

BEFORE THE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

IN THE MATTER OF THE JOINT APPLICATION ]  
OF MID-KANSAS ELECTRIC COMPANY, LLC, ]  
LANE-SCOTT ELECTRIC COOPERATIVE, INC., ]  
PRAIRIE LAND ELECTRIC COOPERATIVE, INC., ]  
SOUTHERN PIONEER ELECTRIC COMPANY, ]  
VICTORY ELECTRIC COOPERATIVE ]  
ASSOCIATION, INC., WESTERN COOPERATIVE ]  
ELECTRIC ASSOCIATION, INC. AND ]  
WHEATLAND ELECTRIC COOPERATIVE, INC., ]  
JOINT APPLICANTS, FOR AN ORDER ]  
APPROVING THE TRANSFER OF CERTIFICATES ]  
OF CONVENIENCE WITH RESPECT TO ALL OF ]  
MID-KANSAS' RETAIL ELECTRIC ]  
SERVICES AND FOR OTHER RELATED RELIEF. ]

KCC Docket No. 13-MKEE-447-MIS

Received  
on

**MAY 14 2013**

by  
State Corporation Commission  
of Kansas

DIRECT TESTIMONY OF

ANDREA C. CRANE

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

May 14, 2013

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Appendix A – List of Prior Testimonies

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 90 Grove Street, Suite 211,  
4 Ridgefield, Connecticut 06877. (Mailing Address: PO Box 810, Georgetown,  
5 Connecticut 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  
11 several positions of increasing responsibility since I joined The Columbia Group, Inc. in  
12 January 1989. I became President of the firm in 2008.

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 of  
17 1987 to January 1989. From June 1982 to September 1987, I was employed by various  
18 Bell Atlantic (now Verizon) subsidiaries. While at Bell Atlantic, I held assignments in  
19 the Product Management, Treasury, and Regulatory Departments.

20  
21 **Q. Have you previously testified in regulatory proceedings?**

22 A. Yes, since joining The Columbia Group, Inc., I have testified in over 350 regulatory  
23 proceedings in the states of Arizona, Arkansas, Connecticut, Delaware, Hawaii, Kansas,

1 Kentucky, Maryland, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania,  
2 Rhode Island, South Carolina, Vermont, Washington, West Virginia and the District of  
3 Columbia. These proceedings involved electric, gas, water, wastewater, telephone, solid  
4 waste, cable television, and navigation utilities. A list of dockets in which I have filed  
5 testimony since January of 2008 is included in Appendix A.

6

7 **Q. What is your educational background?**

8 A. I received a Master of Business Administration degree, with a concentration in Finance,  
9 from Temple University in Philadelphia, Pennsylvania. My undergraduate degree is a  
10 B.A. in Chemistry from Temple University.

11

12 **II. PURPOSE OF TESTIMONY**

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

14 A. On February 23, 2007, in KCC Docket 06-MKEE-524-RTS ("524 Docket"), the Kansas  
15 Corporation Commission ("KCC" or "Commission") approved the acquisition by Mid-  
16 Kansas Electric Company, LLC ("MKEC" or "Mid-Kansas") of the WestPlains Kansas  
17 ("WPK") electric utility operations of Aquila, Inc. MKEC is a Kansas cooperative utility  
18 that is owned by six Members: Prairie Land Electric Cooperative, Inc. ("Prairie Land"),  
19 Victory Electric Cooperative Association, Inc. ("Victory"), Western Cooperative Electric  
20 Association, Inc. ("Western"), Lane Scott Electric Cooperative, Inc. ("Lane Scott"),  
21 Wheatland Electric Cooperative, Inc. ("Wheatland"), and Southern Pioneer Electric  
22 Company ("Southern Pioneer"). On January 7, 2013, MKEC and its six Members  
23 (collectively "Joint Applicants") filed a Joint Application requesting approval to transfer

1 MKEC's Certificates of Convenience ("Certificates") to the Members. The Columbia  
2 Group, Inc. was engaged by The State of Kansas, Citizens' Utility Ratepayer Board  
3 ("CURB") to review the Joint Application and to provide recommendations to the KCC.  
4

5 **Q. Was CURB's participation in this docket subsequently limited?**

6 A. Yes, it was. The Joint Application requested seven specific approvals from the KCC.  
7 On April 26, 2013, in the Order on Jurisdiction and Standing, the Commission limited  
8 CURB's participation to major issue number seven (7).<sup>1</sup> Issue 7 involves "determining  
9 the process to be followed by the member cooperatives to become or remain exempt from  
10 Commission regulation pursuant to K.S.A. 66-104d after the transfer of the Certificate,  
11 and modifying the Commission's Order in the 524 Docket as necessary to reflect such a  
12 determination."<sup>2</sup> Therefore, my testimony will be limited to recommendations regarding  
13 the process to be followed by the Members to deregulate the former WPK customers in  
14 the event that the KCC approves the transfer of MKEC's Certificates to its Members.  
15

16 **III. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS**

17 **Q. What are your conclusions and recommendations regarding the deregulation  
18 provisions of the 524 Docket?**

19 A. Based on my analysis of the application and other documentation in this case, my  
20 conclusions and recommendations are as follows:

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<sup>1</sup> Counsel for CURB has indicated that CURB's decision not to seek reconsideration or appeal this decision should not be considered as acquiescence or agreement with the Commission's decision to limit CURB's participation. Other factors, including CURB's desire to avoid further unnecessary rate case expense related to the issue raised *sua sponte* by the Commission, led to CURB's decision not to challenge this decision.

