



December 21, 2018

Jay Emler
Chairman
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, Kansas 66604

**RE: Prairie Land Cooperative, Inc.
 Property Tax Surcharge Annual True-Up**

19-PLCE-245-TAR

Dear Mr. Emler,

On January 27, 2013, pursuant to K.S.A. 66-117(f), which allows collection of increases in ad valorem taxes for Kansas public utilities, Kansas Corporation Commission ("KCC", "Commission") issued an order in Docket No. 14-MKEE-084-TAR ("14-084 Docket") granting Application for Approval of Property Tax Surcharge ("PTS") for Mid-Kansas Electric Company, LLC ("MKEC") for the geographic service territory served by Prairie Land Electric Cooperative ("Prairie Land"), one of the MKEC's member-owners. The January 27, 2013 Order in the 14-084 Docket included the provision for the PTS rider annual true-ups to be filed in December of each calendar year. On November 21, 2013, KCC approved the transfer of the Mid-Kansas retail certificates of convenience to Mid-Kansas' individual member-owners (Docket No. 13-MKEE-447-MIS). Subsequently, Prairie Land submitted the first annual PTS rider true-up for its MKEC division directly in December of 2013 under the Docket No. 14-PLCE-312-TAR ("14-312 Docket").

Similarly, pursuant to K.S.A. 66-117(f) and the Commission Order in 14-084 Docket, Prairie Land is now filing its sixth required annual PTS rider true-up. This filing includes work papers supporting the local access (LAC) true-up to the \$57,387 approved by the Commission for recovery via the property tax surcharge in 18-PLCE-269-TAR Docket. The true-up consists of the (1) difference between the new 2018 property tax level (where the Company-wide ad valorem tax assessment is allocated to the Prairie Land's MKEC division based on the apportionment by county) and the property tax amount already embedded in the base rates per Prairie Land last rate case in Docket No. 09-MKEE-969-RTS; and (2) under-recovered amount carrying over from the 2018 calendar year as compared to the property tax amount approved in 18-269 Docket. Additionally, attached work papers contain the calculations showing the resultant 2019 proposed per unit PTS rates for Prairie Land's retail and the Third Party local access ("LAC") customers as reflected in the enclosed Prairie Land's revised Property Tax Surcharge tariff. Please note

that the Commission approved Prairie Land's deregulation under K.S.A. 66-104d in Docket No. 14-PLCE-466-DRG. Therefore, the retail PTS calculation is shown merely for the informational purposes, whereas the PTS rate for the wholesale LAC customers remains KCC-jurisdictional per subsection (f) of K.S.A. 66-104d.

Prairie Land respectfully requests the Commission's approval of this filing. Please do not hesitate to contact me at (785) 877-3323 or at kgirard@ple.coop with any questions you may have regarding this filing.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk A. Girard", with a large, stylized loop at the end.

Kirk A. Girard
Director of Finance

cc: Allan Miller
Charles Look

EXHIBIT 1
Prairie Land Electric Cooperative
Property Tax Surcharge Adjustment - MKEC Division
Summary and Surcharge Calculation

Total Amount

	Property Tax Levied in 2018 --see Exhibit 2	\$	1,307,463
Subtract:	Property Tax Included in Base Rates (09-MKEE-969-RTS)	\$	735,710
	Difference	\$	571,753
	Portion Due From Retail ¹	0.89	\$ 508,860
Add:	Under/(Over)-Recovery from 2018 - see Exhibit 3		\$ (11,256)
	Total Amount to be Recovered in 2019 Surcharge Adjustment		<u>\$ 497,603</u> ²
	Portion Due From Third Party LAC ¹	0.11	\$ 62,893
Add:	Under/(Over)-Recovery from 2018 - see Exhibit 4		\$ (2,190)
	Total Amount to be Recovered in 2019 Surcharge Adjustment		<u>\$ 60,703</u>

Sales

2018 kWh Retail Sales - see Exhibit 3	278,181,325 kWh
2018 kW 3rd Party LAC - see Exhibit 4	371,441 kW

Proposed Per Unit Surcharge Calculations

Retail per kWh Surcharge ²	\$ 0.00179 /kWh
3rd Party LAC per kW Surcharge	\$ 0.16342 /kW

¹ For calculation of the allocators, see Prairie Land - MKEC Division Exhibit 3 in the Application under the 14-MKEE-084-TAR Docket.

² Prairie Land is deregulated for rates to its members (retail) under K.S.A. 66-104d, see Docket No. 14-PLCE-466-DRG.

Exhibit 2
2018 PROPERTY TAX

	1ST HALF	2ND HALF	2018
CHEYENNE	\$79,688.24	\$79,688.24	\$159,376.48
CLAY	\$3,555.31	\$3,548.03	\$7,103.34
CLOUD	\$154,697.49	\$154,697.49	\$309,394.98
DECATUR	\$80,738.22	\$80,735.23	\$161,473.45
GRAHAM	\$67,718.80	\$67,718.80	\$135,437.60
JEWELL	\$47,697.81	\$47,680.40	\$95,378.21
MITCHELL	\$34,422.60	\$34,417.91	\$68,840.51
NORTON	\$187,864.90	\$187,864.90	\$375,729.80
OSBORNE	\$33,351.47	\$33,351.47	\$66,702.94
PHILLIPS	\$191,792.65	\$191,789.01	\$383,581.66
RAWLINS	\$59,707.26	\$59,707.15	\$119,414.41
REPUBLIC	\$60,209.38	\$60,209.14	\$120,418.52
ROOKS	\$80,494.18	\$80,489.26	\$160,983.44
SHERIDAN	\$15,455.45	\$15,454.28	\$30,909.73
SHERMAN	\$258.17	\$258.17	\$516.34
SMITH	\$85,612.67	\$85,609.42	\$171,222.09
THOMAS	\$88.31	\$88.31	\$176.62
WASHINGTON	\$58,182.27	\$58,170.90	\$116,353.17
	\$1,241,535.18	\$1,241,478.11	\$2,483,013.29

