rate Block	kWh per service	KW Used	kWh Used	Revenue	cents per kWh
2009								15,892	189,709	204,083	1,299	453,481	247,871,917	21,013,729.18	8.508
	Jan							1,328	15,939	17,362	1,231	32,538	19,623,002	1,878,274.96	8.553
	Feb							1,324	15,882	17,152	1,115	34,498	17,712,622	1,431,419.74	8.081
	Mar							1,323	15,875	17,105	1,154	35,725	18,321,964	1,502,168.73	8.199
	Apr							1,316	15,792	16,903	1,120	37,187	17,686,140	1,426,651.11	8.066
	May							1,336	16,035	17,054	1,194	39,474	19,146,370	1,512,690.47	7.901
	Jun							1,325	15,894	16,809	1,626	43,722	25,835,918	2,297,846.62	8.894
	Jul							1,324	15,884	16,807	1,742	44,071	27,672,890	2,627,545.60	9.495
	Aug							1,326	15,914	16,841	1,550	41,951	24,662,708	2,380,871.67	9.654
	Sep							1,324	15,882	16,774	1,178	39,775	18,714,359	1,840,275.78	9.833
	Oct							1,321	15,867	16,986	1,111	35,296	17,621,628	1,614,078.46	9.160
	Nov							1,322	15,864	16,977	1,088	34,516	17,252,361	1,551,435.63	8.993
	Dec							1,324	15,891	17,293	1,474	34,727	23,421,955	1,950,470.38	8.328
2010								15,802	180,823	204,449	1,410	465,656	269,118,695	28,531,653.29	9.437
	Jan							1,326	15,911	17,241	1,289	34,671	20,502,150	1,915,755.67	9.344
	Feb							1,326	15,916	17,229	1,212	33,907	19,284,452	1,675,907.43	8.690
	Mar							1,327	15,926	17,108	1,184	34,229	18,848,827	1,644,148.02	8.723
	Apr							1,322	15,865	16,939	1,087	36,482	17,246,369	1,451,895.75	8.419
	May							1,324	15,886	17,052	1,185	40,033	18,817,762	1,548,303.73	8.228
	Jun							1,326	15,908	16,864	1,776	44,241	28,247,427	3,054,537.88	10.814
	Jul							1,324	15,893	16,887	2,040	44,147	32,415,459	3,427,796.74	10.575
	Aug							1,328	15,934	16,830	1,680	46,695	30,758,810	3,250,025.27	10.696
	Sep							1,326	15,909	16,854	1,472	43,860	23,418,029	2,364,188.83	10.096
	Oct							1,322	15,861	16,977	1,180	38,826	18,397,693	1,644,846.03	8.941
	Nov							1,326	15,916	17,103	1,182	35,183	18,813,379	1,581,601.58	8.407
	Dec							1,325	15,900	17,265	1,407	34,783	22,368,216	1,932,665.36	8.640



101 Main Street ~ P.O. Box 230 ~ Scott City, Kansas 67871-0230 ~ Tel. 620.872.5885 ~ Fax 620.872.7170 ~ www.wecl.net

Updated..... 2/9/2011 9:27

Bill History - dbo.tbBLHist - 2Yrs Ended to Date 2010-12-31

UserName.. Stacy Stevens

ftp://192.168.0.15/psa/cost of service 2009/ data request kcc/05 2011-02-04/dr66 energy demand revenues for 2010/wp-b1-ptbilhist 2009-2010

QueryTime.. 0:04:19

Version 2010.08.31

cName	Electric East	BILGLNO	(Multiple Items)	Season	(All)
fDescription	(All)	fType	(All)	BILYMMM	(All)

Records..... 5,046

Note: Service count is now only for 'metered services'

