

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of Western            )  
Cooperative Electric Association, Inc. Seeking        )  
Commission Approval to Update Its Local            )  
Access Delivery Service Tariff Pursuant to the        ) Docket No. 16-WSTE- 496 - TAR  
34.5kV Formula Based Rate Plan Approved in        )  
Docket No. 16-MKEE-023-TAR.                                )

**APPLICATION**

COMES NOW, Western Cooperative Electric Association, Inc. (“Western” or “Cooperative”), and pursuant to K.S.A. 66-117, hereby files this Application with the Kansas Corporation Commission (“KCC” or “Commission”) for the purpose of updating its Local Access Delivery Service (“LADS”) tariff. Expressly, Western proposes to implement the following changes: (1) an increase to the LADS demand charge assessed on the wholesale users (“Third Party”) of its 34.5kV system from \$1.01 per kW to \$1.56 per kW in accordance with the 34.5kV Formula Based Rate (“34.5kV FBR”) plan approved in Docket No. 16-MKEE-023-TAR (“16-023 Docket”); and (2) a revision of the Applicability and the Monthly Billing Demand sections of the tariff. In support of its Application, Western states as follows:

**I. Background**

1. Western is a member-owned distribution electric cooperative. Headquartered in WaKeeney, Kansas, Western’s 57 employees maintain and operate over 3,942 miles of line in parts of 13 Northwest Kansas counties. As a member-owner of both Sunflower Electric Power Corporation (“Sunflower”) and Mid-Kansas Electric Company, LLC (“Mid-Kansas”) Generation and Transmission (“G&T”) entities, Western serves approximately 12,300 retail

customers in its Native and Mid-Kansas service areas combined.<sup>1</sup> Western also serves some wholesale customers (referred to as Third Party) over the 34.5kV system in its Mid-Kansas service area. The subject 34.5kV facilities were found to provide “transmission service” under the Kansas law.<sup>2</sup>

2. Western has opted to deregulate from the jurisdiction, regulation, and control of the Commission, pursuant to K.S.A. 66-104d.<sup>3</sup> However, under subsection (f) of this statute, certain operations and transactions of deregulated electric cooperatives continue to be regulated by the Commission, including “charges, fees or tariffs for transmission services.” The Local Access Delivery Service tariff (available in the Western Mid-Kansas service area and applicable to the Cooperative’s wholesale customers using its 34.5kV system) is an example of the latter and therefore remains subject to Commission regulation.
3. On July 16, 2015, Western, along with Mid-Kansas and three of its other member utilities, filed a Joint Application in the 16-023 Docket for approval of individual alternative FBR Plans that would allow the member utilities to make annual adjustments to LADS rates for use of their corresponding 34.5kV sub-transmission assets. On December 30, 2015, Mid-Kansas and its four member utilities, Commission Staff, Kansas Electric Power Cooperative, Inc. (“KEPCo”), and Western Kansas Industrial Electric Consumers (“WKIEC”) filed a Joint Motion for Approval of a Unanimous Settlement Agreement. On March 10, 2015, the Commission issued an Order Approving Settlement Agreement and the corresponding

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<sup>1</sup> Provision of service to the retail customers in the Mid-Kansas service area has been established pursuant to the recent Certificate and Order approved by the Commission on November 21, 2013 in Docket No. 13-MKEE-447-MIS (“13-447 Docket”).

<sup>2</sup> Order Addressing Joint Motion to Approve Stipulation and Agreement under Docket No. 11-GIME-597-GIE, issued January 11, 2012 (see also the Stipulation and Agreement, filed December 1, 2011 under the same docket). Note that the cited finding is applicable to all Mid-Kansas member-owned 34.5kV facilities, not only those of Western.

<sup>3</sup> This is now true for both of Western’s Native and Mid-Kansas service areas. For Mid-Kansas’ service area deregulation, see June 10, 2014 Commission Order Affirming Western Cooperative Electric Association, Inc.’s Election to Deregulate under Docket. No. 14-WSTE-533-DRC.

Protocols defining each of the four affected utilities' respective 34.5kV FBR Plans. Western's Commission-approved 34.5kV FBR Protocols ("Protocols") are attached to the March 10, 2016 Commission Order Approving Settlement in the 16-023 Docket as Exhibit D.<sup>4</sup> The Protocols direct the Cooperative to file annual updates to its LADS rate by May 1 of each year. Accordingly, Western is hereby submitting the first Annual Update to its 34.5kV FBR Plan in compliance with the Commission Order in the 16-023 Docket.

4. Additionally, Western is proposing a revision of the Applicability and Monthly Billing Demand sections of its LADS tariff per Commission Orders in prior dockets, as detailed below.
5. In addition to the undersigned, copies of pleadings, documents, and correspondence in this docket should be sent to:

Darrin Lynch  
Western Cooperative Electric Assn.,  
Inc.  
635 S.13th  
P.O. Box 278  
WaKeeney, KS 67672  
(785) 743-2717  
[darrinl@westerncoop.com](mailto:darrinl@westerncoop.com)

Stacey Malsam  
Western Cooperative Electric Assn.,  
Inc.  
635 S.13th  
P.O. Box 278  
WaKeeney, KS 67672  
(785) 743-2717  
[staceym@westerncoop.com](mailto:staceym@westerncoop.com)

## **II. Proposed Changes to the Local Access Delivery Service Tariff and Supporting Exhibits**

6. Under the provisions of the LADS tariff, Western assesses a monthly demand rate, sometimes referred to as Local Access Charge, on its wholesale customers taking service over its 34.5kV facilities (Third Party users). The currently effective LADS rate of \$1.01 per kW was last approved by the Commission in Docket No. 12-MKEE-491-RTS ("12-491 Docket") about four years ago, using a 2010 Test Year. Per Commission newly-approved 34.5kV FBR, Western is now allowed to utilize a most recent 2015 Historical Test Year, as well as make

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<sup>4</sup> Additionally, same Protocols were attached, with the corrected pagination, to the more recent Commission Order Granting Petition for Clarification filed on April 26, 2016 in the same 16-023 Docket.

limited adjustments as appropriate under the FBR Protocols to the 2016 Budget Year for purposes of updating a monthly demand charge assessed under the LADS tariff. The testimony of Mr. Richard Macke, filed with this Application, explains and supports the proposed rate of \$1.56/kW indicated in the updated tariff (included with this Application as Exhibit 14). The detailed calculation performed in the template as prescribed by the 34.5kV FBR Protocols is contained in Exhibit 5 attached to the Application.

7. In addition to the Direct Prefiled Testimony of Mr. Macke, Western is also submitting the Direct Prefiled Testimony of Mr. Darrin Lynch, Western's General Manager. Mr. Lynch's testimony: (1) affirms Western's support for the calculation as contained in Mr. Macke's Direct Prefiled Testimony; (2) confirms Western will notify its customers as required in Section C of the Protocols; (3) attests to the Equity Test requirement noted in Section H of the Protocols; and (4) provides an insight as to the information required by item No. 11 listed in Section F of the Protocols.
8. Further, to support its Annual Update filing, Western includes the following documents, as prescribed in the Filing Exhibits section of Western's Commission-approved 34.5kV FBR Protocols:
  - **Exhibit 2** - A complete audited December United States Department of Agriculture Rural Utilities Service ("RUS") Financial and Statistical Report ("Form 7") for 2015 detailing the consolidated financial position of Western (the combined financial position of the acquired/Mid-Kansas division and the native/Sunflower division).
  - **Exhibit 3** - Same as above, as the combined RUS Form 7 contains the financial statements (Income statement, Balance Sheet, etc.) detailing the consolidated financial position of Western. Western's RUS Form 7 being submitted has been audited.

- **Exhibit 4** - Western's Comparative Operating Income Statement and Balance Sheet for the 2013 - 2015 (Mid-Kansas division data).
- **Exhibit 5** - Completed formulas as approved for Western by the Commission in Docket No. 16-MKEE-023-TAR (PDF and a populated Excel formula template in fully functional spreadsheets, with all work papers attached).
- **Exhibit 6** - Trial Balance for the 2013 - 2015 (Mid-Kansas division data).
- **Exhibit 7** - Payroll Journal for the 2013 - 2015 (Mid-Kansas division data).
- **Exhibit 8** - Operating Budget for the 2013 - 2015 (Mid-Kansas division data).
- **Exhibit 9** - Other applicable supplemental schedules necessary to audit the filing.
- **Exhibit 10** - A complete detailed accounting, by account, of all dues, donations, charitable contributions, promotional advertising, penalties and fines, and entertainment expenses incurred during 2015.
- **Exhibit 11** - A summary explanation of any material increases (more than 10 percent in a cost of service item from the previous year). This item is contained in Darrin Lynch's Prefiled Direct Testimony.
- **Exhibit 12** - A concise statement and supporting documentation to the following information:
  - a. Approved plant additions and retirements projected to cost \$100,000 or more for the budget year.
  - b. The estimated financing costs associated with the plant additions.
  - c. Any changes in the amount of wholesale/retail load supporting the 34.5kV system costs during the test year.