Tax Statements Received	Allocations to Divisions By County Tax Jurisdiction	PLE-Native	PLE-MKEC	Total Actual 2018
		1,175,551	1,307,463	2,483,013

Exhibit 3
Prairie Land Electric Cooperative - UPDATED
Property Tax Surcharge Adjustment - MKEC Division
2018 Recovery Tracking -Retail ¹

Mo/Yr	Sales kWh ²	2018 Property Tax Surcharge Recovery ²	2018 Property Tax Surcharge Rate(s) ³	Accumulated Under/(Over) Recovery ⁴	Calculated Property Tax Surcharge
				\$ 503,263.00	
Jan-18	24,152,225	\$ 44,903.87	0.001860	\$ 458,359.13	\$ 44,923.14
Feb-18	21,711,406	\$ 40,364.61	0.001860	\$ 417,994.52	\$ 40,383.22
Mar-18	20,582,850	\$ 38,266.53	0.001860	\$ 379,727.99	\$ 38,284.10
Apr-18	19,423,333	\$ 36,109.27	0.001860	\$ 343,618.72	\$ 36,127.40
May-18	21,847,594	\$ 40,618.73	0.001860	\$ 302,999.99	\$ 40,636.52
Jun-18	26,567,579	\$ 49,399.53	0.001860	\$ 253,600.46	\$ 49,415.70
Jul-18	28,988,803	\$ 53,902.09	0.001860	\$ 199,698.37	\$ 53,919.17
Aug-18	25,738,117	\$ 47,585.58	0.001860	\$ 152,112.79	\$ 47,872.90
Sep-18	22,041,162	\$ 40,978.82	0.001860	\$ 111,133.97	\$ 40,996.56
Oct-18	20,914,710	\$ 36,451.29	0.001860	\$ 74,682.68	\$ 38,901.36
Nov-18	22,575,091	\$ 41,971.53	0.001860	\$ 32,711.15	\$ 41,989.67
Dec-18	23,638,455	\$ 43,967.53	0.001860	\$ (11,256.38)	\$ 43,967.53
Totals	<u>278,181,325</u>	\$ 514,519.38		<u>\$ (11,256.38)</u>	\$ 517,417.26

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¹ Informational only - Prairie Land is deregulated for rates to its members (retail) under K.S.A. 66-104d, see Docket No. 14-PLCE-466-DRG.

² December 2018 actual data is not available at this time, December is based on 2017 estimated values.

³ Order approving Ad Valorem Tax Surcharge Rider in the last annual update file in Docket 17-PLCE-311-TAR was issued January 25, 2018, with the corresponding new rates effective February 1, 2018.

⁴ Compared to the total PTS amount shown for recovery from retail customers in 18-PLCE-269-TAR.

Exhibit 4 - UPDATED
Prairie Land Electric Cooperative
Property Tax Surcharge Adjustment - MKEC Division
2018 Recovery Tracking - LAC

Mo/Yr	Demand KW ¹	2018 Property Tax Surcharge Recovery ¹	2018 Property Tax Surcharge Rate(s) ²	Accumulated Under/(Over) Recovery ³	Calculated Property Tax Surcharge
				57,387.00	
Jan-18	30,623	5,737.50	0.18437	51,649.50	5,646.00
Feb-18	24,719	3,944.51	0.15688	47,705.00	3,877.87
Mar-18	21,199	3,386.49	0.15688	44,318.50	3,325.77
Apr-18	23,654	3,773.36	0.15688	40,545.15	3,710.82
May-18	33,939	5,466.13	0.15688	35,079.02	5,324.32
Jun-18	37,849	6,090.91	0.15688	28,988.11	5,937.80
Jul-18	40,423	6,341.59	0.15688	22,646.51	6,341.57
Aug-18	35,160	5,556.96	0.15688	17,089.55	5,515.84
Sep-18	36,064	5,648.27	0.15688	11,441.29	5,657.71
Oct-18	27,644	4,274.64	0.15688	7,166.65	4,336.79
Nov-18	28,166	4,336.39	0.15688	2,830.26	4,418.72
Dec-18	32,001	5,020.32	0.15688	(2,190.05)	5,020.32
Totals	371,441	59,577.05		(2,190.05)	59,113.53

¹ December 2018 actual data is unavailable. Based on December 2017 demand (kW) values from 17-PLCE-274-TAR Docket taking into account two FRC actual CP demand charges for De

² From 16-PLCE-311-TAR Dockets. Order approving Ad Valorem Tax Surcharge Rider in the last annual update filed in Docket 18-PLCE-269-TAR was issued January 25, 2018, with the corresponding new rates applied beginning with February 1, 2018. Hence, for January 2018, the 17-PLCE-311-TAR rates still applied.

³ Compared to the total PTS amount approved for recovery from Third Party LAC customers in 18-PLCE-269-TAR.