Fields..... 46

Years	Tariff	GLData	BILCLASS	BILSEQ	BILRATE	CHGDESC	BILBLKCHG	Data							
								Avg Consumers	Services	Meters in Rate Block	kWh per service	KW Used	kWh Used	Revenue	cents per kWh
2009								15,902	190,709	204,063	1,289	465,447	247,671,917	21,813,729.16	8.808
2010								15,902	190,623	204,449	1,410	466,966	249,138,194	26,531,653.29	9.487
	04-CS							26	315	315	190	-	59,778	10,293.38	17.219
		Jan						2	29	29	327	-	9,490	1,686.06	17.778
		Feb						2	27	27	367	-	9,917	1,688.07	17.028
		Mar						2	26	26	106	-	2,744	467.27	17.029
		Apr						2	23	23	22	-	505	83.82	16.598
		May						2	25	25	27	-	672	110.44	16.435
		Jun						2	24	24	47	-	1,122	191.04	17.027
		Jul						2	25	25	44	-	1,095	193.08	17.633
		Aug						3	32	32	162	-	5,171	914.06	17.694
		Sep						2	25	25	52	-	1,301	219.88	16.802
		Oct						2	25	25	50	-	1,238	211.90	17.116
		Nov						2	27	27	168	-	4,218	706.53	16.750
		Dec						2	27	27	826	-	22,305	3,818.83	17.121
	04-DOL-I							8	96	96	3,172	-	304,512	23,631.60	7.760
		Jan						1	8	7	3,172	-	25,376	2,142.31	8.442
		Feb						1	8	7	3,172	-	25,376	1,952.22	7.693
		Mar						1	8	7	3,172	-	25,376	1,952.22	7.693
		Apr						1	8	7	3,172	-	25,376	1,842.85	7.262
		May						1	8	7	3,172	-	25,376	1,802.39	7.103
		Jun						1	8	7	3,172	-	25,376	1,951.99	7.692
		Jul						1	8	7	3,172	-	25,376	2,106.82	8.302
		Aug						1	8	7	3,172	-	25,376	2,124.36	8.372
		Sep						1	8	7	3,172	-	25,376	1,921.31	7.571
		Oct						1	8	7	3,172	-	25,376	1,974.97	7.783
		Nov						1	8	7	3,172	-	25,376	1,883.34	7.422
		Dec						1	8	7	3,172	-	25,376	1,977.62	7.791
	04-GSL							1,125	13,503	36,855	8,072	392,174	109,001,568	9,834,108.80	9.022
		Jan						92	1,104	2,978	7,350	27,889	6,114,410	704,454.88	8.682
		Feb						93	1,117	2,993	6,580	27,417	7,349,401	590,358.21	8.033
		Mar						92	1,108	2,958	8,922	27,720	7,669,355	612,934.64	7.992
		Apr						93	1,116	3,003	6,776	30,081	7,581,788	583,424.57	7.715
		May						93	1,119	3,099	7,410	33,786	8,291,653	630,491.63	7.804
		Jun						94	1,123	3,149	9,843	38,085	11,053,812	1,288,159.99	11.654
		Jul						94	1,131	3,175	10,463	38,247	11,833,473	1,204,083.89	10.175
		Aug						95	1,134	3,176	10,465	40,250	11,867,488	1,229,895.34	10.363
		Sep						95	1,136	3,148	8,327	37,421	10,141,629	983,661.68	9.899
		Oct						95	1,137	3,090	7,582	33,038	8,620,988	706,082.35	8.225
		Nov						95	1,139	3,036	7,047	29,246	6,019,094	618,150.35	7.721
		Dec						95	1,140	3,049	7,437	28,894	8,478,475	678,810.66	8.003
	04-GSS							1,661	22,595	22,596	450	-	10,149,393	995,250.02	9.806
		Jan						157	1,879	1,879	621	-	978,067	94,685.19	9.681