- **Exhibit 13** - A narrative describing the process used to allocate any costs to the Mid-Kansas/acquired division from the Sunflower/native division or from the consolidated financials of Western.
  - **Exhibit 14** - Proposed tariff sheets including the proposed rate adjustment.
9. In addition to updating the demand charge, Western would also like to correct certain outdated references and refine a particular definition in its current version of the Local Access Delivery Service tariff schedule (“13-LAC”). Specifically, Western proposes the following two changes:
- a. To update a reference in the Applicability section, where the 34.5kV system is still designated as “MKEC’s”; whereas, following the outcome in Docket No. 08-MKEE-099-MIS (where Commission approved transfer of ownership of distribution/sub-transmission assets from Mid-Kansas to individual member-cooperatives), this should read “Western’s 34.5kV...system.”<sup>5</sup>
  - b. To amend the Monthly Billing Demand section by adopting a more refined definition of a monthly billing demand (as detailed below) in order to better reflect the actual practice and to align with the KCC-approved language as used by another Mid-Kansas member who also provides LADS service, has a similar LADS tariff, and, like Western, uses Mid-Kansas as its metering and billing agent for the LADS :

*When service is provided in association with network service, the Monthly Billing Demand shall be defined as the Customer's kilowatt contribution to the Local Access Delivery System maximum hourly demand coincident with Western's monthly Local*

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<sup>5</sup> The 34.5kV facilities were included among those listed for the “spin-down” in the Distribution Assets Purchase Agreements approved by the Commission in its December 21, 2007 Order Approving Spin-Down of Distribution Assets under this Docket.

*Access Delivery System peak in the billing month measured at the low side of the delivery point (the "Actual CP Demand"). Generation that is located behind the meter of a designated network load shall be metered and the amount of generation serving the Customer's network load at the time of Western's monthly Local Access Delivery System peak shall be added to the Customer's Actual CP Demand to determine the Monthly Billing Demand. For other local access service (including, but not limited to, point-to-point transmission service requiring local access service and service reservations), Monthly Billing Demand shall be the greater of the Customer's service request or actual maximum monthly demand.*

The proposed definition is a carbon copy of what was approved in Docket No. 15-SPEE-161-RTS, the most recent Commission Order affecting LADS tariff.<sup>6</sup>

The attached proposed clean and red-lined tariff sheets, included with this Application as Exhibit 14, reflect the noted amendments to the Applicability and Monthly Billing Demand sections.

### **III. Requested Timeline for Commission Action**

10. As envisioned in the Commission-approved 34.5kV FBR Protocols, Section B, the final ruling in the instant Docket will be issued prior to the standard 240 days allotted under the K.S.A. 66-117; rather, the Commission Order on the Annual Update is to be issued within 150 - 180 days after Western submits its Annual Update. To ensure the effective and timely process for all the involved parties, Western respectfully requests the Commission take action on this Application as soon as administratively possible, including the issuance of the Commission

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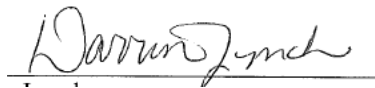
<sup>6</sup> April 28, 2015 Order granting Joint Motion for Approval of Settlement Agreement. The only item changed in the definition as proposed by Western is the applicable cooperative's name.

Procedural and/or Discovery and the Protective Orders in accordance with the guidelines noted in Section A of the Protocols.

The proposed rate as contained in the updated LADS tariff attached hereto as Exhibit 14 is just and reasonable, as it is based on the established methodology approved by the Commission. Specifically, it is calculated in a comprehensive manner that follows the guidelines detailed in the Protocols as approved for Western's 34.5kV FBR plan in the 16-023 Docket. Furthermore, Western's filing submitted hereto is adequately supported by the complete list of the required filing exhibits specified in Section F of the 34.5kV FBR Protocols. The proposed language changes to the LADS tariff are common-sense, transparent, and furthermore justified by the Commission's prior findings.

WHEREFORE, Applicant respectfully requests that the Commission (1) issue an Order approving its updated Local Access Delivery Service tariff and (2) for such other and further relief as the Commission may deem just and proper.

Respectfully submitted,

A handwritten signature in dark ink, reading "Darrin Lynch", is written over a horizontal line.

Darrin Lynch  
General Manager  
Western Electric Cooperative Association, Inc.  
635 S.13th  
P.O. Box 278  
WaKeeney, KS 67672  
(785) 743-2717  
[darrinl@westerncoop.com](mailto:darrinl@westerncoop.com)



**EXHIBIT 1**  
**Testimony Describing the Rate Adjustment Being Requested**

Prefiled Direct Testimony of D. Lynch and R. Macke, submitted with this filing.

**EXHIBIT 2**  
**2015 RUS Form 7 – Total Company**  
**AUDITED**

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION <div style="text-align: right;">KS0047</div>
	PERIOD ENDED December, 2015      (Prepared with Audited Data)
INSTRUCTIONS - See help in the online application.	BORROWER NAME      The Western Cooperative Electric Association,

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

**We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII**  
*(check one of the following)*

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

Darrin Lynch

2/5/2016  
DATE

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	38,286,419	37,215,924	40,568,857	2,943,653
2. Power Production Expense				
3. Cost of Purchased Power	27,334,372	24,254,103	27,260,656	1,934,377
4. Transmission Expense	252,146	279,804	272,978	18,635
5. Regional Market Expense				
6. Distribution Expense - Operation	2,218,934	2,231,499	2,606,162	167,035
7. Distribution Expense - Maintenance	1,488,246	1,473,602	1,735,656	124,979
8. Customer Accounts Expense	794,861	929,512	821,948	64,701
9. Customer Service and Informational Expense	257,662	253,543	265,444	19,569
10. Sales Expense				
11. Administrative and General Expense	2,064,538	2,101,840	1,987,287	172,365
12. Total Operation & Maintenance Expense (2 thru 11)	34,410,759	31,523,903	34,950,131	2,501,661
13. Depreciation and Amortization Expense	2,053,958	2,134,620	2,439,879	181,990
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,106,393	1,128,535	1,449,065	104,585
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other				
19. Other Deductions	11,660	42,109	0	0
20. Total Cost of Electric Service (12 thru 19)	37,582,770	34,829,167	38,839,075	2,788,236
21. Patronage Capital & Operating Margins (1 minus 20)	703,649	2,386,757	1,729,782	155,417
22. Non Operating Margins - Interest	37,114	28,761	34,692	6,752
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non Operating Margins - Other	(79,838)	(11,647)	(69,541)	(8,446)
26. Generation and Transmission Capital Credits		3,858,665	3,858,665	0
27. Other Capital Credits and Patronage Dividends	3,702,016	130,369	687,927	0
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	4,362,941	6,392,905	6,241,525	153,723