<sup>2</sup> Order on Jurisdiction and Standing, ¶ 3, pages 2-3, KCC Docket No. 13-MKEE-447-MIS.

- 1           1.     The provisions of the Stipulation and Agreement in the 524 Docket (“524 S&A”)
 

2                           should be upheld.  Accordingly, if the Certificates are transferred, the former

3                           WPK customers should vote on whether or not to deregulate.
- 4           2.     Requiring a vote on deregulation by the WPK members is not only consistent
 

5                           with the terms of the 524 S&A, but it is also reasonable relative to the past history

6                           of WPK.
- 7           3.     The 524 S&A anticipated the possibility that the Members would offer both
 

8                           regulated and deregulated utility service after the acquisition.
- 9           4.     Denying the former WPK customers a vote on deregulation will have a chilling
 

10                          effect on future settlement agreements.
- 11          5.     The concerns raised by MKEC and its Members regarding the possibility of
 

12                          having the Members operate a partially-deregulated utility are baseless as this is

13                          effectively how the majority of the Members are currently operating.

14  
15  
16  
17

**IV.    DISCUSSION OF THE ISSUES**

18   **Q.    Please provide a brief background of this proceeding.**

19   A.    On November 16, 2005, Aquila, Inc. d/b/a Aquila Networks – WPK and MKEC filed a

20           Joint Application in the 524 Docket for approval to transfer WPK’s Certificates to

21           MKEC. MKEC was formed by five Kansas cooperatives and one corporation, which is

22           wholly-owned by a sixth Kansas cooperative, to purchase the electric utility assets and

23           operations of WPK. The Application included transfer of WPK’s electric generation,

24           transmission, and distribution assets located in Kansas.

1           On February 23, 2007, the Commission Ordered and Approved the terms and  
2           conditions of a Stipulation & Agreement reached by MKEC, WPK, the Commission's  
3           Staff, and the intervening parties, including CURB, authorizing the transfer of WPK's  
4           electric business in Kansas to MKEC. Pursuant to the 524 S&A, the assets and  
5           Certificates were initially transferred to MKEC. MKEC began operation of the WPK  
6           system on April 1, 2007. The generation and transmission services were managed and  
7           operated on MKEC's behalf by Sunflower Electric Power Corporation ("Sunflower"),  
8           through a service agreement with MKEC. Sunflower is a generation and transmission  
9           company that is owned directly or indirectly by the Members of MKEC. The distribution  
10          assets were operated on behalf of MKEC by each Member through Service Agreements  
11          between MKEC and its Members.

12           On July 26, 2007, in Docket No. 08-MKEE-099-MIS, MKEC requested approval  
13          to spin down its distribution assets to its Members. In addition, MKEC proposed to enter  
14          into revised Service Agreements with each Member to provide certain services within the  
15          geographical service territory of each member. The spin-down of the assets was  
16          approved by the KCC on December 21, 2007.

17           On January 7, 2013, in Docket number 13-MKEE-447-MIS, Joint Applicants  
18          filed an application with the Commission seeking the approval of the transfer of the  
19          Certificates for MKEC's retail electric services to its Members. The Joint Application  
20          seeks an Order from the KCC for the following seven items:<sup>3</sup>

- 21          i.       approving the transfer of Mid-Kansas' Certificate(s) to its Members with respect  
22               to all of its local distribution facilities and retail electric utility business and  
23               operations located in the State of Kansas, with Mid-Kansas retaining its certificate  
24               as to its generation and transmission assets and services, and its certificated right  
25               to provide transmission services in its currently designated retail certificated

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<sup>3</sup> Application in KCC Docket No. 13-MKEE-447-MIS, pages 19-20.

- 1 territory and finding the transfers of the Certificate(s) are in the public interest and  
2 approving the same;
- 3
- 4 ii. approving, if required, the Wholesale Requirements Agreement;
- 5
- 6 iii. approving adoption by the Members of all applicable Mid-Kansas retail rates,  
7 rules, and tariffs with respect to the local distribution and retail electric utility  
8 services necessary for operations;
- 9
- 10 iv. approving the Shared Services Agreement, and, to the extent required, approving  
11 the Settlement Agreement;
- 12
- 13 v. approving and finding that the terms of the wholesale services and rates provided  
14 by KEPCo [Kansas Electric Power Cooperative] for the Victory and Prairie Land  
15 load in the to be acquired territory be the same as the terms of the currently  
16 approved wholesale services and rates provided by Mid-Kansas, as may be  
17 modified by Mid-Kansas from time to time, and that the Commission make such  
18 finding and order prior to the transfer of the Certificates of Convenience to  
19 Victory and Prairie Land; provided further, should KEPCo elect in the future to  
20 set terms of wholesale service and rates to Victory and Prairie Land that differ  
21 from the approved Mid-Kansas wholesale terms of service and rates, ordering that  
22 the wholesale terms of service and rates can be modified only after approval by  
23 this Commission;
- 24
- 25 vi. if required, approving the assignment of the Wholesale Requirements Agreements  
26 by and among Mid-Kansas, the Members, KEPCo and Sunflower, as applicable;
- 27
- 28 vii. determining the process to be followed by the Member cooperatives to become or  
29 remain exempt from Commission regulation pursuant to K.S.A. 66-104d after the  
30 transfer of the Certificate, and modifying the Commission's Order in the 524  
31 Docket as necessary to reflect such determination;
- 32

33 In addition, the Joint Applicants requested "other related relief that may be required to  
34 fulfill the intent and purposes of the Application herein."