Years	TranID	GLDate	BILCLASS	BILSEQ	BILRATE	CHGDESC	BILBLKCHG	Data							
								Avg Consumers	Services	Meters in Rate Block	kWh per service	KW Used	kWh Used	Revenue	cents per kWh
2010	04-GSS	Feb						157	1,888	1,888	463		874,652	80,096.10	9.158
		Mar						157	1,884	1,884	426		801,865	74,987.16	9.358
		Apr						157	1,879	1,879	350		657,832	61,973.34	9.421
		May						157	1,987	1,887	369		696,308	63,446.99	9.112
		Jun						157	1,883	1,883	487		917,218	94,282.86	10.279
		Jul						166	1,878	1,878	541		1,015,679	108,497.34	10.669
		Aug						157	1,893	1,883	554		1,043,873	111,547.74	10.715
		Sep						157	1,882	1,882	437		822,786	85,429.14	10.383
		Oct						166	1,878	1,878	363		681,741	67,099.58	9.842
		Nov						157	1,884	1,884	367		728,643	67,999.61	9.328
		Dec						155	1,855	1,855	499		930,837	84,920.66	9.123
			04-INT							2	28	84	462,070	48,231	12,937,968
		Jan						0	2	6	410,884	3,803	821,787	88,134.31	8.291
		Feb						1	6	18	165,533	3,698	993,196	75,176.19	7.569
		Mar						0	2	6	367,804	3,798	1,195,208	80,785.75	7.115
		Apr						0	2	6	555,035	3,875	1,110,070	75,228.16	6.777
		May						0	2	6	525,022	3,668	1,050,843	69,613.42	6.630
		Jun						0	2	6	511,418	4,001	1,022,835	75,646.57	7.415
		Jul						0	2	6	557,909	3,711	1,115,806	101,524.72	9.099
		Aug						0	2	6	620,157	3,593	1,240,314	110,685.71	8.922
		Sep						0	2	6	535,928	3,955	1,071,852	91,668.53	8.552
		Oct						0	2	6	619,609	3,753	1,239,218	103,877.38	8.391
		Nov						0	2	6	581,064	3,717	1,163,927	78,378.52	6.786
		Dec						0	2	6	486,866	3,723	973,732	72,626.64	7.488
	04-IP-I							19	223	223	2,444		544,912	70,215.78	12.886
		Jan						2	18	18	33		602	66.27	11.608
		Feb						2	18	18	29		518	56.51	10.909
		Mar						2	18	18	38		594	10,952.12	1,843.791
		Apr						2	18	18	245		4,408	5,724.67	129.893
		May						2	18	18	547		9,853	5,025.64	61.165
		Jun						2	19	19	3,855		73,254	10,031.34	13.694
		Jul						2	19	19	10,569		200,814	17,021.12	8.476
		Aug						2	19	19	8,077		153,459	13,124.95	8.553
		Sep						2	19	19	3,073		58,375	4,638.54	7.774
		Oct						2	19	19	1,521		28,893	1,627.80	6.326
		Nov						2	19	19	702		13,329	794.51	5.981
		Dec						2	19	19	43		810	51.30	6.333
	04-IS							5	58	174	72,497	10,573	4,204,800	329,408.75	7.810
		Jan						1	6	18	78,012	1,137	456,072	38,873.41	8.041
		Feb						1	6	18	69,716	1,167	418,296	31,442.70	7.517
		Mar						1	6	18	79,784	1,219	478,704	35,098.32	7.932
		Apr						1	6	18	83,084	1,281	498,504	34,325.65	6.886
		May						1	6	18	86,260	1,273	517,560	34,610.65	6.668
		Jun						0	4	12	67,080	672	268,320	24,483.41	9.128
		Jul						0	4	12	70,632	673	282,528	27,143.90	8.608
		Aug						0	4	12	68,712	649	274,848	26,537.96	9.656
		Sep						0	4	12	68,928	668	274,612	24,510.74	8.629
		Oct						0	4	12	66,978	641	267,912	19,584.61	7.310
		Nov						0	4	12	57,108	622	228,432	16,437.77	7.198
		Dec						0	4	12	59,778	592	239,112	17,649.83	7.381
	04-M-I							34	411	411	287		121,946	13,600.58	11.153
		Jan						3	33	33	55		1,822	469.46	25.796
		Feb						3	33	33	59		1,955	484.66	23.778
		Mar						3	33	33	85		2,808	522.91	18.822
		Apr						9	34	34	255		8,676	694.44	10.309