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION  KS0047		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED  December , 2015		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	138	148	5. Miles Transmission	268.76	268.76
2. Services Retired	58	188	6. Miles Distribution – Overhead	3,695.95	3,704.00
3. Total Services in Place	12,318	12,278	7. Miles Distribution - Underground	5.30	5.32
4. Idle Services (Exclude Seasonals)	237	257	8. Total Miles Energized (5 + 6 + 7)	3,970.01	3,978.08
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	80,374,779		30. Memberships	0	
2. Construction Work in Progress	3,373,177		31. Patronage Capital	30,975,212	
3. Total Utility Plant (1 + 2)	83,747,956		32. Operating Margins - Prior Years	(118,341)	
4. Accum. Provision for Depreciation and Amort.	27,348,724		33. Operating Margins - Current Year	2,386,757	
5. Net Utility Plant (3 - 4)	56,399,232		34. Non-Operating Margins	3,856,884	
6. Non-Utility Property (Net)	0		35. Other Margins and Equities	500,753	
7. Investments in Subsidiary Companies	0		36. Total Margins & Equities (30 thru 35)	37,601,265	
8. Invest. in Assoc. Org. - Patronage Capital	14,654,417		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	260,507		38. Long-Term Debt - FFB - RUS Guaranteed	32,024,634	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	479,035		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	704,980		40. Long-Term Debt Other (Net)	6,759,321	
12. Other Investments	0		41. Long-Term Debt - RUS - Econ. Devel. (Net)	784,000	
13. Special Funds	0		42. Payments – Unapplied	168	
14. Total Other Property & Investments (6 thru 13)	16,098,939		43. Total Long-Term Debt (37 thru 41 - 42)	39,567,787	
15. Cash - General Funds	294,050		44. Obligations Under Capital Leases - Noncurrent	408,038	
16. Cash - Construction Funds - Trustee	0		45. Accumulated Operating Provisions and Asset Retirement Obligations	0	
17. Special Deposits	0		46. Total Other Noncurrent Liabilities (44 + 45)	408,038	
18. Temporary Investments	2,862,851		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	2,012,734	
20. Accounts Receivable - Sales of Energy (Net)	3,279,265		49. Consumers Deposits	724,017	
21. Accounts Receivable - Other (Net)	720,741		50. Current Maturities Long-Term Debt	1,350,772	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	1,123,538		52. Current Maturities Capital Leases	167,374	
24. Prepayments	238,944		53. Other Current and Accrued Liabilities	950,094	
25. Other Current and Accrued Assets	5,818		54. Total Current & Accrued Liabilities (47 thru 53)	5,204,991	
26. Total Current and Accrued Assets (15 thru 25)	8,525,207		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	147,842	
28. Other Deferred Debits	1,906,545		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	82,929,923	
29. Total Assets and Other Debits (5+14+26 thru 28)	82,929,923				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KS0047
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2015
<b>PART D. NOTES TO FINANCIAL STATEMENTS</b>	
PART C - LINE 28 OTHER DEFERRED DEBITS - Prepaid NRECA RS Pension Contribution to be amortized over 10 years (\$1,774,593.88); Computer Hardware, Software, Data Conversion, Computer and Network Support Charges prepaid (\$124,977.64); Construction Work plan costs to be amortized over 4 years (\$6,973.44)  PART C - LINE 56 OTHER DEFERRED CREDITS - Member Prepayments (\$147,842.43)	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>	BORROWER DESIGNATION  KS0047
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December, 2015
<b>PART D. CERTIFICATION LOAN DEFAULT NOTES</b>	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION KS0047			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December, 2015			
INSTRUCTIONS - See help in the online application.							
PART E. CHANGES IN UTILITY PLANT							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)		
1. Distribution Plant	53,566,308	3,206,141	988,307		55,784,142		
2. General Plant	4,625,167	493,646	152,415		4,966,398		
3. Headquarters Plant	3,504,559		66,080		3,438,479		
4. Intangibles	3,532,998				3,532,998		
5. Transmission Plant	10,816,828	2,752,366	916,433		12,652,761		
6. Regional Transmission and Market Operation Plant	0				0		
7. All Other Utility Plant	0				0		
8. Total Utility Plant in Service (1 thru 7)	76,045,860	6,452,153	2,123,235		80,374,778		
9. Construction Work in Progress	4,117,292	(744,114)			3,373,178		
10. Total Utility Plant (8 + 9)	80,163,152	5,708,039	2,123,235		83,747,956		
PART F. MATERIALS AND SUPPLIES							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	1,074,034	1,131,995	65,197	1,282,628	2,623	(3,443)	982,532
2. Other	140,665	16,945		2,642	13,456	(506)	141,006
PART G. SERVICE INTERRUPTIONS							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE					TOTAL (e)	
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)			
1. Present Year	17.070	39.800	10.670	58.970	126.510		
2. Five-Year Average	17.730	50.470	10.570	63.710	142.480		
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	56	4. Payroll - Expensed				2,570,561	
2. Employee - Hours Worked - Regular Time	117,628	5. Payroll - Capitalized				1,040,355	
3. Employee - Hours Worked - Overtime	1,724	6. Payroll - Other				418,021	
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION			THIS YEAR (a)	CUMULATIVE (b)		
1. Capital Credits - Distributions	a. General Retirements			1,037,034	15,381,201		
	b. Special Retirements			71,124	2,349,659		
	c. Total Retirements (a + b)			1,108,158	17,730,860		
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power			0			
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System			29,576			
	c. Total Cash Received (a + b)			29,576			
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	66,273	2. Amount Written Off During Year	\$	32,400		
ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM							
1. Anticipated Loan Delinquency %				4. Anticipated Loan Default %			
2. Actual Loan Delinquency %				5. Actual Loan Default %			
3. Total Loan Delinquency Dollars YTD	\$				6. Total Loan Default Dollars YTD	\$	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION					BORROWER DESIGNATION  KS0047				
INSTRUCTIONS - See help in the online application					PERIOD ENDED December, 2015				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Sunflower Electric Power Corp (KS0053)	18315			183,188,769	11,328,382	6.18	3,466,779	
2	Mid Kansas Electric Company LLC (KS)	800494			193,765,656	12,925,721	6.67	2,073,097	
	Total				376,954,425	24,254,103	6.43	5,539,876	



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION  KS0047	
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2015	
<b>PART K. kWh PURCHASED AND TOTAL COST</b>			
<b>No</b>	<b>Comments</b>		
1			
2			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT          ELECTRIC DISTRIBUTION</b>		BORROWER DESIGNATION KS0047	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December, 2015	
<b>PART L. LONG-TERM LEASES</b>			
<b>No</b>	<b>NAME OF LESSOR (a)</b>	<b>TYPE OF PROPERTY (b)</b>	<b>RENTAL THIS YEAR (c)</b>
1	CoBank Farm Credit Leasing	Digger / Bucket Trucks	180,105
	<b>TOTAL</b>		180,105

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0047	
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December , 2015	
INSTRUCTIONS - See help in the online application.			
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 5/13/2015	2. Total Number of Members 6,521	3. Number of Members Present at Meeting 102	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 108,057	8. Does Manager Have Written Contract? N

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION  KS0047		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December, 2015		
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	0	152,629	84,823	237,452
2	National Rural Utilities Cooperative Finance Corporation	44,134	6,472	38,746	45,218
3	CoBank, ACB	6,715,186	151,505	457,980	609,485
4	Federal Financing Bank	32,024,635	807,297	656,915	1,464,212
5	RUS - Economic Development Loans	784,000	0	44,441	44,441
6	Payments Unapplied	168			
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
10	CoBank Farm Credit Leasing, Vehicle Capital Leases	408,038	16,628	163,477	180,105
	TOTAL	39,975,825	1,134,531	1,446,382	2,580,913

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0047		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December, 2015		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	5,730	5,760	
	b. kWh Sold			59,131,872
	c. Revenue			7,084,790
2. Residential Sales - Seasonal	a. No. Consumers Served	1,674	1,668	
	b. kWh Sold			2,925,460
	c. Revenue			525,436
3. Irrigation Sales	a. No. Consumers Served	458	460	
	b. kWh Sold			10,559,902
	c. Revenue			1,168,142
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	4,378	4,375	
	b. kWh Sold			278,609,529
	c. Revenue			27,561,013
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
6. Public Street & Highway Lighting	a. No. Consumers Served	38	38	
	b. kWh Sold			2,040,479
	c. Revenue			341,933
7. Other Sales to Public Authorities	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
9. Sales for Resale - Other	a. No. Consumers Served			
	b. kWh Sold			
	c. Revenue			
10. Total No. of Consumers (lines 1a thru 9a)		12,278	12,301	
11. Total kWh Sold (lines 1b thru 9b)				353,267,242
12. Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)				36,681,314
13. Transmission Revenue				
14. Other Electric Revenue				534,610
15. kWh - Own Use				
16. Total kWh Purchased				376,954,425
17. Total kWh Generated				
18. Cost of Purchases and Generation				24,533,907
19. Interchange - kWh - Net				
20. Peak - Sum All kW Input (Metered) Non-coincident___ Coincident___				66,308

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION</b>				BORROWER DESIGNATION      KS0047		
INSTRUCTIONS - See help in the online application.				PERIOD ENDED      December , 2015		
<b>PART P. ENERGY EFFICIENCY PROGRAMS</b>						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers <i>(a)</i>	Amount Invested <i>(b)</i>	Estimated MMBTU Savings <i>(c)</i>	No. of Consumers <i>(d)</i>	Amount Invested <i>(e)</i>	Estimated MMBTU Savings <i>(f)</i>
1. Residential Sales (excluding seasonal)						
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less						
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
<b>10. Total</b>						

<p>UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE</p> <p><b>FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS</b></p>	<p>BORROWER DESIGNATION KS0047</p> <p>PERIOD ENDED December, 2015</p>
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INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
<b>2</b>	<b>Investments in Associated Organizations</b>				
	Sunflower Electric Power Corporation		10,985,249	3,031,221	
	Mid-Kansas Electric Company LLC		3,350,934	827,445	
	NRUCFC		552,092	24,006	
	CoBank		45,257	39,989	
	Golden Plains Credit Union	11			
	Golden Belt Telephone	270			
	Midwest Cooperative	1,727		1,238	
	National Rural Telecommunication Coop	1,915			
	Midwest Energy	21,044		2,087	
	Rural Telephone Service Cooperative	101,833		6,759	
	Kansas Electric Cooperatives	108,071		21,513	
	Federated Rural Electric Insurance Exchange	174,127		43,063	
	Cooperative Response Center	17,341		5,812	
	Frontier Ag Inc.	32,330		9,857	
	United Ag Services, Inc. - Gorham	1,748		381	
	NRECA	10			
	Totals	460,427	14,933,532	4,013,371	
<b>3</b>	<b>Investments in Economic Development Projects</b>				
	Gove County Medical Center	26,400			X
	Ness County Hospital	17,500			X
	Gove County Hospital (Therapy)	120,000			X
	Gove Fire Department	15,800			X
	Sheridan County Health Center (CT)	375,000			X
	Sheridan County Health Center (Lab)	150,280			X
	Totals	704,980			
<b>6</b>	<b>Cash - General</b>				
	Trego WaKeeney State Bank	142,324			
	Working Funds - WCE	400			
	Citizens State Bank	50,459			
	Golden Plains Credit Union	50,663			
	Golden Belt Bank	50,204			
	Totals	294,050			
<b>8</b>	<b>Temporary Investments</b>				
	Invesco	2,862,851			
	Totals	2,862,851			
<b>9</b>	<b>Accounts and Notes Receivable - NET</b>				
	Other Accounts Receivable (Electrician)	5,149			
	Other Receivable Deferred Payment Arrangements	12,536			
	Other Receivable Member Construction Costs	682,933			
	Other Receivable Employee Personal Accounts	20,123			
	Totals	720,741			
<b>11</b>	<b>TOTAL INVESTMENTS (1 thru 10)</b>	5,043,049	14,933,532	4,013,371	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE  <b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b> <b>INVESTMENTS, LOAN GUARANTEES AND LOANS</b>	BORROWER DESIGNATION KS0047
	PERIOD ENDED December, 2015

INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.

PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Mid-Kansas Electric Company, LLC, Hays, KS	1/31/2037	2,041,300	1,480,846	
	<b>TOTAL</b>		2,041,300	1,480,846	
	TOTAL (Included Loan Guarantees Only)				



UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KS0047			
<b>FINANCIAL AND OPERATING REPORT</b> <b>ELECTRIC DISTRIBUTION</b> <b>INVESTMENTS, LOAN GUARANTEES AND LOANS</b>		PERIOD ENDED December, 2015			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
<b>SECTION III. RATIO</b>					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					6.02 %
<b>SECTION IV. LOANS</b>					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors				
2	Energy Resources Conservation Loans				
	<b>TOTAL</b>				

**EXHIBIT 3**  
**Financial Statements Detailing Consolidated Financial Position**

Information is already contained in Exhibit 2

**EXHIBIT 4**

Comparative Operating Income Statement and Balance Sheet  
2013-2015  
Mid-Kansas Division

**REDACTED**

## **EXHIBIT 5**

### **Populated 34.5kV FBR Template**

Live Excel version will be uploaded to a secure site or emailed upon request, as appropriate.

**Western Cooperative Electric Association  
Mid-Kansas Service Area  
34.5kV Formula Based Rate  
Revenue Requirement and Rate Calculation  
For Year 2016 Based on the Historical Test Year Ending December 31, 2015**

(a) Line No	(b) Description	(c) Source	(d) Unadjusted Historical Test Year 2015	(e) Adjustments		(f) Adjusted Historical Test Year 2015	(g) (h) Allocation Factor		(i) FBR Revenue Requirement
				No.	Amount		Name	Factor	
				Source: WP2			Source: WP3		
1	<b>Operating Expenses</b>								
2	Power Production Expense	WP1, L29, Col ( d )	-			\$ -	0.000000	\$	-
3	Cost of Purchased Power	WP1, L30, Col ( d )	\$ 12,925,722			\$ 12,925,722	0.000000	\$	-
4	Transmission O&M	WP1, L31, Col ( d )	\$ 255,384			\$ 255,384	1.000000	\$	255,384
5	Distribution Expense-Operation	WP1, L32, Col ( d )	\$ 1,143,872	[1]	\$ -	\$ 1,143,872	DOM	0.000000	\$ -
6	Distribution Expense-Maintenance	WP1, L33, Col ( d )	\$ 856,236	[2]	\$ -	\$ 856,236	DOM	0.000000	\$ -
7	Consumer Accounts Expense	WP1, L34, Col ( d )	\$ 466,878			\$ 466,878		0.000000	\$ -
8	Customer Service and Informational Expense	WP1, L35, Col ( d )	\$ 133,809			\$ 133,809		0.000000	\$ -
9	Sales Expense	WP1, L36, Col ( d )	\$ -			\$ -		0.000000	\$ -
10	Administration & General	WP1, L37, Col ( d )	\$ 1,022,456	[3]	\$ (25,371)	\$ 997,085	LAB	0.020486	\$ 20,426
11	<b>Total O&amp;M Expense</b>	Sum (L2:L10)							\$ 275,810
12	Depreciation and Amortization								\$ -
13	Transmission	WP1, L40, Col ( d )	\$ 240,857	[4b]	\$ 15,267	\$ 256,124		1.000000	\$ 256,124
14	General Plant	WP1, L41, Col ( d )	\$ 103,485	[4a]	\$ 9,688	\$ 113,173	LAB	0.020486	\$ 2,318
15	Property Tax	WP1, L43, Col ( d )	\$ -			\$ -	NP	0.315960	\$ -
16	Other Taxes	WP1, L44, Col ( d )	\$ -			\$ -	NP	0.315960	\$ -
17	L.T. Interest	WP1, L45, Col ( d )	\$ 781,589	[5]	\$ 13,674	\$ 795,263	NP	0.315960	\$ 251,271
18	Interest Charged to Construction - Credit	WP1, L46, Col ( d )	\$ -	[6]	\$ -	\$ -	NP	0.315960	\$ -
19	Interest-Other	WP1, L47, Col ( d )	\$ -	[7]	\$ -	\$ -	NP	0.315960	\$ -
20	Other Deductions	WP1, L48, Col ( d )	\$ -	[8]	\$ -	\$ -	NP	0.315960	\$ -
21	<b>Total Cost of Electric Service</b>								<b>\$ 785,523</b>
22									
23	<b>Margin Requirement</b>								
24	Principal Payments	WP1, L62, Col ( d )	\$ 697,508	[10]	\$ 62,868	\$ 760,376	NP	0.31595983	\$ 240,248
25	L.T. Interest	L17	\$ 781,589		\$ 13,674	\$ 795,263	NP	0.31595983	\$ 251,271
26	Subtotal	Sum (L22:23)							\$ 251,271 \$ 491,520
27	Required Coverage Ratio	WP1, L64, Col ( d )							1.80 1.80
28	Gross Margin Requirements	L24 x L25							452,288 884,735
29	Less: Offsets to Margin Requirements	WP4, L4 or L13, Col ( i )							251,271 509,738
30	Net Margin Requirement	L26 - L27							<b>\$ 201,017 \$ 374,998</b>
31									
32	<b>Total Revenue Requirements</b>								
33	Greater of OTIER or MDSC Margin Requirements	L21 + L30							<b>\$1,160,521</b>
34	Plus: True-Up Amount <sup>1</sup>	WP7, L13							<b>\$0</b>
35	<b>Total Net Revenue Requirement</b>	L33 + L34							<b>\$1,160,521</b>
36	Divided By Total Billing Demand	WP5, L28, Col (Total)							<b>743,848 kW</b>
37	Unadjusted Unit Rate	L35 / L36							\$1.56/kW-mo.
38	Less: Property Tax Surcharge	N/A							\$0.00/kW-mo.
39	<b>Resultant Unit Rate</b>								<b>\$1.56/kW-mo.</b>

<sup>1</sup> Not applicable this year per Protocols, Section E.3

**Western Cooperative Electric Association**  
**Mid-Kansas Service Area**  
**34.5kV Formula Based Rate**  
**Work Paper 1 - Input Data**