35 In its Order Setting Procedural Schedule, issued on February 14, 2013, the KCC  
36 requested that the parties file Briefs and Reply Briefs regarding 1) whether or not the  
37 KCC had jurisdiction over the issues that are included in this docket, 2) how each of the  
38 issues affect residential and small business customers, and 3) the extent of CURB's



1 authority to participate in this docket in light of K.S.A. 66-1224.<sup>4</sup> On April 26, 2013, the  
2 KCC issued an Order on Jurisdiction and Standing (“Stage 1 Order”). In the Stage 1  
3 Order, the KCC decided to limit CURB’s participation to issue number seven (7),<sup>5</sup> which  
4 involves determining the process to be followed by the member cooperatives to become  
5 or remain exempt from Commission regulation pursuant to K.S.A. 66-104d after the  
6 transfer of the Certificates. In addition, the KCC found that it did not have jurisdiction  
7 over issues 4-6, which involve a dispute between MKEC and KEPCo regarding the terms  
8 and conditions under which two of the Members will procure generation supply in the  
9 future if the Certificates are transferred to the Members. Accordingly, this proceeding is  
10 now limited to whether the Certificates should be transferred from MKEC to its  
11 Members; whether the current rates, rules, and tariffs for each service territory should be  
12 maintained; whether a Wholesale Requirements Agreement between MKEC and each  
13 Member should be approved; and what process should be used by those cooperatives  
14 seeking to deregulate their WPK customers. My testimony is limited to the last issue,  
15 pursuant to the KCC’s Order on Jurisdiction that limited CURB’s participation in this  
16 case.

17  
18 **Q. Did the signatories to the S&A in the 524 Docket anticipate that the Certificates**  
19 **relating to retail distribution service would eventually be spun-down to the**  
20 **Members?**

21 A. Yes, they did. As stated by Mr. Lowry on page 3 of his testimony in this proceeding,  
22 “[t]he Members expected to transfer the distribution assets and certificated territory for

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<sup>4</sup> K.S.A. 66-1224 states that “Neither the [CURB] Board or the Consumer Counsel shall have the power or authority concerning any action taken by an electric or telephone cooperative with a membership of less than 15,000.”

<sup>5</sup> Order on Jurisdiction and Standing, page 15, April 26, 2013, KCC Docket No. 13-MKEE-447-MIS.

1 retail services from Mid-Kansas to the six individual Members, forming a business  
2 structure mirroring the Sunflower business structure.” Mr. Lowry goes on to state that  
3 “...in the acquisition docket...Mid-Kansas and its Members stipulated and agreed to file  
4 a request to transfer the distribution assets and the certificated territory as soon after the  
5 effective date of the acquisition as reasonably possible.”<sup>6</sup> Thus, it was always anticipated  
6 that retail distribution service would be provided directly by the Members at some point.  
7

8 **Q. When MKEC acquired the WPK customers, were some of its Members already**  
9 **deregulated?**

10 A. Yes, they were. When MKEC acquired the WPK customers pursuant to the Order in the  
11 524 Docket, all of its Members except for Wheatland and Southern Pioneer were  
12 deregulated. At that time, K.S.A. 66-104d permitted cooperative utilities with less than  
13 15,000 customers to exempt themselves from regulation. Thus, Prairie Land, Victory,  
14 Western, and Lane Scott were deregulated. According to the testimony of Mr. L. Earl  
15 Watkins, Jr. in the 524 Docket, once MKEC spun-down all operations to the Members,  
16 “...Victory Electric and Prairie Land Electric would likely become subject to KCC  
17 jurisdiction and only Western Electric and Lane-Scott Electric would meet the conditions  
18 of K.S.A. 66-104d to remain exempt from rate regulation by the Commission.” K.S.A.  
19 66-104d has since been amended to remove the 15,000 customer limitation for exemption  
20 from KCC regulation.  
21

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<sup>6</sup> Testimony of Mr. Lowry, page 4, lines 10-13.

1 **Q. Did the signatories to the S&A in the 524 Docket agree upon a procedure to be used**  
2 **by the Members in the event that the Members sought to exempt the WPK**  
3 **customers from KCC regulation?**

4 A. Yes, they did. Addressing deregulation, the S&A in the 524 Docket states, “[T]he  
5 acquired WPK customers of Lane Scott, Western and any other MKEC members that  
6 may have the ability to choose deregulation must vote to deregulate before allowing  
7 deregulation of Commission jurisdiction over the rates and services to these customers.  
8 The steps required for this process include: a) the WPK customers shall be given full  
9 cooperative membership rights, and b) the deregulation petition and voting process, as set  
10 out in K.S.A. 66-104d, for the acquired WPK customers shall be limited to only the  
11 acquired WPK customers.”<sup>7</sup> Furthermore the 524 Docket Order approving the S&A  
12 states, “The Commission specifically approves provisions in the Agreement that describe  
13 the procedures for acquired WPK customers of Lane Scott, Western and any other  
14 MKEC member with the ability to choose deregulation to vote on the decision to  
15 deregulate.”<sup>8</sup>

16  
17 **Q. Are Joint Applicants seeking to revise the Docket 524 S&A in this case?**

18 A. Yes. In this proceeding, the Joint Applicants are seeking to abandon the requirement that  
19 the WPK customers affirmatively vote for deregulation. Instead, the Joint Applicants  
20 propose that “...upon transfer of the Certificate of Convenience any Member that is  
21 exempt from regulation at the time of the transfer shall remain exempt without further

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<sup>7</sup> Stipulation & Agreement, ¶ 25; January 10, 2007, p.13, KCC Docket No. 06-MKEE-524-ACQ (emphasis added).