Years	Tariff	GLDate	BILCLASS	BILSEQ	BILRATE	CHODESC	BILBLKCHG	Data							
								Avg Consumers	Services	Meters in Rate Block	kWh per service	KW Used	kWh Used	Revenue	cents per kWh
2010	04-M-I	May						3	34	34	374	-	12,710	1,130.33	8.893
		Jun						3	34	34	742	-	25,241	2,522.88	9.995
		Jul						3	34	34	392	-	18,331	1,674.75	11.813
		Aug						3	35	35	370	-	12,934	1,557.53	12.042
		Sep						3	38	38	309	-	10,915	1,271.58	11.950
		Oct						3	35	35	327	-	11,458	1,140.88	9.958
		Nov						3	35	35	293	-	10,270	1,021.69	9.948
		Dec						3	35	35	281	-	9,828	1,029.19	10.474
	04-OSL-V-I							34	408	372	1,551	-	632,818	105,195.67	16.623
		Jan						3	34	31	1,551	-	52,728	9,128.66	17,307
		Feb						3	34	31	1,551	-	52,728	8,734.73	16.566
		Mar						3	34	31	1,551	-	52,728	8,738.66	18.567
		Apr						3	34	31	1,551	-	52,728	8,502.89	16.126
		May						3	34	31	1,551	-	52,728	8,417.09	15.963
		Jun						3	34	31	1,551	-	52,728	8,727.43	16.552
		Jul						3	34	31	1,551	-	52,728	9,049.67	17.153
		Aug						3	34	31	1,551	-	52,728	9,088.71	17.237
		Sep						3	34	31	1,551	-	52,728	8,661.13	16.428
		Oct						3	34	31	1,551	-	52,728	8,778.30	16.644
		Nov						3	34	31	1,552	-	52,768	8,690.72	16.280
		Dec						3	34	31	1,552	-	52,768	8,788.80	16.650
	04-PAL-I							644	7,725	2,673	97	-	745,478	110,317.97	14.788
		Jan						54	650	224	96	-	62,316	9,651.62	15.488
		Feb						54	650	225	96	-	62,293	9,179.25	14.736
		Mar						54	653	229	97	-	63,639	9,346.76	14.710
		Apr						54	651	223	97	-	63,262	9,039.67	14.289
		May						54	649	225	97	-	63,116	8,919.27	14.132
		Jun						54	648	216	97	-	63,073	9,285.28	14.721
		Jul						54	643	225	98	-	61,658	9,464.68	15.380
		Aug						53	641	228	96	-	61,552	9,493.35	15.423
		Sep						53	635	213	96	-	61,214	8,845.81	14.814
		Oct						53	636	222	96	-	61,214	9,080.37	14.834
		Nov						53	635	221	96	-	61,151	8,847.69	14.869
		Dec						53	634	224	96	-	61,088	9,064.15	14.838
	04-PAL-SL-I							976	11,706	3,583	80	-	931,552	175,431.15	18.832
		Jan						80	958	289	77	-	73,506	14,457.79	19.669
		Feb						80	963	293	79	-	75,386	14,365.35	18.806
		Mar						81	974	307	79	-	77,390	14,844.29	19.181
		Apr						81	968	300	80	-	77,490	14,152.31	18.263
		May						81	972	295	80	-	77,470	14,035.48	18.117
		Jun						81	970	292	80	-	77,550	14,510.71	18.711
		Jul						81	971	297	80	-	77,510	14,952.73	19.291
		Aug						81	976	303	80	-	78,310	15,186.73	19.393
		Sep						82	983	296	80	-	78,778	14,632.37	18.576
		Oct						82	987	303	80	-	78,890	14,828.70	18.797
		Nov						83	991	302	80	-	78,970	14,553.33	18.425
		Dec						83	993	308	80	-	79,310	14,911.34	18.801
	04-Rider No1							48	578	940	7,557	14,398	4,368,232	388,580.05	8.438
		Jan						4	49	80	9,877	1,469	489,968	37,327.40	7.637
		Feb						4	48	78	8,761	1,349	420,510	30,190.98	7.180
		Mar						4	48	78	7,257	1,295	348,338	25,894.00	7.434
		Apr						4	48	78	5,222	1,002	250,666	18,007.40	7.184
		May						4	48	76	5,856	1,044	291,971	19,310.88	8.870
		Jun						4	48	78	8,428	1,221	404,452	40,393.09	9.987
		Jul						4	48	78	9,445	1,253	453,342	47,161.94	10.403