Line No	Description	Historical Test Year Input			Budget Year Input				
	(a)	Source	Amount	Notes	Source	Amount	Notes		
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	<u>A. Net Plant in Service - Using Average Monthly Balance</u>								
2									
3	1. Facilities Used to Provide Local Access Delivery Service								
4	Transmission Facilities								
5	350 Land and Land Rights	Trial Balance - 12 month avg.	\$ 38,031						
6	352 Structures and Improvements	Trial Balance - 12 month avg.	\$ 243,432						
7	353 Station Equipment	Trial Balance - 12 month avg.	\$ 5,398,962						
8	355 Poles and Fixtures	Trial Balance - 12 month avg.	\$ 2,638,779						
9	356 O.H. Conductors and Devices	Trial Balance - 12 month avg.	\$ 2,652,882						
10	358 U.G. Conductors and Devices	Trial Balance - 12 month avg.	\$ -						
11	Subtotal	Sum(L5:L10)	\$ 10,972,086	\$ 5,259,662	GL acct 108.5	Exhibit 9, page 3	\$ 11,663,480	\$ 5,515,785	
12	Distribution Facilities (If Applicable )								
13	360 Land and Land Rights	Company Direct Assessment	N/A	N/A					
14	361 Structures and Improvements	Company Direct Assessment	N/A	N/A					
15	362 Station Equipment	Company Direct Assessment	N/A	N/A					
16	Subtotal	L13 + L15	\$ -	\$ -			\$ -	\$ -	
17	Total	L11 + L16	\$ 10,972,086	\$ 5,259,662			\$ 11,663,480	\$ 5,515,785	
18									
19	2. All Facilities								
20	301-301 Intangible Plant	Trial Balance - 12 month avg.	\$ -	\$ -			\$ -	\$ -	
21	350-359 Transmission Plant	Trial Balance - 12 month avg.	\$ 10,972,086	\$ 5,259,662	GL acct 108.5		\$ 11,663,480	\$ 5,515,785	
22	360-373 Distribution Plant	Trial Balance - 12 month avg.	\$ 18,767,608	\$ 8,032,472	GL acct. 108.6,108.61	Exhibit 9, page 4	\$ 19,353,590	\$ 8,615,820	
23	389-399 General Plant	Trial Balance - 12 month avg.	\$ 3,905,726	\$ 1,198,172	GL acct. 108.7-108.78	Exhibit 9, page 5	\$ 4,061,387	\$ 1,311,345	
24	Total		\$ 33,645,421	\$ 14,490,306			\$ 35,078,456	\$ 15,442,950	
25									
26									
27									
28	<u>B. Operating Expenses</u>								
29	Power Production Expense	Statement of Operations	\$ -						
30	Cost of Purchased Power	Statement of Operations	\$ 12,925,722						
31	Transmission O&M	Statement of Operations	\$ 255,384						
32	Distribution Expense-Operation	Statement of Operations	\$ 1,143,872						
33	Distribution Expense-Maintenance	Statement of Operations	\$ 856,236						
34	Consumer Accounts Expense	Statement of Operations	\$ 466,878						
35	Customer Service and Informational Expense	Statement of Operations	\$ 133,809						
36	Sales Expense	Statement of Operations	\$ -						
37	Administrative and General	Statement of Operations	\$ 1,022,456						
38	Depreciation and Amortization	Statement of Operations	\$ 958,947						
39	Depreciation Expense - Distribution	Trial Balance - 12/31/2015	\$ 495,484						
40	Depreciation Expense - Transmission	Trial Balance - 12/31/2015	\$ 240,857			Exhibit 9, page 3	\$ 256,124		Protocols, Calculation section, parts 1.c and 2.b
41	Depreciation Expense - General Plant	Trial Balance - 12/31/2015	\$ 103,485			Exhibit 9, page 5	\$ 113,173		Protocols, Calculation section, parts 1.c and 2.b
42	Amortization of AP (booked within Depreciation Expense)	Trial Balance - 12/31/2015	\$ 119,121						
43	Property Tax	Statement of Operations	\$ -						
44	Other Taxes	Statement of Operations	\$ -						
45	L.T. Interest	Statement of Operations	\$ 781,589			Exhibit 9, page 7	\$ 795,263		Protocols, Calculation section, part 1.d
46	Interest Charged to Construction - Credit	Statement of Operations	\$ -				\$ -		Protocols, Calculation section, part 1.d
47	Interest-Other	Statement of Operations	\$ -				\$ -		Protocols, Calculation section, part 1.d
48	Other Deductions	Statement of Operations	\$ -						
49									
50	<u>C. Payroll</u>								
51	Transmission	Payroll Journal (Labor Amt)	\$ 18,656	560-573	Part of GL acct				
52	Distribution	Payroll Journal (Labor Amt)	\$ 665,240	580-598					
53	Customer Accounting	Payroll Journal (Labor Amt)	\$ 195,279	901-905					
54	Customer Service and Information	Payroll Journal (Labor Amt)	\$ 31,527	907-910					
55	Sales	Payroll Journal (Labor Amt)	\$ -	911-916					
56	Administration and General	Payroll Journal (Labor Amt)	\$ 363,674	920-932					
57	Total		\$ 1,274,376	Non-capitalized items					
58									
59									
60	<u>D. Miscellaneous</u>								
61	1. Debt Service								
62	Principal Payments	Exhibit 9, page 6	\$ 697,508	Per Company records		Exhibit 9, page 7	\$ 760,376		Protocols, Calculation section, part 1.f
63									
64	2. Target OTIER/MDSC			1.80	Protocols, Calculation section, part 3				
65									
66	3. Margin Requirement Offsets								
67	Investment in Associate Organizations - Patronage Capital	Balance Sheet	\$ 2,524,933	\$ 3,352,683	Ln 9 for 2014, Ln 8 for 2015 BS				
68	Generation & Transmission Capital Credits	Statement of Operations	\$ 827,445						
69	Other Capital Credits and Patronage Dividends	Statement of Operations	\$ 381						
70	Non-Operating Margins - Interest	Statement of Operations	\$ -						
71	Cash Received from G&T/Lenders	Exhibit 9, page 8	\$ -	Per Company records					
72									
73	4. Other								
74	AP Amortization Booked in Other Deductions	N/A	\$ -	N/A					
75									

Western Cooperative Electric Association  
Mid-Kansas Service Area  
34.5kV Formula Based Rate  
Work Paper 2 - Adjustments To Historical Test Year Expenses  
For the Historical Test Year Ending December 31, 2015

Line No	Type	Source	Amount	Notes
1	<b>1. Adjustment to Distribution Operations Expense per K.S.A. 66-101f(a), if any:</b>			
2	Applicable Disallowance - Distribution Operations	WP6	\$ -	not applicable
3	<b>Total Adjustment</b>	L2	<u>\$ -</u>	
4				
5	<b>2. Adjustment to Distribution Maintenance Expense per K.S.A. 66-101f(a), if any:</b>			
6	Applicable Disallowance - Distribution Maintainance	WP6	\$ -	not applicable
7	<b>Total Adjustment</b>	L6	<u>\$ -</u>	
8				
9	<b>3. Adjustment to Administrative &amp; General per K.S.A. 66-101f(a), if any:</b>			
10	Applicable Disallowance - A&G	WP6	\$ 25,371	
11	<b>Total Adjustment</b>	L10	<u>\$ (25,371)</u>	
12				
13	<b>4. Adjustment to Depreciation Expense</b>			Protocols, Calculation section, parts 1.c and 2.b
14	<b>a. Transmission</b>			
15	Historical Amount	Pg.1, L13, Col ( d )	\$ 240,857	
16	Projected	WP1, L40, Col ( h )	\$ 256,124	
17	<b>Total Adjustment</b>	L16 - L15	<u>\$ 15,267</u>	
18	<b>b. General Plant</b>			
19	Historical Amount	Pg.1, L14, Col ( d )	\$ 103,485	
20	Projected	WP1, L41, Col ( h )	\$ 113,173	
21	<b>Total Adjustment</b>	L20 - L19	<u>\$ 9,688</u>	
22				
23	<b>5. Adjustment to LT Interest</b>			
24	Historic Amount	Pg.1, L17, Col ( d )	\$ 781,589	Protocols, Calculation section, parts 1.d
25	Projected Amount	WP1, L45, Col (h)	\$ 795,263	
26	<b>Total Adjustment</b>	L25 - L24	<u>\$ 13,674</u>	
27				
28	<b>6. Adjustment to Interest Charged To Construction</b>			N/A
29	Historical Amount	Pg.1, L18, Col ( d )	\$ -	
30	Projected Amount	WP1, L46, Col ( h )	\$ -	
31	<b>Total Adjustment</b>	L30 - L29	<u>\$ -</u>	
32				
33	<b>7. Adjustment to Interest-Other</b>			
34	Historical Amount	Pg.1, L19, Col ( d )	\$ -	Protocols, Calculation section, parts 1.d
35	Projected Amount	WP1, L47, Col ( h )	\$ -	
36	<b>Total Adjustment</b>	L35 - L34	<u>\$ -</u>	
37				
38	<b>8. Adjustment to Other Deductions:</b>			
39	Historical Amount	Pg.1, L20, Col ( d )	\$ -	not applicable
40	Less: Amortization of AP booked in Other Deductions	WP1, L74, Col ( d )	\$ -	
41	Historical Amount with AP removed	L39 - L40	\$ -	
42	Sub-total Adjustment	L36 - L34	\$ -	
43	Less: Applicable Disallowance - Other Deductions	WP6	\$ -	not applicable
44	<b>Total Adjustment</b>	L42 - L43	<u>\$ -</u>	
45				
46	<b>9. Adjustment to Principal Payments</b>			
47	Historical Amount	Pg.1, L24, Col ( a )	\$ 697,508	Protocols, Calculation section, parts 1.f
48	Projected Amount	WP1, L62, Col ( h )	\$ 760,376	
49	<b>Total Adjustment</b>	L48 - L47	<u>\$ 62,868</u>	
50				

**Western Cooperative Electric Association  
Mid-Kansas Service Area  
34.5kV Formula Based Rate  
Work Paper 3 - Allocation Factors**

<b>Line No.</b>	<b>Description</b>	<b>Source</b>	<b>Allocator</b>	<b>Amount</b>
1	<b>Distribution O&amp;M Allocation Factor - Using Budget Year Input</b>			
2	Distr. Plant used to provide Local Access Delivery Service	WP1, L16, Col (g)		\$ -
3	Total Distribution Plant	WP1, L22, Col (g)		\$ 19,353,590
4				
5	Allocation Factor	L2 / L3	DOM	-
6				
7	<b>Labor Allocation Factor - Using Historical Test Year Input</b>			
8	Transmission Wages	WP1, L51, Col (d)		\$ 18,656
9	Allocated Distribution Wages			
10	Total Distribution Wages	WP1, L52, Col (d)		\$ 665,240
11	Allocation Factor	L5	DOM	\$ -
12		L10 * L11		\$ -
13	Total LAC Wages	L8 + L12		<u>\$ 18,656</u>
14				
15	Total Wages Other than A&G			
16	Total Wages - Historical Test Year	WP1, L57, Col (d)		\$ 1,274,376
17	Less: Administration & General Wages	WP1, L56, Col (d)		363,674
18		L16 - L17		<u>\$ 910,702</u>
19				
20	Transmission Labor Allocator	L13 / L18	LAB	<u>0.020486</u>
21				
22	<b>Net Plant Allocation Factor - Using Budget Year Input</b>			
23	Plant-in-Service			
24	Transmission	WP1, L11, Col (g)		\$ 11,663,480
25	Distr. used to provide Local Access Service	L2		\$ -
26	General Plant			
27	Total General Plant	WP1, L23, Col (g)		\$ 4,061,387
28	Allocation Factor	L20	LAB	0.020486
29		L27 * L28		<u>\$ 83,200</u>
30	Total LAC Plant-in-Service	L24 + L25 + L29		<u>\$ 11,746,680</u>
31				
32	Accumulated Reserves for Depreciation			
33	Transmission	WP1, L11, Col (h)		\$ 5,515,785
34	Distribution Used in LAC	WP1, L16, Col (h)		\$ -
35	Allocated General Plant			
36	Total General Plant	WP1, L23, Col (h)		\$ 1,311,345
37	Allocation Factor	L20	LAB	0.020486
38		L36 * L37		<u>\$ 26,864</u>
39	Total LAC Accum. Depr. Res.	L33 + L34 + L38		<u>\$ 5,542,649</u>
40				
41	Net Plant Used in LAC	L30 - L39		<u>\$ 6,204,031</u>
42				
43	Total Plant in Service	WP1, L24, Col (g)		\$ 35,078,456
44	Less: Total Accum. Reserves for Depr.	WP1, L24, Col (h)		\$ 15,442,950
45	Total Net Plant	L43 - L44		<u>\$ 19,635,506</u>
46				
47	Transmission Net Plant Allocator - Budget Year	L41 / L45	NP	<u>0.315960</u>