<sup>8</sup> Order Adopting Stipulation & Agreement, ¶ 9; February 23, 2007, p.9, KCC Docket No. 06-MKEE-524-ACQ.

1 vote of its customers.”<sup>9</sup> Mr. Lowry goes on to state that [t]he Aquila-WPK customers  
2 would not be harmed by such a result as those customers, if they desire to do so, could  
3 submit a petition of not less than 10% of the members of the cooperative to re-vote on  
4 deregulation. This is in addition to the right of no less than 5% of all the cooperative’s  
5 customers or 3% of the cooperative’s customers from any one rate class being allowed to  
6 require the Commission to investigate the Member’s rates.”<sup>10</sup>

7  
8 **Q. What rationale do the Joint Applicants give for attempting to change this provision**  
9 **of the stipulation?**

10 A. The Joint Applicants state that should the WPK members of an unregulated cooperative  
11 vote to retain regulation by the KCC, then “a situation would arise in which the Member  
12 is certificated by the Commission as exempt but a similar class of retail customers within  
13 a geographic sub-division is not.”<sup>11</sup> In addition, the Company states that K.S.A. 66-104d  
14 “does not contemplate a Member being exempt in part.”<sup>12</sup>

15  
16 **Q. Do you agree that the KCC should eliminate the requirement in the S&A that the**  
17 **WPK customers affirmatively vote to deregulate, as proposed by the Joint**  
18 **Applicants?**

19 A. No I do not, for several reasons. First, the possibility of a Member providing service to  
20 both regulated and deregulated customers was clearly envisioned by the parties to the  
21 S&A, who agreed that WPK customers acquired by a deregulated Member should be

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<sup>9</sup> Testimony of Mr. Lowry, page 24, lines 1-3.

<sup>10</sup> Id., lines 4-7.

<sup>11</sup> Joint Application, ¶ 44.

<sup>12</sup> Id., ¶ 45.

1 given the right to vote on whether to exempt themselves from KCC regulation.  
2 Moreover, eliminating this requirement would be unfair to WPK ratepayers, who up to  
3 this point have had limited opportunity to express their concerns about several  
4 acquisitions that resulted in higher costs and the loss of valuable assets. Third,  
5 eliminating this requirement would constitute a major and material change to the 524  
6 S&A and would make the signatories more reluctant to enter into settlements in the  
7 future. For all these reasons, the Company's proposal should be rejected and the  
8 deregulation provision of the 524 S&A should be enforced.<sup>13</sup>

9  
10 **Q. Was the deregulation provision of the 524 Docket S&A initially proposed by Staff in**  
11 **its Direct Testimony in that case?**

12 **A.** Yes, it was. As stated above, when the 524 Docket S&A was executed, it was envisioned  
13 that two cooperatives, Western and Lane Scott, would meet the statutory provisions of  
14 K.S.A. 66-104d under which a cooperative could exempt itself from regulation. Staff  
15 proposed that customers served by these Members be afforded the right to vote for  
16 deregulation. Moreover, Staff was very clear that voting should be limited to the newly-  
17 acquired customers. As stated by Mr. Holloway in his testimony in the 524 Docket,

18 However, the acquired WPK customers have not been given an opportunity to  
19 participate in a member election for deregulation per K.S.A. 66-104d. To address this  
20 issue, Staff recommends that, as a condition of this acquisition, the Commission should  
21 require that the WPK-acquired customers of both LSEC [Lane Scott Electric  
22 Cooperative] and WCEA [Western Cooperative Electric Association] vote to deregulate,  
23 before allowing deregulation of Commission jurisdiction of rates and services to these  
24 customers.

25  
26 Staff does not propose that current LSEC and WCEA customers be subject to  
27 Commission jurisdiction. Instead, Staff merely recommends that only the acquired

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<sup>13</sup> My testimony does not address legal concerns expressed by the Joint Applicants. Legal issues will be discussed in CURB's Post-Hearing Brief in this case.

1 regulated WPK customers participate in determining if they will subsequently deregulate.  
2 As a point of clarification, current LSEC and WCEA ratepayers would not be subject to  
3 Commission rate jurisdiction. However, the acquired WPK customers should remain  
4 Commission jurisdictional until they alone decide otherwise.  
5

6 To be specific, Staff recommends that for LSEC and WCEA to deregulate their  
7 acquired WPK customers, two things must occur. First the WPK customers should be  
8 given full cooperative membership rights. Second, that the K.S.A. 66-104d deregulation  
9 petition and voting process for the acquired WPK customers would be limited to only the  
10 acquired WPK customers. Staff believes with these provisions the statutory rights of the  
11 acquired WPK customers will be preserved.<sup>14</sup>  
12

13 **Q. Does the situation discussed in Mr. Holloway's testimony, whereby a utility meeting**  
14 **the exemption requirements of K.S.A. 66-104d acquires WPK customers that have**  
15 **not had a chance to vote for deregulation, still apply?**