Years	Tariff	GLDate	BILCLASS	BILSEQ	BILRATE	CHDESC	BILBKCHG	Data							
								Avg Consumers	Services	Meters in Rate Block	kWh per service	KW Used	kWh Used	Revenue	cents per kWh
2010	04-Rider No1	Aug						4	48	78	9,278	1,203	445,367	45,470.55	10.434
		Sep						4	48	78	8,732	1,024	323,149	33,318.92	10.001
		Oct						4	48	78	5,010	901	240,473	18,272.32	7.598
		Nov						4	48	78	5,490	1,304	311,511	23,083.08	7.410
		Dec						4	49	80	8,273	1,311	405,389	25,558.89	7.291
	04-RS							11,055	132,663	135,574	910		120,722,505	12,087,993.04	10.013
		Jan						925	11,097	11,601	820		9,103,316	804,269.81	9.939
		Feb						923	11,071	11,545	783		8,666,946	801,131.05	9.244
		Mar						924	11,087	11,463	706		7,832,951	736,966.56	8.409
		Apr						919	11,033	11,270	597		8,588,245	810,038.48	9.259
		May						920	11,039	11,280	670		7,386,370	681,591.94	8.945
		Jun						922	11,064	11,064	1,253		13,866,446	1,447,826.28	10.441
		Jul						921	11,053	11,053	1,527		15,877,397	1,844,358.51	10.928
		Aug						923	11,073	11,073	1,362		15,082,613	1,689,786.24	11.071
		Sep						921	11,032	11,032	916		10,118,217	1,088,976.30	10.565
		Oct						917	11,005	11,224	612		6,734,009	656,474.82	9.749
		Nov						920	11,045	11,395	702		7,756,832	709,822.45	9.151
		Dec						920	11,044	11,554	969		10,699,163	978,720.60	9.129
	04-RTP							2	26	78	87,039	3,282	2,263,016	181,533.51	6.596
		Jan						0	2	6	59,563	273	139,125	10,365.30	7.450
		Feb						0	4	12	41,450	278	165,800	11,768.07	7.098
		Mar						0	2	6	93,672	259	187,343	11,078.16	5.914
		Apr						0	2	6	89,162	263	178,324	9,924.72	6.586
		May						0	2	6	84,903	265	169,805	10,129.80	5.966
		Jun						0	2	6	104,197	262	208,394	13,171.76	6.321
		Jul						0	2	6	106,859	263	213,717	15,019.22	7.498
		Aug						0	2	6	103,962	300	207,923	16,941.47	8.148
		Sep						0	2	6	103,691	292	207,322	15,240.12	7.833
		Oct						0	2	6	93,211	293	186,422	13,030.78	6.990
		Nov						0	2	6	95,545	272	191,889	10,810.47	5.857
		Dec						0	2	6	103,876	264	207,752	12,052.82	5.801
	04-SL-I							15	180	180	5,829		1,049,202	154,757.49	14.750
		Jan						1	15	15	5,830		87,444	13,491.26	15.429
		Feb						1	15	15	5,830		87,444	12,839.00	14.683
		Mar						1	15	15	5,830		87,444	12,839.00	14.683
		Apr						1	15	15	5,830		87,444	12,464.24	14.254
		May						1	15	15	5,830		87,444	12,325.44	14.099
		Jun						1	15	15	5,830		87,444	12,839.00	14.683
		Jul						1	15	15	5,830		87,444	13,366.44	15.288
		Aug						1	15	15	5,830		87,444	13,435.84	15.365
		Sep						1	15	15	5,830		87,444	12,727.96	14.558
		Oct						1	15	15	5,830		87,444	12,922.28	14.778
		Nov						1	15	15	5,825		87,381	12,593.96	14.413
		Dec						1	15	15	5,825		87,381	12,912.97	14.778
	04-WP							27	326	326	3,308		1,078,279	87,664.85	9.057
		Jan						2	27	27	3,413		92,143	8,153.76	8.849
		Feb						2	27	27	2,918		78,794	6,448.45	8.181
		Mar						2	27	27	3,045		82,202	6,707.23	8.159
		Apr						2	27	27	2,994		80,831	6,253.47	7.736
		May						2	27	27	3,161		85,343	6,437.29	7.543
		Jun						2	27	27	3,701		99,924	10,289.20	10.287
		Jul						2	27	27	3,830		103,418	11,261.60	10.889
		Aug						2	27	27	4,414		119,170	12,995.09	10.906
		Sep						2	27	27	3,045		82,202	8,440.01	10.267
		Oct						2	27	27	2,943		79,449	6,565.58	8.264