**Western Cooperative Electric Association**  
**Mid-Kansas Service Area**  
**34.5kV Formula Based Rate**  
**Work Paper 4 - Margin Requirement Offsets**  
**For the Historical Test Year Ending December 31, 2015**

(a) Line No	(b) Metric	(c) Source	(d) Historical Total Amount	(e) Adjustment pg 1, Col (e)	(f) Adjusted Amount	(g) Allocation Name	(h) Factor	(i) Allocated to FBR
pg.1 Col (g) and (h)								
1	<b>OTIER</b>							
2	LT Interest Expense	Pg.1, L17, Col ( d )	\$ 781,589	\$ 13,674	\$ 795,263	NP	0.315960	\$ 251,271
3	Cash Received from G&T/lenders	WP1, Col (d), L71	\$ -	\$ -	\$ -	NP	0.315960	\$ -
4			\$ 781,589	\$ 13,674	\$ 795,263			\$ 251,271
5								
6	<b>MDSC</b>							
7	LT Interest Expense	L2	\$ 781,589	\$ 13,674	\$ 795,263	NP	0.315960	\$ 251,271
8	Depreciation Expense							
9	Transmission	Pg.1, L13, Col ( d )	\$ 240,857	\$ 15,267	\$ 256,124		1.000000	\$ 256,124
10	General Plant	Pg.1, L14, Col ( d )	\$ 103,485	\$ 9,688	\$ 113,173	LAB	0.020486	\$ 2,318
11	Non-Operating Margins - Interest	WP1, L70, Col ( d )	\$ -	\$ -	\$ -	NP	0.315960	\$ -
12	Cash Patronage Capital*	L20	\$ 77	\$ -	\$ 77	NP	0.315960	\$ 24
13	Resultant Amount	Sum (L7:L12)	\$ 1,126,007		\$ 1,164,636			\$ 509,738
14								
15	*Calculate Pat. Cap. (Cash):							
16	Inv. in Assoc. Org. - Patr. Capital - Current Yr.	WP1, L67, Col ( d )	\$ 3,352,683					
17	Inv. in Assoc. Org. - Patr. Capital - Prior Yr.	WP1, L67, Col ( c )	\$ 2,524,933					
18	Generation & Transmission Capital Credits	WP1, L68, Col ( d )	\$ 827,445					
19	Other Capital Cr. and Patronage Dividends	WP1, L69, Col ( d )	\$ 381					
20	Resultant Amount	L17 + L18 + L19 - L16	\$ 77					

**Western Cooperative Electric Association**  
**Mid-Kansas Service Area**  
**34.5kV Formula Based Rate**  
**Work Paper 5 - Billing Demand <sup>1</sup>**  
**For the Historical Test Year Ending December 31, 2015**

<u>Line</u>	<u>Description</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
1	Total Local Access System <sup>2</sup>	61,432	58,618	57,971	52,096	53,710	80,152	79,687	73,419	74,600	55,571	52,193	57,120	756,568
2	CP Date	14	01	02	23	29	22	24	03	06	11	30	28	
3	CP Time (hour Ending)	1900	1900	2000	800	1500	1600	1300	1500	1700	1700	1900	1100	
4														
5	Wholesale Customers @ Del. Pt.													
6	Hoisington (KMEA)--Metered	2,738	3,033	2,764	2,076	2,620	5,966	5,807	5,361	6,125	3,414	2,986	2,991	45,881
7	Hoisington (KMEA)--Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Subtotal--Hoisington	2,738	3,033	2,764	2,076	2,620	5,966	5,807	5,361	6,125	3,414	2,986	2,991	45,881
9	Lincoln (KMEA)--Metered	1,793	2,011	1,957	1,998	2,147	3,417	3,927	3,668	3,213	2,044	1,740	2,103	30,017
10	Lincoln (KMEA)--Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Subtotal--Lincoln	1,793	2,011	1,957	1,998	2,147	3,417	3,927	3,668	3,213	2,044	1,740	2,103	30,017
12	Russell (KMEA)--Metered	15,475	15,805	15,229	13,593	15,143	22,147	21,338	21,151	20,198	16,076	15,580	15,929	207,663
13	Russell (KMEA)--Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Subtotal--Russell	15,475	15,805	15,229	13,593	15,143	22,147	21,338	21,151	20,198	16,076	15,580	15,929	207,663
15	Holyrood (KPP)	442	469	466	295	390	933	983	853	882	570	597	582	7,460
16	Lucas (KPP)	782	561	801	950	797	1,377	1,411	1,664	1,064	663	837	1,169	12,076
17	Luray (KPP)	204	227	215	166	190	409	416	361	444	270	219	225	3,344
18	KEPCO	4,839	10,066	9,851	9,871	9,069	10,972	11,086	6,416	10,125	7,970	8,327	8,818	107,411
19	Subtotal	26,272	32,171	31,284	28,950	30,356	45,220	44,968	39,473	42,050	31,006	30,286	31,815	413,851
20	Losses @ 1.71% of 34.5 kV Output	449	550	535	495	519	773	769	675	719	530	518	544	7,077
21	Subtotal with Losses (@ Source)	26,721	32,721	31,819	29,445	30,875	45,993	45,737	40,148	42,769	31,536	30,804	32,359	420,928
22														
23	Western Retail													
24	Retail with Losses (@ Source)	34,711	25,897	26,152	22,652	22,835	34,159	33,950	33,270	31,831	24,035	21,389	24,760	335,640
25	Losses @ 1.68% of 34.5 kV Input	584	435	440	381	384	574	571	559	535	404	360	416	5,643
26	Retail @ Delivery Point	34,127	25,462	25,713	22,271	22,451	33,585	33,379	32,711	31,295	23,631	21,029	24,344	329,997
27														
28	Wholesale plus Retail													743,848

<sup>1</sup> Provided by G&T. Mid-Kansas notes that this is a corrected version remedying prior exclusion of Russell load from system total (occurred Jan-May).

<sup>2</sup> With "behind the meter" generation added back in.

**Western Cooperative Electric Association  
Mid-Kansas Service Area  
34.5kV Formula Based Rate  
Work Paper 6a - Summary of Exclusions  
For the Historical Test Year Ending December 31, 2015**

ACCOUNT	DESCRIPTION	Total Amount	Total Adjustment
1.921	OFFICE SUPPLIES & EXPENSES		1,789.74
1.925	LOSS CONTROL & SAFETY		11.96
1.926	EMPLOYEE PENSIONS AND BENEFITS		5,293.13
1.930.1	GENERAL ADVERTISING EXPENSE		8,888.36
1.930.2	MISCELLANEOUS GENERAL EXPENSE		3,125.23
1.930.4	MISC GENERAL EXPENSE-MEETINGS		75.27
1.930.41	MISCELLANEOUS GENERAL EXPENSE-ANNUAL MEETING		3,504.92
1.930.42	MISCELLANEOUS EXPENSE-DIRECTORS		1,793.90
1.930.5	DIRECTORS FEE AND MILEAGE		888.02
		-	<b>25,370.53</b>

Notes:

Western's review of General and Administrative expenses by category:

Employee Benefits:

Meals provided to employees, clothing purchased for promotional reasons, and retirement party expenses and gifts were excluded 100%. Costs associated with short term disability, safety related clothing, and expenses for job-required physicals were not excluded.

Advertising:

Expenses related to company image and general advertising were excluded at 100%, all other advertising related to member safety, legal ads, and meeting announcements were not excluded.

Misc General:

Miscellaneous & General expenses were carefully looked at to the true business expense versus other indirect expenses. Expenses related to travel, software support fees, property taxes, liability insurance, and labor were not excluded. Expenses for meals, subscriptions to publications, and retirement meals were excluded at 100%. Donations and dues that may have been included in this category were excluded at 50%

Dues:

Dues to associated organization were excluded at 50% with the exception of Kansas Electric Cooperative (KEC) monthly assessment due. KEC provides needed service and programs to electric cooperatives for the mutual benefit of its member cooperatives. The dues associated with KEC represent services KEC provides for our cooperative, which include our safety program, OSHA compliance, safety inspections, staff & board training, and administrative functions on a statewide level.

Donations:

50% of all donations were excluded.