16 A. Yes, it does. Although in 2009, K.S.A. 66-104d was amended to provide that any  
17 cooperative as defined by K.S.A. 66-104d was eligible to exempt itself from regulation,  
18 this does not change the fact that the acquired WPK customers have not had the  
19 opportunity to vote on deregulation. The situation envisioned in the 524 Docket with  
20 regard to Western and Lane Scott is exactly the situation that now applies to Victory and  
21 Prairie Land as well, i.e., the current customers of the Member are deregulated. Staff  
22 recommended that in this situation, the WPK customers should have the right to vote as  
23 to whether or not they wanted to be exempt from KCC regulation. That provision was  
24 agreed to by all parties, including MKEC and its Members, and became a critical  
25 component of the S&A in the 524 Docket.

26 Consistent with Staff's testimony in the 524 proceeding, the parties agreed that  
27 former WPK customers were entitled to vote on whether the company providing their

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<sup>14</sup> Direct Testimony of Larry Holloway, pp. 24-25, November 22, 2006, 06-MKEE-524-ACQ.

1 electric service should be exempted from regulation. Each of the members agreed.<sup>15</sup>  
2 Moreover, both Staff's testimony and the 524 S&A were very specific that this vote  
3 should be limited to the WPK customers. This provision was a critical component of the  
4 524 S&A. One of the reasons why CURB was a signatory to the S&A was that it  
5 provided this safeguard for the WPK customers. As noted in CURB's Brief on  
6 Jurisdiction and Standing, and as summarized below, these customers are already paying  
7 higher rates because of a series of acquisitions, none of which were voted on by the  
8 customers. Given this history, CURB felt strongly any effort to deregulate should require  
9 a vote by the affected customers, to which Joint Applicants agreed. Now Joint  
10 Applicants are proposing to unilaterally change this critical provision of the 524 S&A by  
11 proposing that no vote should be necessary for the former WPK customers of Members  
12 whose current (native) customers are already deregulated.

13  
14 **Q. Prior to execution of the 524 S&A, did the Members consider the possibility of**  
15 **providing service to both regulated and deregulated customers?**

16 **A.** Yes, they did. In Rebuttal Testimony filed on December 20, 2006 in the 524 Docket,  
17 Earl Steffens stated that "Lane-Scott is not opposed to a single rate structure for the  
18 current Lane-Scott customers and the acquired MKEC customers. Lane-Scott, however,  
19 is not in a position to determine if a single rate structure is feasible for the first rate case  
20 involving the WPK customer's [sic] if Lane-Scott WPK customers have not voted to

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<sup>15</sup> Acknowledgement of the Terms and Conditions of Stipulation and Agreement, March 19, 2007, KCC Docket No. 06-MKEE-524-ACQ.

1 remove themselves from rate regulation.”<sup>16</sup> Similar Rebuttal Testimony was filed by  
2 David Schneider on behalf of Western.<sup>17</sup>

3

4 **Q. Does the fact that additional members have been deregulated since the 524 S&A was**  
5 **signed necessitate a change to the deregulation provision of the agreement?**

6 A. No, it does not. There was always the possibility that the Members could end up serving  
7 both regulated and deregulated utility customers. As noted above, four of the Members  
8 were already deregulated when the 524 S&A was signed. Therefore, the signatories to  
9 the 524 S&A knew that there was the potential that some deregulated Members might  
10 need to provide regulated utility service in the event that the WPK customers did not vote  
11 to deregulate. The Members clearly agreed to this provision. In fact, on March 19, 2007,  
12 the Members made a filing with the KCC specifically agreeing to be bound by the terms  
13 and conditions included in the 524 S&A. The fact that the 15,000 customer limitation in  
14 K.S.A. 66-104d has since been eliminated should have no bearing on the exercise of the  
15 deregulation provision, which anticipated the possibility of deregulated Members  
16 providing regulated utility service to the acquired customers.

17

18 **Q. Are there difficulties from an operational perspective of providing service to both**  
19 **regulated and non-regulated customers?**

20 A. No, in fact, four of the five cooperatives effectively are already providing both regulated  
21 and non-regulated utility services. Moreover, in some cases, there are other non-  
22 regulated services (in addition to the provision of service to utility customers) that are

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<sup>16</sup> Rebuttal Testimony of Earl Steffens, p. 3, December 21, 2006, KCC Docket No. 06-MKEE-524-ACQ.

<sup>17</sup> Rebuttal Testimony of David Schneider, p. 3, December 21, 2006, KCC Docket No. 06-MKEE-524-ACQ.



1 being provided by the Members. The fact that Members have been providing service on  
2 both a regulated and non-regulated basis has apparently not hampered the ability of the  
3 Members to provide utility service to the WPK customers or to allocate costs between  
4 regulated and deregulated services. Although technically the cooperatives do not hold  
5 the WPK Certificates, they have repeatedly argued that from a practical perspective they  
6 are already providing service to the WPK customers, as acknowledged by Mr. Lowry on  
7 page 6, lines 19-22 of his testimony where he states that "...since the acquisition, the  
8 Members have essentially been providing the retail services within the certificated  
9 service territory under the Electric Customer Service Agreement." So from an  
10 operational perspective, there is nothing that would need to change in order for the  
11 Members to continue to provide service to both regulated and non-regulated customers  
12 should the WPK customers vote to retain KCC jurisdiction.