Years	Trant	GDate	SILCLASS	SILSECO	BILRATE	CHRDASC	SILBLKCHG	Data				kWh Used	Revenue	costs per kWh
								Avg Consumers	Services	Meters in Rate Block	kWh per service			
2010	04-WP	Nov						2	28	28	3,381	80,148	6,243.13	7.814
		Dec						2	28	28	3,381	84,654	7,760.24	8.199
	PSL	Feb						1	11	11	240	2,640	166.08	6.290
		Mar						0	1	1	240	240	15.09	6.288
		Apr						0	1	1	240	240	15.09	6.288
		May						0	1	1	240	240	14.07	5.683
		Jun						0	1	1	240	240	13.55	5.688
		Jul						0	1	1	240	240	15.04	6.288
		Aug						0	1	1	240	240	16.71	6.983
		Sep						0	1	1	240	240	14.79	6.163
		Oct						0	1	1	240	240	15.30	6.375
		Nov						0	1	1	240	240	14.43	6.013
		Dec						0	1	1	240	240	16.30	6.375

Kansas Corporation Commission
Information Request

Request No: 77

Company Name	MID-KANSAS ELECTRIC COMPANY, LLC	MKEE
Docket Number	11-MKEE-439-RTS	
Request Date	February 4, 2011	
Date Information Needed	February 15, 2011	

RE: LT Interest Expense for LAC

Please Provide the Following:

Regarding Exhibit RJM-WH-5, Page 1 of 6, Local Access Charge Calculation.
Why does the Long-Term Interest Expense amount used in calculation of the LAC, \$1,680,854, differ from the Long-Term Interest Expense amount (\$1,762,127 (Exhibit RJM-WH-2), Pg. 1 of 15) included in the calculation of Wheatland-East's revenue requirement.

Response: The long-term interest expense used in the calculation of the LAC is incorrect. The correct number would be the \$1,762,127 which comes from Exhibit (RJM-WH-2), page 1 of 15.

Prepared by: Rich Macke

Submitted By Justin Grady

Submitted To Rick Macke

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Date: _____

**Kansas Corporation Commission
Information Request**

Request No: **122**

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE
Docket Number 11-MKEE-439-RTS
Request Date March 8, 2011
Date Information Needed March 16, 2011

RE: Expense

Please Provide the Following:

Recorded in the vendor listing is an expense described "Club 1 Fitness" totaling \$6,542.00. Is this a monthly fitness membership? If so, who is eligible for the membership and how is eligibility deciphered?

Submitted By Andria Finger

Submitted To Rich Macke

The \$6,542.00 is for an entire year's memberships.

The fitness club is available to employees working in Great Bend. The membership dues also include employee's spouse and children.