Annual Meeting:

Expenses with the publication, balloting, office notice mailings, and expenses with regard to holding the annual meeting were not excluded. However, expenses concerning gifts for members were excluded 100%

Western Cooperative Electric Association  
Mid-Kansas Service Area  
34.5kV Formula Based Rate  
Work Paper 6b - Detail of Exclusions  
For the Historical Test Year Ending December 31, 2015

Exhibit 5  
WP 6b  
Page 1 of 6

Account	Description	Date	Vendor	Reference	Total Amount	Percent Excluded	Total Adjustment
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SEE FILING EXHIBIT 10

**Western Cooperative Electric Association  
Mid-Kansas Service Area  
34.5kV Formula Based Rate  
Work Paper 7 - Annual True-Up Calculation Summary  
Section E.6 of the 34.5kV FBR Protocols  
Not Applicable Per Protocols, Section E.3**

Line No.	I. Calculate Weighted Projected FBR Revenue Requirement				Day in Effect	Wtd. Rev. Req.	Notes/Source		
1	Budget Year	2014	Projected FBR Revenue Requirement	\$ -	x	0 = \$ -	Effective Date of xx/xx/xx L1 + L2		
2	Budget Year	2015	Projected FBR Revenue Requirement	\$ -	x	0 = \$ -			
3						\$ -			
4	II. Compare against Actual Revenue Requirement								
5									
6	Test Year	2015	Actual FBR Revenue Requirement				\$ 1,077,468	WP8a, L13	
7				Annual True-Up Before Interest				\$ -	L6 - L4
8									
9	III. Include Interest for Over or Under-recovery								
10				Applicable Interest Rate				0%	L18 or L19
11									
12				Interest on Annual True-Up Amount				0%	L7 x L10
13				Total				\$ -	L7 + L12
14									
15									
16									
17	Interest Rates								
18				Short term Interest Rate					
19				FERC Quarterly Interest Rate					

**Western Cooperative Electric Association**  
**Mid-Kansas Service Area**  
**34.5kV Formula Based Rate**  
**Work Paper 8a - Actual Revenue Requirement for the True-Up**  
**For the Historical Test Year Ending December 31, 2015**

Not Applicable Per Protocols, Section E.3

(a) Line No	(b) Description	(c) Source	(d) Unadjusted Historical Test Year 2015		(e) Adjustments No. Amount		(f) Adjusted Historical Test Year 2015	(g) Allocation Factor Name Factor		(h) FBR Revenue Requirement
					Source: WP2			Source: WP8b		
1	<b>Operating Expenses</b>									
2	Power Production Expense	WP1, L29, Col ( g )		-			\$ -	0.000000	\$	-
3	Cost of Purchased Power	WP1, L30, Col ( g )	\$	12,925,722			\$12,925,722	0.000000	\$	-
4	Transmission O&M	WP1, L31, Col ( g )	\$	255,384			\$ 255,384	1.000000	\$	255,384
5	Distribution Expense-Operation	WP1, L32, Col ( g )	\$	1,143,872	[1]	\$ -	\$ 1,143,872	DOM	0.000000	\$ -
6	Distribution Expense-Maintenance	WP1, L33, Col ( g )	\$	856,236	[2]	\$ -	\$ 856,236	DOM	0.000000	\$ -
7	Consumer Accounts Expense	WP1, L34, Col ( g )	\$	466,878			\$ 466,878		0.000000	\$ -
8	Customer Service and Informational Expense	WP1, L35, Col ( g )	\$	133,809			\$ 133,809		0.000000	\$ -
9	Sales Expense	WP1, L36, Col ( g )	\$	-			\$ -		0.000000	\$ -
10	Administration & General	WP1, L37, Col ( g )	\$	1,022,456	[3]	\$ (25,371)	\$ 997,085	LAB	0.020486	\$ 20,426
11	<b>Total O&amp;M Expense</b>	Sum (L2:L10)							\$	275,810
12	Depreciation and Amortization								\$	-
13	Transmission	WP1, L40, Col ( d )	\$	240,857			\$ 240,857		1.000000	\$ 240,857
14	General Plant	WP1, L41, Col ( d )	\$	103,485			\$ 103,485	LAB	0.020486	\$ 2,120
15	Property Tax	WP1, L43, Col ( g )	\$	-			\$ -	NP	0.301115	\$ -
16	Other Taxes	WP1, L44, Col ( g )	\$	-			\$ -	NP	0.301115	\$ -
17	L.T. Interest	WP1, L45, Col ( g )	\$	781,589			\$ 781,589	NP	0.301115	\$ 235,348
18	Interest Charged to Construction - Credit	WP1, L46, Col ( g )	\$	-			\$ -	NP	0.301115	\$ -
19	Interest-Other	WP1, L47, Col ( g )	\$	-			\$ -	NP	0.301115	\$ -
20	Other Deductions	WP1, L48, Col ( g )	\$	-	[9]	\$ -	\$ -	NP	0.301115	\$ -
21	<b>Total Cost of Electric Service</b>								\$	<b>754,135</b>
22										
23	<b>Margin Requirement</b>									
24	Principal Payments	WP1, L62, Col ( g )	\$	697,508			\$ 697,508	NP	0.301115	\$ 210,030
25	L.T. Interest	L17	\$	781,589		\$ -	\$ 781,589	NP	0.301115	\$ 235,348
26	Subtotal	Sum (L24:25)							\$	235,348
27	Required Coverage Ratio	WP1, L64, Col ( g )							1.80	1.80
28	Gross Margin Requirements	L26 x L27								423,627
29	Less: Offsets to Margin Requirements	WP8c, L4 or L13, Col ( i )								235,348
30	Net Margin Requirement	L28 - L29								<b>\$ 188,278</b>
31										<b>\$ 323,333</b>
32	<b>Total Revenue Requirements</b>									
33	Using the greater of OTIER or MDSC Margin Requirements	L21 + L30								<b>\$1,077,468</b>

**Western Cooperative Electric Association**  
**Mid-Kansas Service Area**  
**34.5kV Formula Based Rate**  
**Work Paper 8b - Allocation Factors for the True-Up Calculation**  
**For the Historical Test Year Ending December 31, 2014**  
Not Applicable Per Protocols, Section E.3

<b>Line</b>	<b>No.</b>	<b>Description</b>	<b>Source</b>	<b>Allocator</b>	<b>Amount</b>
1		<b>Distribution O&amp;M Allocation Factor</b>			
2		Distr. Plant used to provide Local Access Delivery Service	WP1, L16, Col (c)	\$	-
3		Total Distribution Plant	WP1, L22, Col (c)	\$	18,767,608
4					
5		Allocation Factor	L2 / L3	DOM	-
6					
7		<b>Labor Allocation Factor</b>			
8		Transmission Wages	WP1, L51, Col (d)	\$	18,656
9		Allocated Distribution Wages			
10		Total Distribution Wages	WP1, L52, Col (d)	\$	665,240
11		Allocation Factor	L5	DOM	\$ -
12			L10 * L11	\$	-
13		Total LAC Wages	L8 + L12	\$	18,656
14					
15		Total Wages Other than A&G			
16		Total Wages	WP1, L57, Col (d)	\$	1,274,376
17		Less: Administration & General Wages	WP1, L56, Col (d)		363,674
18			L16 - L17	\$	910,702
19					
20		Transmission Labor Allocator	L13 / L18	LAB	0.020486
21					
22		<b>Net Plant Allocation Factor</b>			
23		Plant-in-Service			
24		Transmission	WP1, L11, Col (c)	\$	10,972,086
25		Distr. used to provide Local Access Service	L2	\$	-
26		General Plant			
27		Total General Plant	WP1, L23, Col (c)	\$	3,905,726
28		Allocation Factor	L20	LAB	0.020486
29			L27 * L28	\$	80,012
30		Total LAC Plant-in-Service	L24 + L25 + L29	\$	11,052,097
31					
32		Accumulated Reserves for Depreciation			
33		Transmission	WP1, L11, Col (d)	\$	5,259,662
34		Distribution Used in LAC	WP1, L16, Col (d)	\$	-
35		Allocated General Plant			
36		Total General Plant	WP1, L23, Col (d)	\$	1,198,172
37		Allocation Factor	L20	LAB	0.020486
38			L36 * L37	\$	24,545
39		Total LAC Accum. Depr. Res.	L33 + L34 + L38	\$	5,284,207
40					
41		Net Plant Used in LAC	L30 - L39	\$	5,767,890
42					
43		Total Plant in Service	WP1, L24, Col (c)	\$	33,645,421
44		Less: Total Accum. Reserves for Depr.	WP1, L24, Col (d)	\$	14,490,306
45		Total Net Plant	L43 - L44	\$	19,155,114
46					
47		Transmission Net Plant Allocator	L41 / L45	NP	0.301115

**Western Cooperative Electric Association**  
**Mid-Kansas Service Area**  
**34.5kV Formula Based Rate**  
**Work Paper 4 - Margin Requirement Offsets**  
**For the Historical Test Year Ending December 31, 2015**