13  
14 **Q. What is the basis for your statement that the WPK customers have had little**  
15 **opportunity to express their concerns regarding acquisition and that such**  
16 **acquisitions have resulted in higher rates?**

17 **A.** A review of the history of the WPK service territory indicates that over the past 22 years,  
18 the WPK retail customers have been sold twice, for a total acquisition premium of over  
19 \$100 million. In neither of these sales did the WPK customers have direct input into the  
20 acquisition or the resulting utility rates. In addition, these acquisitions not only resulted  
21 in acquisition premiums that are now being recovered from ratepayers, but they also  
22 resulted in the loss of valuable generation facilities that will need to eventually be  
23 replaced at higher costs.

24

1 **Q. Can you provide a brief history of this service territory?**

2 A. Yes, this service territory was originally served by Centel Corporation (“Centel”). At  
3 that time, Centel also owned an 8% undivided interest in the Jeffery Energy Center  
4 (“JEC”) generation facility. On September 18, 1991, the KCC approved the acquisition  
5 of the Centel assets and customers by Utilicorp United, later known as Aquila or WPK.<sup>18</sup>  
6 As part of the transaction, Centel also sold its interest in JEC to a financing entity for  
7 \$114.6 million, substantially higher than the net book value of \$58.6 million, which then  
8 leased the property back to WPK to supply power to its customers. Therefore, instead of  
9 outright ownership of a \$58.6 million coal plant supplying power for the WPK  
10 customers, WPK was now supplied the same power under a 27-year lease, with a price  
11 designed to recover \$114.6 million, plus interest. WPK retained a right to repurchase its  
12 JEC interest at the end of the lease.

13 WPK sought to recover the full lease payment, including the acquisition premium  
14 of \$56 million related to the lease, from its customers. Staff calculated that about \$5  
15 million of the annual JEC lease payment related to the \$56 million acquisition premium.  
16 The KCC ultimately permitted WPK to charge customers \$2.35 million of the annual  
17 acquisition premium<sup>19</sup> of \$5 million through the JEC lease. WPK's customers were now  
18 paying for the power plant they used to own, plus an additional \$2.35 million per year  
19 simply as a result of being sold.

20 In the 524 Docket, the KCC approved the acquisition of WPK by MKEC, at a  
21 price that included an estimated \$45.5 million acquisition premium.<sup>20</sup> Since the purchase  
22 price, including the acquisition premium, was financed by the Members through debt,

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<sup>18</sup> Order and Certificate, September 18, 1991, KCC Docket No. 175,456-U, 91-UCUE-226-MER.

<sup>19</sup> See, Order on Application No. 10, January 19, 2000, ¶ 25, KCC Docket No. 99-WPEE-818-RTS.

<sup>20</sup> See, Order Adopting Stipulation and Agreement, February 23, 2007, KCC Docket No. 06-MKEE-524-ACQ.

1 this acquisition premium is being paid for by the WPK customers through their debt  
2 service costs, including the margins on debt service that are approved by the KCC. In  
3 addition, as a result of the Docket 524 transaction, WPK customers are also now paying  
4 the full \$56 million acquisition premium in generation rates from the Centel/WPK  
5 transaction, in addition to the \$45 million acquisition premium in distribution rates  
6 resulting from the 524 Docket.

7 In addition, Westar Energy, Inc. exercised a right of refusal over the transfer of  
8 the JEC lease from WPK to MKEC. At the end of the lease term, ownership of the 8%  
9 JEC interest now reverts to Westar Energy, and not back to the MKEC customers that  
10 originally owned the JEC generation.

11 Accordingly, MKEC customers could be paying rates that are nearly \$100 million  
12 higher (between \$5-\$10 million in annual amortization) simply because they were sold  
13 twice and they have lost the value of the 8% JEC interest they once owned. And since  
14 this power will have to be replaced at the end of the JEC lease term, MKEC customer  
15 rates will likely increase again to acquire additional generation. There were no customer  
16 votes before either of these acquisitions so WPK customers have had no direct input into  
17 these transactions.

18  
19 **Q. Do the Joint Applicants now claim that the WPK system was not properly**  
20 **maintained prior to the acquisition by MKEC?**

21 **A.** Yes, they do. After claiming that the acquisition premium paid for the WPK assets was  
22 reasonable at the time of the acquisition, MKEC and the Members now claim that the  
23 acquired system was not well maintained by Aquila/WPK and is in need of significant

1 upgrades. So not only are WPK customers paying rates that include recovery of a \$45  
2 million acquisition premium associated with purchase by MKEC, they are also being  
3 asked to pay higher rates due to incremental debt needed to upgrade the acquired system.  
4 Accordingly, the WPK customers have now been sold twice, for a combined acquisition  
5 premium of \$100 million, have lost ownership of a valuable generation asset, and are  
6 facing still higher debt service costs due to the poor condition of the distribution assets.  
7 At no time have the customers themselves been given the opportunity to vote on their  
8 own destiny. The deregulation provision of the 524 S&A was one safeguard that was  
9 agreed to by the parties, including MKEC and its Members, for the former WPK  
10 customers. That safeguard should not now be unilaterally eliminated by the Joint  
11 Applicants.