Joel Bryan
2011-02-15

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

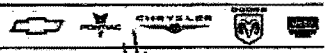
Date: _____

Customer No. _____



Invoice No. 709

R W X



Delivery Date: 7/25/09
DOPOYO
8/5/09

890 North Hwy 14 • P.O. Box 66 • Harper, KS 67658 • phone 620-896-7344 • toll free 888-564-6444 • fax 620-896-7183
www.newberryfamilyauto.com

Title To: WHEATLAND ELECTRIC COOPERATIVE INC Sold To: WHEATLAND ELECTRIC COOPERATIVE INC
 Address: P.O. BOX 230 Phone: (620) 872-5885 Address: P.O. BOX 230 Bill of Sale
 City: SCOTT CITY State: KS Zip: 67871-0000 City: SCOTT CITY State: KS Zip: 67871-0000
 Lien To: _____ Phone: (620) 872-5885 Del. By _____
 Salesman: BRETT TRAFFAS # BT Date: _____

STOCK NO.	YEAR	MAKE	MODEL & BODY STYLE	COLOR	N.U.D.	IDENTIFICATION NUMBER															
D9031	2009	DODGE	RAM 1500 4WD CREW CAB 140.5	RED	NEW	1	D	3	H	V	1	3	P	8	J	5	0	5	5	2	7

MILEAGE OF UNIT SOLD: 100 MILEAGE OF UNIT TRADED: 140,000
 (See Odometer Certification for Verified Mileage) (See Odometer Certification for Verified Mileage)

TRADE-IN	YEAR	MAKE	MODEL & BODY STYLE	COLOR	CYL.	IDENTIFICATION NUMBER														
	2003	FORD	REG CAB 4WD			1	F	F	F	1	3	P	8	J	5	0	5	5	2	7

CHASSIS PRICE \$		Total Optional Equip \$	BASE PRICE & OPTIONS	35,995.00
Code	Optional Equipment (Factory & Dealer Instl.) \$	Base Price & Options Total \$	Added or Deleted Equipment	N/A
ADDED OR DELETED EQUIPMENT			Rebate	6,000.00
			Total Purchase Price	30,995.00
			Trade In Allowance & Discount	7,500.00
			Trade Difference	23,495.00
			Administrative Fee	99.00

I AUTHORIZE AN INVESTIGATION OF MY CREDIT AND EMPLOYMENT HISTORY.
 SOCIAL SECURITY NUMBER _____
 _____ X _____ BUYER'S SIGNATURE

BUYER(S) STATEMENT
 Buyer offers to buy the above described vehicle from Newberry Family Auto ("Seller") on the following terms and conditions:
 1. Buyer acknowledges receipt from Seller of the following disclosures:
 a. Seller (has) / (has not) performed a title search for the motor vehicle for the purposes of determining the accuracy of the mileage shown on the odometer or for any other purpose.
 b. Seller (does) / (does not) know that the vehicle being bought (has) / (has not) been used as a driver's training, leased or rented motor vehicle.
 2. Buyer understands that liability insurance coverage which would protect the Buyer under the Kansas Automobile Injury Repairs Act is not included in the purchase of the above-described motor vehicle.
 3. Buyer understands and agrees that the value shown for the trade allowance and discount is only for the purpose of computing the amount of a negotiated trade difference and does not constitute any admission or expression of Seller's opinion as to the fair market value of the trade-in vehicle.
 4. Buyer understands and agrees that the vehicle description, information, and disclosures contained on the window sticker of the vehicle, as well as the attached odometer mileage statement, constitute a part of this document, and Buyer understands that the further terms and conditions on the reverse side hereof are also a part of this form. There are no other contracts, promises or understandings, written or spoken, in addition to those stated in this form. When Seller's sales manager accepts this offer it then becomes the complete and only agreement between Buyer and Seller as to the above-described vehicle, and cancels and takes the place of any other agreement or understanding between Buyer and Seller regarding said vehicle before the date written above.
 5. Buyer states that the only oral representations made to Buyer about the vehicle being purchased by anyone on behalf of the Seller are:
 6. Buyer certifies receipt of a copy of the above and the attached odometer mileage statement.
 7. Buyer assumes responsibility for any difference in the amount owed on the trade-in, in excess of amount shown below, and hereby agrees to pay to seller, on demand an amount equal to the above mentioned difference.