Not Applicable Per Protocols, Section E.3

(a) <b>Line No</b>	(b) <b>Metric</b>	(c) <b>Source</b>	(d) <b>Historical Tot Amount</b>	(g) <b>Allocation Factor Name</b>	(h) <b>Factor</b>	(i) <b>Allocated to FBR</b>
				WP8b		
1	<b>OTIER</b>					
2	LT Interest Expense	Pg.1, L17, Col ( d )	\$ 781,589	NP	0.3011149	\$ 235,348
3	Cash Received from G&T/lenders	WP1, Col (d), L71	\$ -	NP	0.3011149	\$ -
4			<u>\$ 781,589</u>			<u>\$ 235,348</u>
5						
6	<b>MDSC</b>					
7	LT Interest Expense	L2	\$ 781,589	NP	0.3011149	\$ 235,348
8	Depreciation Expense					
9	Transmisison	Pg.1, L13, Col ( d )	\$ 240,857		1.000000	\$ 240,857
10	General Plant	Pg.1, L14, Col ( d )	\$ 103,485	LAB	0.020486	\$ 2,120
11	Non-Operating Margins - Interest	WP1, L70, Col ( d )	\$ -	NP	0.3011149	\$ -
12	Cash Patronage Capital*	L18	\$ 77	NP	0.3011149	\$ 23
13	Resultant Amount	Sum (L7:L10)	<u>\$ 1,126,007</u>			<u>\$ 478,348</u>
14						
15	*Calculate Pat. Cap. (Cash):					
16	Inv. in Assoc. Org. - Patr. Capital - Current Yr.	WP1, L67, Col ( d )	\$ 3,352,683			
17	Inv. in Assoc. Org. - Patr. Capital - Prior Yr.	WP1, L67, Col ( c )	\$ 2,524,933			
18	Generation & Transmission Capital Credits	WP1, L68, Col ( d )	\$ 827,445			
19	Other Capital Cr. and Patronage Dividends	WP1, L69, Col ( d )	\$ 381			
20	Resultant Amount	L17 + L18 + L19 - L16	<u>\$ 77</u>			



**EXHIBIT 6**

Trial Balance  
2013-2015

Mid-Kansas Division

**REDACTED**

**EXHIBIT 7**

Payroll Journal  
2013-2015

Mid-Kansas Division

**REDACTED**

**EXHIBIT 8**

Operating Budget  
2014-2016

Mid-Kansas Division

**REDACTED**

**EXHIBIT 9**

Supplemental Schedules

Mid-Kansas Division

**REDACTED**

**EXHIBIT 10**

Dues, Donations, Charitable Contributions, Promotional Advertising, Penalties  
and Fines, and Entertainment Expenses  
Account Detail  
2015

Mid-Kansas Division

**REDACTED**

## **EXHIBIT 11**

### **Summary Explanation of Material Increase in Cost of Service Items Mid-Kansas Division**

Included with the Prefiled Direct Testimony of D. Lynch

**EXHIBIT 12**

Summary Statement and Documentation  
Supporting Approved Plant Additions

Mid-Kansas Division

**REDACTED**

## **EXHIBIT 13**

### **Narrative on the Inter-Divisional Cost Allocations**



## **EXHIBIT 13**

### **Cost Allocation between Native/Acquired Divisions**

Costs that have a direct causal relationship are expensed to the specific territory (native or acquired). Costs that have an associated benefit to both territories are allocated between our native and acquired service territory based on meter count, or payroll dollar percentage. If the expense is based on meter benefit, then the expense is spread to each territory which is currently 52% to the acquired territory and 48% to the native territory as this is the current meter split between the territories. Our current payroll dollar ratio is calculated on a monthly basis and varies slightly from month to month, but is an average of 52% native and 48% acquired territory expense. Any employee benefit expense that is not automatically prorated by our software is spread according to these percentages. Our payroll software allocates benefits and overheads based on the actual payroll dollar split. Employees report their time by splitting it according to the time spent in service to each portion of the service territory.

**EXHIBIT 14**

**Proposed Tariff Sheets**

Clean and Redline Versions

WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.Schedule: 16-LAC

(Name of Issuing Utility)

Schedule 13-LAC Sheet 1MID-KANSAS SERVICE AREA

Which was filed November 21, 2013

(Territory to which schedule is applicable)

No supplement or separate understanding

shall modify the tariff as shown hereon.

Sheet 1 of 2 Sheets

LOCAL ACCESS DELIVERY SERVICEAVAILABLE

Entire Mid-Kansas Service Area.

APPLICABLE

For delivery to wholesale (sales for resale) customers over Western's 34.5 kV (or other available lower primary voltage) subtransmission/distribution system.

CHARACTER OF SERVICE

Alternating current, 60 cycle, three phase, 34.5 kV or other available lower primary voltage.

MONTHLY RATE

Demand Charge @ \$1.56 per kW.

MONTHLY BILLING DEMAND

When service is provided in association with network service, Monthly Billing Demand shall be defined as the Customer's kilowatt contribution to the Local Access Delivery System maximum hourly demand coincident with Western's monthly Local Access Delivery System peak in the billing month as measured at the low side of the delivery point (the "Actual CP Demand"). Generation that is located behind the meter of a designated network load shall be metered and the amount of generation serving the Customer's network load at the time of Western's monthly Local Access Delivery System peak shall be added to the Customer's Actual CP Demand to determine the Monthly Billing Demand. For other local access service (including, but not limited to, point-to-point transmission service requiring local access service and service reservations), Monthly Billing Demand shall be the greater of the Customer's service request or actual maximum monthly demand.

LOSSES

Real Power Losses are associated with all Local Access Delivery service. The Local Access Delivery customer is responsible for replacing losses associated with all transmission service as calculated by MKEC or paying MKEC for the Real Power Losses at MKEC's wholesale rate. The applicable Real Power Loss factor for the entire Mid-Kansas Service Area is as follows:

LOSS FACTOR

1.71 percent as measured at delivery point.

DELAYED PAYMENT

As per schedule DPC.

Issued \_\_\_\_\_  
Month Day YearEffective \_\_\_\_\_  
Month Day YearBy \_\_\_\_\_  
Signature Title

# THE STATE CORPORATION COMMISSION OF KANSAS

Index No. 24

WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.

Schedule: 16-LAC

(Name of Issuing Utility)

Replacing Schedule 13-LAC Sheet 2  
Which was filed on November 21, 2013

MID-KANSAS SERVICE AREA

(Territory to which schedule is applicable)

No supplement or separate understanding  
shall modify the tariff as shown hereon.

Sheet 2 of 2 Sheets

## TERMS AND CONDITIONS

Service will be rendered under Cooperative's Rules and Regulations as filed with the Kansas Corporation Commission.

Issued \_\_\_\_\_  
Month Day Year

Effective \_\_\_\_\_  
Month Day Year

By \_\_\_\_\_  
Signature Title

WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.

(Name of Issuing Utility)

Schedule: 163-LACSchedule 1309-LAC Sheet 1MID-KANSAS SERVICE AREAWhich was filed November 21 January 14, 20130

(Territory to which schedule is applicable)

No supplement or separate understanding

shall modify the tariff as shown hereon.

Sheet 1 of 2 Sheets

LOCAL ACCESS DELIVERY SERVICEAVAILABLE

Entire Mid-Kansas Service Area.

APPLICABLEFor delivery to wholesale (sales for resale) customers over Western~~MKEC~~'s 34.5 kV (or other available lower primary voltage) subtransmission/distribution system.CHARACTER OF SERVICE

Alternating current, 60 cycle, three phase, 34.5 kV or other available lower primary voltage.

MONTHLY RATEDemand Charge @ \$1.~~5604~~ per kW.MONTHLY BILLING DEMAND

When service is provided in association with network service, Monthly Billing Demand shall be defined as the Customer's kilowatt contribution to the Local Access Delivery System maximum hourly demand coincident with Western's monthly Local Access Delivery System peak in the billing month as measured at the low side of the delivery point (the "Actual CP Demand"). Generation that is located behind the meter of a designated network load shall be metered and the amount of generation serving the Customer's network load at the time of Western's monthly Local Access Delivery System peak shall be added to the Customer's Actual CP Demand to determine the Monthly Billing Demand. For other local access service (including, but not limited to, point-to-point transmission service requiring local access service and service reservations), Monthly Billing Demand shall be the greater of the Customer's service request or actual maximum monthly demand.

LOSSES

Real Power Losses are associated with all Local Access Delivery service. The Local Access Delivery customer is responsible for replacing losses associated with all transmission service as calculated by MKEC or paying MKEC for the Real Power Losses at MKEC's wholesale rate. The applicable Real Power Loss factor for the entire Mid-Kansas Service Area is as follows:

LOSS FACTOR

1.71 percent as measured at delivery point.

DELAYED PAYMENT

As per schedule DPC.

Issued \_\_\_\_\_  
Month Day YearEffective \_\_\_\_\_  
Month Day YearBy \_\_\_\_\_  
Signature Title

WESTERN COOPERATIVE ELECTRIC ASSOCIATION, INC.  
(Name of Issuing Utility)

Schedule: 163-LAC

MID-KANSAS SERVICE AREA  
(Territory to which schedule is applicable)

Replacing Schedule 1309-LAC, Sheet 2  
Which was filed on November 21 January 14, 2013

No supplement or separate understanding  
shall modify the tariff as shown hereon.

Sheet 2 of 2 Sheets

TERMS AND CONDITIONS

Service will be rendered under Cooperative's Rules and Regulations as filed with the Kansas Corporation Commission.

Issued \_\_\_\_\_  
Month Day Year

Effective \_\_\_\_\_  
Month Day Year

By \_\_\_\_\_  
Signature Title