12 MKEC and its Members (native cooperatives) are being held harmless for their  
13 decision to pay a premium for a system that they now claim was not well-maintained and  
14 requires significant upgrades. If the WPK system had been purchased by an investor-  
15 owned utility, the Commission would have the option to hold the shareholders  
16 responsible for the decision to pay a hefty acquisition premium for a system requiring  
17 substantial upgrades. Instead, without ever getting a vote, the former WPK customers are  
18 being held responsible for the decision made by MKEC and its Members to pay an  
19 acquisition premium for a poorly-maintained system. In fact, MKEC and its Members  
20 expect these customers to pay twice – once for an acquisition premium and once for  
21 upgrading the system to acceptable standards. At the very least the former WPK  
22 customers deserve the safeguard negotiated by CURB and Staff on their behalf to vote on

1 whether the company providing their electric service should remain regulated or be  
2 exempted from Commission regulation.

3  
4 **Q. Doesn't the provision that 10% of the customers of a Member can petition to re-vote  
5 on deregulation provide adequate safeguards?**

6 A. No, it does not. Mr. Lowry states that WPK customers would be not harmed by the  
7 proposed change to the 524 S&A because 10% of the customers of a Member can  
8 petition to re-vote on deregulation.<sup>21</sup> In addition, he states that the KCC can also  
9 investigate a Member's rates if 5% of a cooperative's customers or 3% of the customers  
10 of a rate class petition the KCC.<sup>22</sup> However, these provisions pertain to the entire  
11 membership of the Member, and not just to the WPK customers. Since these provisions  
12 pertain to the entire membership, the result is a much higher threshold for action than the  
13 voting requirement provision reflected in the 524 S&A. Therefore, these provisions do  
14 not provide the WPK customers with the same level of protection and customer  
15 safeguards contained in the 524 S&A.

16 In addition, in a recent Report and Recommendation filed in a K.S.A. 66-  
17 104d(g)(1) filing, Commission Staff contends that the level of scrutiny required by an  
18 investigation under K.S.A. 66-104d(g) to determine whether a cooperative's rates are  
19 unjust, unreasonable, unjustly discriminatory or unduly preferential is not the same as an  
20 undertaking to set rates that are just and reasonable.<sup>23</sup> If Staff's contention is adopted by the  
21 Commission, then the ability of 5% of a cooperative's customers or 3% of the customers

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<sup>21</sup> Testimony of Mr. Lowry, page 24, lines 4-7.

<sup>22</sup> Id., lines 7-10.

<sup>23</sup> "It is Staff's contention that a review of a cooperative's rates to determine if they are unjust or unreasonable is not the same as an undertaking to set rates that are just and reasonable." Notice of Filing of Staff's Report and Recommendation, April 19, 2013, Attachment A, p. 2, KCC Docket No. 13-LYCE-514-MIS.

1 of a rate class to petition the KCC for an investigation of the cooperative's rates does not  
2 provide the same level of safeguards to customers that rate regulation provides.

3  
4 **Q. Why do you believe that changing the deregulation provision of the 524 S&A will**  
5 **have a chilling effect on future settlement agreements?**

6 A. Settlement agreements generally involve significant negotiations and a high level of give  
7 and take by all parties. Parties must evaluate the individual provisions of a settlement  
8 agreement in order to determine if the overall settlement is reasonable. Moreover, in  
9 testifying that a settlement is reasonable and in the public interest, the parties must be  
10 able to anticipate the impact of a settlement on utility ratepayers in Kansas. Parties to a  
11 settlement agreement have the right to assume that the provisions of any settlement  
12 agreement will be upheld by the other signatories, especially once a settlement agreement  
13 is approved by the KCC. If the parties believe that an important provision of a settlement  
14 agreement can be unilaterally modified, then parties are much less likely to enter into  
15 such agreements. In order to protect the integrity of the settlement process, the KCC  
16 should strive to uphold the provisions of previously-approved settlements.

17 It is also reasonable for parties to expect some level of Commission integrity with  
18 respect to prior orders. Parties to settlements approved by the Commission should have  
19 some ability to assume that subsequent Commissions will uphold prior Commission  
20 decisions approving clear and unambiguous settlement provisions. Parties will have no  
21 reason to settle if they cannot expect a future Commission to uphold prior Commission  
22 decisions approving negotiated settlement terms and conditions. Abrogating an isolated  
23 term negotiated in a comprehensive settlement is patently unfair - one could reasonably

1           argue that the abrogation of the former WPK customer's right to vote whether to  
2           deregulate should be offset by abrogation of another negotiated term, such as the  
3           approval of the significant acquisition premium which former WPK customers have paid  
4           for in TIER- and DSC-based rates.

5

6   **Q.   Please summarize your recommendation in this case.**

7   A.   If the Certificates are transferred from MKEC to its Members, the KCC should enforce  
8           the provisions of the 524 S&A that require a vote prior to deregulation of service  
9           provided to the former WPK customers. The 524 S&A clearly envisioned a situation  
10          whereby a Member was providing both regulated and non-regulated utility service.  
11          Moreover, the S&A was very clear that the WPK customers should not be deregulated  
12          until those customers were given the opportunity to vote on deregulation. Any process  
13          that eliminates a vote by the WPK customers or requires a vote by the full customer base  
14          of the Members weakens the safeguards provided for in the 524 S&A. Permitting Joint  
15          Applicants to abrogate this provision would not only be unfair to WPK ratepayers but  
16          would also have a detrimental effect on future settlement agreements.