Sales Tax	1,864.42
Sub Total	25,458.42
Balance Due on Trade-In	N/A
TOTAL CASH PRICE	25,458.42
Cash Down Payment	
BALANCE DUE	25,458.42

Buyer(s) Wheatland Electric Cooperative Inc by Stewart
 Balance Owed On Trade-In \$ _____ DUE DATE _____ PER DAY _____ NEW LIEN TO _____
 LIEN HOLDER _____ VERIFIED BY _____ ADDRESS _____
 ADDRESS _____
 Salesperson: BRETT TRAFFAS
 Accepted by the Seller: _____
 NEWBERRY FAMILY AUTO

Rec'd
 392.00.03 25468.42
 UNIT 715

Kansas Corporation Commission
Information Request

Request No: **154**

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE

Docket Number 11-MKEE-439-RTS

Request Date March 22, 2011

Date Information Needed March 31, 2011

RE: MDSC Ratios

Please Provide the Following:

In response to Staff Data Request No. 100, MKEC-Wheatland stated that Wheatland is required by its lender, the CFC, to meet a Modified Debt Service Coverage Ratio of 1.35, 2 out of every 3 years.
Please provide Wheatland's calculations of the MDSC ratio that will result from the proforma operating statements filed in this case, assuming Wheatland's entire revenue requirement increase is granted.

Submitted By Justin Grady

Submitted To Rich Macke

Using the pro forma operating statements filed in this case (as contained in Exhibit RJM-WH-7) the MDSC would calculate to 2.48 assuming the entire revenue requirement increase is granted.

Test Year MDSC At Full Increase Request	
	(\$)
Operating Margins	1,858,755
Plus:	
LT Interest Expense	1,680,854
Depreciation Expense	1,728,203
Non-Operating Interest Income	1,407
MDSC Margins	5,269,219

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Date: _____

**Kansas Corporation Commission
Information Request**

Request No: **155**

Company Name MID-KANSAS ELECTRIC COMPANY, LLC MKEE
Docket Number 11-MKEE-439-RTS
Request Date March 22, 2011
Date Information Needed March 31, 2011

RE: TIER vs DSC

Please Provide the Following:

Given that Wheatland's lender stipulates minimum MDSC ratios, why did MKEC-Wheatland calculate the requested rate increase based on a Times Interest Earned Ratio (TIER)?

Submitted By Justin Grady

Submitted To Rich Macke

One of the objectives of the application is to ensure that rates are financial adequate with respect to covering operating expenses and margin requirements. TIER is the measure that has been used to establish the margin requirements component. Regardless of what Wheatland's lender stipulates as a minimum, it is Wheatland's responsibility to bring the cooperative into sound financial standing for the ongoing benefit of its membership. This could realistically take the form of TIER, MDSC or perhaps Rate of Return.

In prior electric cooperative rate applications the KCC staff has often, if not always included a TIER calculation when evaluating the appropriate margin requirements for cooperatives.

Another reason TIER was used for the MKEC-Wheatland rate increase request is that it mirrors the approach taken in determining the rates for the other five MKEC divisional rates.

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Date: _____

CERTIFICATE OF SERVICE

11-MKEE-439-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was placed in the United States mail, postage prepaid, electronic service, or hand-delivered this 21st day of April, 2011, to the following:

ANDREW SCHULTE, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027

MATTHEW SPURGIN, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027

MARK DOLJAC, DIR RATES AND REGULATION
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PO BOX 4877
TOPEKA, KS 66604-0877


J. MICHAEL PETERS, GENERAL COUNSEL
KANSAS ELECTRIC POWER CO-OP, INC.
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PO BOX 4877
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CURTIS M. IRBY, GENERAL COUNSEL
KANSAS POWER POOL
GLAVES, IRBY AND RHOADS
155 NORTH MARKET SUITE 1050
WICHITA, KS 67202

DON GULLEY, SENIOR MANAGER REGULATORY RELATIONS AND BILLING
MID-KANSAS ELECTRIC COMPANY, LLC
301 WEST 13TH STREET
PO BOX 980
HAYS, KS 67601

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GREAT BEND, KS 67530

LINDSAY A. SHEPARD, ATTORNEY
WATKINS CALCARA CHTD.
1321 MAIN STREET SUITE 300
PO DRAWER 1110
GREAT BEND, KS 67530


Della Smith
Administrative Specialist