17

18   **Q.   Does this complete your testimony?**

19   A.   Yes, it does.

VERIFICATION

STATE OF CONNECTICUT )

COUNTY OF FAIRFIELD )

ss: RIDGEFIELD

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 9<sup>th</sup> day of May, 2013.

Notary Public Barbara C. Serfilippi

My Commission Expires: 5/31/2015

**BARBARA C. SERFILIPPI**  
**NOTARY PUBLIC**  
**MY COMMISSION EXPIRES MAY 31, 2015**



## **APPENDIX A**

### **List of Testimonies Filed Since January 2008**

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Mid-Kansas Electric Company	E	Kansas	13-MKEE-447-MIS	5/13	Transfer of Certificate Regulatory Policy	Citizens' Utility Ratepayer Board
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	13-MKEE-452-MIS	5/13	Formula Rates	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	12-450F	3/13	Gas Sales Rates	Attorney General
Public Service Electric and Gas Co.	E	New Jersey	EO12080721	1/13	Solar 4All - Extension Program	Division of Rate Counsel
Public Service Electric and Gas Co.	E	New Jersey	EO12080726	1/13	Solar Loan III Program	Division of Rate Counsel
Lane Scott Electric Cooperative	E	Kansas	12-MKEE-410-RTS	11/12	Acquisition Premium Policy Issues	Citizens' Utility Ratepayer Board
Kansas Gas Service	G	Kansas	12-KGSG-835-RTS	9/12	Revenue Requirements	Citizens' Utility Ratepayer Board
Kansas City Power and Light Company	E	Kansas	12-KCPE-764-RTS	8/12	Revenue Requirements	Citizens' Utility Ratepayer Board
Woonsocket Water Division	W	Rhode Island	4320	7/12	Revenue Requirements	Division of Public Utilities and Carriers
Atmos Energy Company	G	Kansas	12-ATMG-564-RTS	6/12	Revenue Requirements	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	11-258	5/12	Cost of Capital	Division of the Public Advocate
Mid-Kansas Electric Company (Western)	E	Kansas	12-MKEE-491-RTS	5/12	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Atlantic City Electric Company	E	New Jersey	ER11080469	4/12	Revenue Requirements	Division of Rate Counsel
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	12-MKEE-380-RTS	4/12	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	11-381F	2/12	Gas Cost Rates	Division of the Public Advocate
Atlantic City Electric Company	E	New Jersey	EO11110650	2/12	Infrastructure Investment Program (IIP-2)	Division of Rate Counsel
Chesapeake Utilities Corporation	G	Delaware	11-384F	2/12	Gas Service Rates	Division of the Public Advocate
New Jersey American Water Co.	WWW	New Jersey	WR11070460	1/12	Consolidated Income Taxes Cash Working Capital	Division of Rate Counsel
Westar Energy, Inc.	E	Kansas	12-WSEE-112-RTS	1/12	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Puget Sound Energy, Inc.	E/G	Washington	UE-111048 UG-111049	12/11	Conservation Incentive Program and Others	Public Counsel
Puget Sound Energy, Inc.	G	Washington	UG-110723	10/11	Pipeline Replacement Tracker	Public Counsel
Empire District Electric Company	E	Kansas	11-EPDE-856-RTS	10/11	Revenue Requirements	Citizens' Utility Ratepayer Board
Comcast Cable	C	New Jersey	CR11030116-117	9/11	Forms 1240 and 1205	Division of Rate Counsel
Artesian Water Company	W	Delaware	11-207	9/11	Revenue Requirements Cost of Capital	Division of the Public Advocate

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Mid-Kansas Electric Company	E	Kansas	13-MKEE-447-MIS	5/13	Transfer of Certificate Regulatory Policy	Citizens' Utility Ratepayer Board
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	13-MKEE-452-MIS	5/13	Formula Rates	Citizens' Utility Ratepayer Board
Kansas City Power & Light Company	E	Kansas	10-KCPE-415-RTS (Remand)	7/11	Rate Case Costs	Citizens' Utility Ratepayer Board
Midwest Energy, Inc.	G	Kansas	11-MDWE-609-RTS	7/11	Revenue Requirements	Citizens' Utility Ratepayer Board
Kansas City Power & Light Company	E	Kansas	11-KCPE-581-PRE	6/11	Pre-Determination of Ratemaking Principles	Citizens' Utility Ratepayer Board
United Water Delaware, Inc.	W	Delaware	10-421	5/11	Revenue Requirements Cost of Capital	Division of the Public Advocate
Mid-Kansas Electric Company	E	Kansas	11-MKEE-439-RTS	4/11	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
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

The Columbia Group, Inc., Testimonies of Andrea C. Crane

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Mid-Kansas Electric Company	E	Kansas	13-MKEE-447-MIS	5/13	Transfer of Certificate Regulatory Policy	Citizens' Utility Ratepayer Board
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	13-MKEE-452-MIS	5/13	Formula Rates	Citizens' Utility Ratepayer Board
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
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.	WWW	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

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Mid-Kansas Electric Company	E	Kansas	13-MKEE-447-MIS	5/13	Transfer of Certificate Regulatory Policy	Citizens' Utility Ratepayer Board
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	13-MKEE-452-MIS	5/13	Formula Rates	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
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

## CERTIFICATE OF SERVICE

13-MKKEE-447-MIS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 14<sup>th</sup> day of May, 2013, to the following parties who have waived receipt of follow-up hard copies:

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